



This is the 1st affidavit
of Wen Yong Wang in this case
and was made on 22/Jan/2024

No. **S-240493**
Vancouver Registry

In the Supreme Court of British Columbia

Between

FOX ISLAND DEVELOPMENT LTD. and ADVANCED VENTURE
HOLDING CO., LTD.

Petitioners

and

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (formerly
known as 34083 YUKON INC.), KENSINGTON UNION BAY
PROPERTIES LIMITED PARTNERSHIP, KENSINGTON UNION
BAY PROPERTIES GP LTD, INTERNATIONAL TRADE CENTER
PROPERTIES LTD., SUNWINS ENTERPRISE LTD., MO YEUNG
CHING also known as MICHAEL CHING, MO YEUNG
PROPERTIES LTD., SFT DIGITAL HOLDINGS 30 LTD., HOTEL
VERSANTE LTD., GULF AND FRASER FISHERMEN'S CREDIT
UNION, GULF AND FRASER FISHERMEN'S CREDIT UNION
(RICHMOND CENTRE BRANCH), MORTEQ LENDING CORP.,
CHUN YU LIU, 1307510 B.C. LTD., JEFF RAUCH, and HEUNG KEI
SUNG

Respondents

AFFIDAVIT

I, WEN YONG WANG, of 1800 – 510 West Georgia Street, in the City of Vancouver, in the
Province of British Columbia, Businessperson, AFFIRM AS FOLLOWS:

1. I am the Director of the petitioner, Fox Island Development Ltd. ("**Fox Island**"), and have
primary responsibility for the administration of the loans owing to Fox Island and Advanced
Venture Holding Co., Ltd. ("**Advanced Venture**"; together with Fox Island, the "**Lenders**" or
the "**Petitioners**") that are secured by the mortgages and the other security which are the
subject of this foreclosure proceeding. As such I have personal knowledge of the facts and

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matters hereinafter deposed to save and except where the same are stated to be based on information and belief, and where so stated I verily believe them to be true.

2. I am authorized by the Petitioners to make this Affidavit in support of an application by the Petitioners for an Order Nisi of Foreclosure.
3. I have read the Petition and the facts stated therein are true.
4. I know of no fact which would constitute a defence to the petitioner's claim or any part of the petitioner's claim.
5. Attached hereto and marked as **Exhibit "A"** to my Affidavit is a true copy of a Senior B Loan Agreement made between the Loan B Borrowers, Loan B Guarantors (as defined below), and the Petitioners as lenders dated June 14, 2021 as amended by the First Amending Agreement dated for reference March 7, 2022 and the Second Amending Agreement dated for reference September 7, 2022, referred to in the Petition as the "Loan B Agreement".
6. Attached hereto and marked as **Exhibit "B"** to my Affidavit is a true copy of a mortgage and assignment of rents between International Trade Center Properties Ltd. ("**ITC**") and Kensington Union Bay Properties Nominee Ltd. (formerly known as 34083 Yukon Inc.) ("**UB Nominee**") as borrowers/mortgagors and the Petitioners as lenders dated for reference September 28, 2021, which was registered in the Victoria Land Title Office on September 29, 2021 under Nos. CA9394748 and CA9394749, referred to in the Petition as the "Original Loan B Mortgage".
7. Attached hereto and marked as **Exhibit "C"** to my Affidavit is a true copy of the modification of mortgage granted by ITC and UB Nominee dated for reference March 7, 2022 registered under Victoria Land Title Office number CB334946 on November 14, 2022 and extension of mortgage and assignment of rents and modification of mortgage granted by ITC and UB Nominee dated for reference September 7, 2022 registered under Victoria Land Title Office number CB379003 on December 8, 2022, referred to in the Petition as the "Loan B Mortgage Modifications".
8. Attached hereto and marked as **Exhibit "D"** to my Affidavit is a true copy of a General Security Agreement between ITC, UB Nominee, Kensington Union Bay Properties Limited Partnership ("**UB LP**"), Kensington Union Bay Properties GP Ltd. ("**UB GP**"; together with

ITC, UB Nominee, and UB LP, collectively, the "**Loan B Borrowers**") and Hotel Versante Ltd. (the "**Hotel Operator**"), Sunwins Enterprise Ltd. ("**Sunwins**"), Mo Yeung Ching also known as Michael Ching ("**M. Ching**"), and Mo Yeung Properties Ltd. ("**MYPCo**"; together with Hotel Operator, Sunwins, and Mr. Ching, collectively the "**Loan B Guarantors**", and together with the Loan B Borrowers, the "**Loan B Debtors**") as borrowers and the Petitioners as lenders dated for reference June 14, 2021 and registered in the BC Personal Property Registry on November 22, 2019 under Base Registration No. 909783L and Base Registration No. 052177N on June 18, 2021, referred to in the Petition as the "Loan B GSAs".

9. Attached hereto and marked as **Exhibit "E"** to my Affidavit is a true copy of the Assignment of Material Contracts dated for reference June 14, 2021 granted by the Loan B Borrowers in favour of the Petitioners, referred to in the Petition as the "Loan B Assignment of Material Contracts".
10. Attached hereto and marked as **Exhibit "F"** to my Affidavit is a true copy of an unlimited joint and several guarantee dated for reference June 14, 2021 made between the Loan B Guarantors in favour of Fox Island, referred to in the Petition as the "Loan B Guarantee".
11. Attached hereto and marked as **Exhibit "G"** to my Affidavit is a true copy of an indemnity agreement for all environmental losses and liabilities dated for reference June 14, 2021 granted by the Loan B Borrowers and Loan B Guarantors in favour of the Petitioners, referred to in the Petition as the "Loan B Environmental Indemnity Agreement".
12. Attached hereto and marked as **Exhibit "H"** to my Affidavit is a true copy of the Debt Service, Completion and Cost Overrun Agreement dated for reference June 14, 2021 executed by the Loan B Borrowers and Loan B Guarantors in favour of Fox Island, referred to in the Petition as the "Loan B Debt Service Deficiency Agreement".
13. Attached hereto and marked as **Exhibit "I"** to my Affidavit is a true copy of a mortgage and assignment of rents between ITC as borrower/mortgagor and the Petitioners as lenders/mortgagees dated for reference September 30, 2023 and was registered in the New Westminster Land Title Office on October 11, 2023 under Nos. CB940712 and CB940713, referred to in the Petition as the "Hotel Property – 5.3 MM Mortgage".
14. Attached hereto and marked as **Exhibit "J"** to my Affidavit is a true copy of a forbearance and third amending agreement between the Loan B Borrowers, Loan B Guarantors, and

SFT Digital Holdings 30 Ltd. as guarantors, and the Petitioners as lenders dated for reference February 28, 2023, referred to in the Petition as the "First Loan B Forbearance Agreement".

- 15. Attached hereto and marked as **Exhibit "K"** to my Affidavit is a true copy of forbearance extension agreements dated for reference July 30, 2023 and September 30, 2023, referred to in the Petition as the "Subsequent Loan B Forbearance Agreements".
- 16. Attached hereto and marked as **Exhibit "L"** to my Affidavit are a true copies of the demand letter and Notice of Intention to Enforce Security, sent to the Loan B Borrowers dated December 7, 2023.
- 17. Attached hereto and marked as **Exhibit "M"** to my Affidavit are a true copies of the demand letter and Notice of Intention to Enforce Security, sent to the Loan B Guarantors dated December 7, 2023.
- 18. As of the date of affirming this affidavit, the only repayment the petitioners have received from the Loan B Borrowers is \$6,481,759.26, which was paid on or about March 29, 2023 in respect of the Loan B Forbearance Agreement.

AFFIRMED BEFORE ME at Vancouver,)
British Columbia, on 22/Jan/2024)


A Commissioner for taking)
Affidavits for British Columbia)

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976



WEN YONG WANG

Interpreter Endorsement

I Shui-Yuen Choi, solicitor for the petitioners, provided an interpretation to Wen Yong Wang, the individual affirming this affidavit, from Mandarin to English.

Date: 22/Jan/2024



Signature of Shui-Yuen Choi
SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
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EXHIBIT A

This is **Exhibit "A"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

SENIOR B LOAN AGREEMENT

THIS AGREEMENT dated for reference June 14, 2021

AMONG:

**34083 YUKON INC.,
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, and
KENSINGTON UNION BAY PROPERTIES GP LTD.**

(collectively, "**UB Borrowers**")

AND

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

("ITC Borrower"; together with UB Borrowers, collectively, the "**Borrowers**")

AND

**HOTEL VERSANTE LTD.
AND
SUNWINS ENTERPRISE LTD.
AND
MO YEUNG PROPERTIES LTD.
AND
MO YEUNG CHING**

(collectively, the "**Guarantors**")

AND:

FOX ISLAND DEVELOPMENT LTD. ("Lender A")
AND
such other persons who may become a lender hereto from time to time

(collectively, the "**Lenders**")

WHEREAS:

- (A) The ITC Borrower obtained from the ITC-Romspen Lender a construction loan in the principal amount of up to CAD\$25,600,000 pursuant to the ITC-Romspen Loan Agreement;
- (B) The ITC Borrower obtained from the ITC-Junior Lender a bridge term loan in the principal amount of up to CAD\$23,600,000 pursuant to the ITC-Junior Loan Agreement;
- (C) The UB Borrowers obtained from the UB Project Lenders a bridge term loan in the principal amount of up to CAD\$16,250,000 pursuant to the UB Project Loan Agreement;
- (D) The Borrowers wish to obtain the Loan from the Lenders, on a several basis, as senior bridge financing for the purposes and on the terms and conditions set forth herein;
- (E) The Borrowers wish to obtain, concurrent with the Loan, from the Senior A Lenders, on a several basis, another bridge financing in the principal amount of up to \$21,600,000 pursuant to Senior A Loan Agreement.

NOW THEREFORE in consideration of the mutual premises, covenants and agreements set forth herein and all other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. DEFINITIONS

In this Agreement:

- (a) "**Agreement**" means this loan agreement, as may be amended, supplemented, replaced and restated from time to time.
- (b) "**Bene Strata Lots**" has the meaning set out in Section 5.2(l)(1).
- (c) "**Business Day**" means any day except Saturday, Sunday and any day which is a statutory holiday in Vancouver, B.C.
- (d) "**CAD\$**" means the lawful money in Canada.
- (e) "**Ching**" means Mo Yeung CHING (also known as Michael CHING), and his personal representatives and permitted assigns.
- (f) "**Commitment Expiry Date**" has the meaning set out in Section 2.9.
- (g) "**Distributions**" means:
 - (1) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any equity interests in each Borrower;
 - (2) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any equity interest in each Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital thereof, including, without limitation, options, warrants, conversion or exchange privileges and similar rights; or
 - (3) the making of any loan or advance or any other provision of credit or financial assistance by each Borrower to any person,

whether any of the foregoing is made, paid or satisfied with or for cash, property or any combination thereof.
- (h) "**First Funding Date**" has the meaning set out in Section 2.1.
- (i) "**First Funding Outside Date**" has the meaning set out in Section 2.9.
- (j) "**Guarantors**" means, collectively:
 - (1) Hotel Versante Ltd.;
 - (2) MYPCo;
 - (3) Sunwins; and
 - (4) Ching.
- (k) "**Hotel**" has the meaning set out in Section 5.1(d).

- (l) **"Hotel Exclusive Amenities"** means the amenities for the exclusive use of the Hotel as set out in Section 5.1(g) and such other amenities as may be required for the proper and desirable management and operation of the Hotel.
- (m) **"Hotel Manager"** has the meaning set out in Section 5.1(e).
- (n) **"Hotel Property"** means, collectively, ITC ASP2 and ITC Remainder.
- (o) **"Hotel Property Commissioning"** has the meaning set in Section 5.1(h).
- (p) **"Hotel Property Commissioning Target Date"** has the meaning set in Section 5.1(i).
- (q) **"Hotel Property OP Issuance"** means the issuance by the City of Coquitlam of an unconditioned occupancy permit for the Hotel Property.
- (r) **"Hotel Property OP Issuance Target Date"** has the meaning set out in Section 5.1(h).
- (s) **"Hotel Property Specifications"** means, in respect of the Hotel Property Commissioning, the standards and qualities of the constructions, interior furnishing and installations:
 - (1) as specified or contemplated in the drawings, specifications and contracts that are delivered to the Lender pursuant to Sections 6.1(c)(4) and (5) below; and
 - (2) substantially as shown in the demonstration and mock-up suites that were displayed to the representative of the Lenders during the on-site visit of the Hotel Property conducted on March 26, 2021.
- (t) **"ITC ASP2", "ITC Bar" and "ITC Remainder"** means, respectively, the parcel of lands, together with the improvements thereon, having the legal description set out in Schedule A hereto.
- (u) **"ITC Property"** means, collectively, the Hotel Property and ITC Bar.
- (v) **"ITC-126 Agreement"** means the loan agreement dated as of August 25, 2020 between the ITC-126 Lender, and Ching, the ITC Borrower and Sunwins, as borrowers, as amended and extended pursuant to an agreement dated on or about April 20, 2021.
- (w) **"ITC-126 Indebtedness"** means the indebtedness owing to the ITC-126 Lender by ITC pursuant to the ITC-126 Loan Agreement.
- (x) **"ITC-126 Lender"** means 1260101 B.C. Ltd, its successors and assigns.
- (y) **"ITC-126 Security"** means:
 - (1) the mortgage and assignment of rents charging the ITC Property, registered in favour of the ITC-126 Lender under land title registration numbers CA8411144 (with respect to the mortgage), and CA8411144 (with respect to the assignment of rents); and
 - (2) all security agreements charging the personal property of ITC, Ching and Sunwins, respectively, in favour of the ITC-126 Lender, including, without limitation, such security agreements relating to the registration in the British Columbia Personal Property Registry under base registration number 447781M.

- (z) **"ITC-Junior Indebtedness"** means the indebtedness owing by the ITC Borrower to ITC-Junior Lender under the ITC-Junior Loan Agreement.
- (aa) **"ITC-Junior Lender"** means Fox Island Development Ltd., its successors and assigns.
- (bb) **"ITC-Junior Loan Agreement"** means the amended and restated loan agreement dated for reference June 10, 2020, as amended by an amending agreement dated for reference January 16, 2021, among ITC, as borrower, ITC-Junior Lender, as lender, and the Borrowers (among others), as guarantors, as may be further amended, supplemented, replaced and restated from time to time.
- (cc) **"ITC-Junior Mortgage (23.6MM)"** and **"ITC-Junior Mortgage (UB Lot A)"** have their meaning set out in the definition of "ITC-Junior Security"; **"ITC-Junior Mortgage"** means either of them.
- (dd) **"ITC-Junior Security"** includes:
- (1) the mortgage and assignment of rents charging the Property (except UB Lot A), registered in favour of the ITC-Junior Lender under land title registration numbers CA7901075 (with respect to the mortgage) as extended by CA8244866 and modified by Modifications CA8244868 and CA8780468, and FB521301 (with respect to the assignment of rents) as extended by CA8244867 (the **"ITC-Junior Mortgage (23.6MM)"**);
 - (2) the mortgage and assignment of rents charging UB Lot A, registered in favour of the ITC-Junior Lender under land title registration numbers CA8244894 (with respect to the mortgage), and CA8244895 (with respect to the assignment of rents) (the **"ITC-Junior Mortgage (UB Lot A)"**); and
 - (3) all security agreements charging the personal property of the Obligants in favour of the ITC-Junior Lender, including, without limitation, such security agreement relating to the registration in the British Columbia Personal Property Registry under base registration numbers 909783L and 90979L.
- (ee) **"ITC-Romspen Hotel Indebtedness"** means the indebtedness owing by the ITC Borrower to the ITC-Romspen Lender under the ITC-Romspen Loan Agreement.
- (ff) **"ITC-Romspen Lender"** means Romspen Investment Corporation, its successors and assigns.
- (gg) **"ITC-Romspen Loan Agreement"** means the commitment letter dated June 25, 2015 between the ITC-Romspen Lender and ITC, as amended by supplemental agreements dated January 9, 2017, November 27, 2017, March 29, 2019, June 11, 2019 and dated October 22, 2019, respectively, and as extended by loan extension agreements dated April 1, 2020 and December 1, 2020, respectively.
- (hh) **"ITC-Romspen Security"** means:
- (1) the mortgage and assignment of rents charging the Hotel Property, registered in favour of the ITC-Romspen Lender under such land title registration numbers CA4543291 (with respect to the mortgage) as modified by Modifications CA5807048 and 6520612, and CA4543292 (with respect to the assignment of rents) as modified by Modifications CA5807049 and 6520613; and

- (2) all security agreements charging the personal property of the ITC Borrower in favour of the ITC-Romspen Lender, including, without limitation, such security agreement relating to the registration in the British Columbia Personal Property Registry under base registration number 733861.
- (ii) **"Lender's Proportion"** means, with respect to a Lender, at any time and from time to time, the proportion that the principal amount of the tranche of the Loan owing to that Lender bears to the aggregate principal amount of the Loan owing to all Lenders at such time.
- (jj) **"Lenders' Solicitors"** means Norton Rose Fulbright Canada LLP.
- (kk) **"Loan"** has the meaning set out in Section 2.1.
- (ll) **"Loan Amount"** means at any time the aggregate of:
- (1) the principal balance of the Loan then outstanding;
 - (2) all interest which has accrued on the then outstanding principal balance of the Loan; and
 - (3) all other monies then due and owing by the Borrowers at that time under this Agreement or otherwise in connection with the Loan.
- (mm) **"Loan Documents"** means, collectively, this Agreement, the Security Documents, and all other certificates, instruments, agreements and documents granted by any of the Obligants from time to time pursuant to this Agreement or otherwise in connection with the Loan.
- (nn) **"Majority Lenders"** means at any time any Lender or group of Lenders having Lender's Proportions in aggregate equal to or greater than 51%.
- (oo) **"Maturity Date"** has the meaning set out in Section 2.3.
- (pp) **"MYPCo"** means Mo Yeung Properties Ltd., its successors and permitted assigns.
- (qq) **"Obligants"** means, collectively, the Borrowers and Guarantors.
- (rr) **"Obligants' Solicitors"** means Pryke Lambert Leathley Russell LLP.
- (ss) **"Other Property"** means, collectively, SpaV-SL1, SpaV-SL2, and Residence-SL128.
- (tt) **"Permitted Encumbrances"** means the following:
- (1) in respect of the Property (except the Other Property), the ITC-Junior Security;
 - (2) in respect of the UB Property, the UB Project Security;
 - (3) in respect of the Hotel Property, the Senior A Security;
 - (4) in respect of the ITC Property, the ITC-126 Security, provided that it is subject to a priority and standstill agreement in form and substance acceptable to the Lenders, which agreement is registered against the ITC-Property;
 - (5) in respect of the UB Lot 1:
 - (A) the UB-VTB Security; and

- (B) the UB-GF Security,
- provided that, in each case, it is subject to a priority and standstill agreement in form and substance acceptable to the Lenders, which agreement is registered against the UB Lot 1;
- (6) in respect of the UB Lot 3, the UB-GF Security, provided that it is subject to a priority and standstill agreement in form and substance acceptable to the Lenders, which agreement is registered against the UB Lot 3;
- (7) in respect of the UB Lot A, the UB-VTB Security, provided that it is subject to a priority and standstill agreement in form and substance acceptable to the Lenders, which agreement is registered against the UB Lot A;
- (8) in respect of the SpaV-SL1:
- (A) the SpaV-BDC Security;
- (B) the SpaV-Jin Security; and
- (C) the SpaV-Kingdom Security;
- (9) in respect of the SpaV-SL3:
- (A) the SpaV-BDC Security;
- (B) the SpaV-Jin Security; and
- (C) the SpaV-Kingdom Security;
- (10) in respect of the Residence-SL128, the Residence-SL128-Morteq Security;
- and
- (11) such other security interest as the Lenders may expressly permit in writing from time to time.
- (uu) **"Progress Report"** means a report, in form and substance acceptable to the Lenders, issued by an architect or quantity surveyor acceptable to the Lenders, confirming:
- (1) the cost of work in place
- (2) the estimated cost to complete, on a line by line basis;
- (3) the expected completion date;
- (4) (in relation to the UB Lot 2 Development) that the budget is sufficient to complete the UB Lot 2 Site Servicing Works;
- (5) (in relation to the Hotel Property) that the budget is sufficient to complete the construction of the Hotel Property and the Hotel Property Commissioning by the Hotel Property Commissioning Target Date; and
- (6) such other subject matter as may be required by the Lenders,

in respect of (i) the Hotel Property, and (ii) UB Lot 2 Development, as the case may be.

- (vv) **"Property"** means, collectively:
- (1) the ITC Property; and
 - (2) the UB Property; and
 - (3) the Other Property.
- (ww) **"Repayment Reserve"** has its meaning set out in Section 3.5.
- (xx) **"Residence-SL128"** means the parcel of lands, together with the improvements thereon, having the legal description set out in Schedule C hereto.
- (yy) **"Residence-SL128-Morteq Indebtedness"** means the indebtedness owing to Residence SL128-Morteq Lender by MYPCo and secured by the Residence-SL128-Morteq Security.
- (zz) **"Residence-SL128-Morteq Lender"** means Morteq Lending Corp, its successors and assigns.
- (aaa) **"Residence-SL128-Morteq Security"** means:
- (1) the mortgage and assignment of rents charging Residence-SL128, registered in favour of the Residence-SL128-Morteq Lender under land title registration numbers CA8177818 (with respect to the mortgage), and CA8177819 (with respect to the assignment of rents); and
 - (2) all security agreements charging the personal property of MYPCo, in favour of the Residence-SL128-Morteq Lender, including, without limitation, such security agreements relating to the registration in the British Columbia Personal Property Registry under base registration number 967285M.
- (bbb) **"Second Funding Date"** has the meaning set out in Section 2.1.
- (ccc) **"Second Funding Outside Date"** has the meaning set out in Section 2.9.
- (ddd) **"Security Documents"** means the documents listed in Section 4, as they may be amended, supplemented, replaced and restated from time to time.
- (eee) **"Senior A Indebtedness"** means the indebtedness owing by the ITC Borrower to the Senior A Lenders under the Senior A Loan Agreement.
- (fff) **"Senior A Lenders"** means, collectively, Lender A, Mr. Jeff Ding, Ms. Mudan Chen, Mr. Yuguo Sun., and Ms. Xingzhen Wang, their respective personal representatives, successors and assigns.
- (ggg) **"Senior A Loan Agreement"** means the Senior A Loan Agreement dated for reference June 14, 2021 between the Senior A Lenders and the Borrowers, as may be amended, supplemented, replaced and restated from time to time.
- (hhh) **"Senior A Mortgage"** has its meaning set out in the definition of "Senior A Security".

- (iii) **"Senior A Security"** includes:
- (1) the mortgage and assignment of rents charging the Hotel Property, registered in favour of the Senior A Lenders in the principal amount of not more than CAD\$21,600,000 (the **"Senior A Mortgage"**);
 - (2) all security agreements charging the personal property of the Obligants in favour of the Senior A Lender, including, without limitation, such security agreement relating to the registration in the British Columbia Personal Property Registry under base registration numbers 052170N and 052195N.
- (jjj) **"SpaV-SL1"** and **"SpaV-SL3"** means, respectively, the parcel of lands, together with the improvements thereon, having the legal description set out in Schedule C hereto.
- (kkk) **"SpaV-BDC Indebtedness"** means the indebtedness owing to the SpaV-BDC Lender by MYPCo and secured by the SpaV-BDC Security.
- (lll) **"SpaV-BDC Lender"** means Business Development Bank of Canada, its successors and assigns.
- (mmm) **"SpaV-BDC Security"** means:
- (1) the mortgage and assignment of rents charging SpaV-SL1, registered in favour of the SpaV-BDC Lender under land title registration numbers CA4158466 (with respect to the mortgage), and CA4158467 (with respect to the assignment of rents);
 - (2) the mortgage and assignment of rents charging SpaV-SL3, registered in favour of the SpaV-BDC Lender under land title registration numbers CA3987797 (with respect to the mortgage), and CA3987798 (with respect to the assignment of rents); and
 - (3) all security agreements charging the personal property of MYPCo, in favour of the SpaV-BDC Lender, including, without limitation, such security agreements relating to the registration in the British Columbia Personal Property Registry under base registration number 194526I.
- (nnn) **"SpaV-Jin Indebtedness"** means the indebtedness owing to the SpaV-Jin Lender by MYPCo and secured by the SpaV-Jin Security.
- (ooo) **"SpaV-Jin Lender"** means Jin-Ocean Mortgage Investment Corporation, its successors and assigns.
- (ppp) **"SpaV-Jin Security"** means:
- (1) the mortgage and assignment of rents charging SpaV-SL1 and Spa SL3, registered in favour of the SpaV-Jin Lender under land title registration numbers CA8585810 (with respect to the mortgage), and CA8585811 (with respect to the assignment of rents); and
 - (2) all security agreements charging the personal property of MYPCo, in favour of the SpaV-Jin Lender, including, without limitation, such security agreements relating to the registration in the British Columbia Personal Property Registry under base registration number 663915M.

- (qqq) **"SpaV-Kingdom Indebtedness"** means the indebtedness owing to the SpaV-Kingdom Lender by MYPCo and secured by the SpaV-Kingdom Security.
- (rrr) **"SpaV-Kingdom Lender"** means Kingdom Mortgage Limited Partnership, its successors and assigns.
- (sss) **"SpaV-Kingdom Lender GP"** means Kingdom Mortgage Fund GP Inc., as the general partner of the SpaV-Kingdom Lender, its successors in such capacity.
- (ttt) **"SpaV-Kingdom Security"** means:
- (1) the mortgage and assignment of rents charging SpaV-SL1 and SpaV-SL3, registered in favour of the SpaV-Kingdom Lender under land title registration numbers CA9068226 (with respect to the mortgage), and CA9068227 (with respect to the assignment of rents); and
 - (2) all security agreements charging the personal property of MYPCo, in favour of the SpaV-Kingdom Lender, including, without limitation, such security agreements relating to the registration in the British Columbia Personal Property Registry under base registration number 980860M.
- (uuu) **"Sunwins"** means Sunwins Enterprise Ltd. (formerly known as Mo Yeung International Enterprise Ltd.), its successors and permitted assigns.
- (vvv) **"UB Lot 1", "UB Lot 2", "UB Lot 3", "UB Lot 4" and "UB Lot A"** means, respectively, the parcel of lands, together with the improvements thereon, having the legal description set out in Schedule B hereto.
- (www) **"UB Lot 2&3"** means, collectively, UB Lot 2 and UB Lot 3.
- (xxx) **"UB Lot 2 Development"** has the meaning set out in Section 5.2(e).
- (yyy) **"UB Lot 2 Development Works"** has the meaning set out in Section 5.2(g).
- (zzz) **"UB Lot 2 Sales Summary"** means the summary in respect of the sale of the UB Lot 2 Units, a copy of which is attached hereto as Schedule D, showing the approximate location of each such unit within the UB Lot 2 Strata Plan, names of the purchasers, the negotiated price and the sold price thereof (as applicable), and the amounts of deposits paid therefor.
- (aaaa) **"UB Lot 2 Site Servicing Works"** has the meaning set out in Section 5.2(g)(2).
- (bbbb) **"UB Lot 2 Strata Lots"**, and **"UB Lot 2 Strata Plan"** has the meaning set out in Section 5.2(e).
- (cccc) **"UB Lot 2 Strata Disclosure Statement"** means the disclosure statement (including all amendments thereto) required under Part 2 of the *Real Estate Development Marketing Act* (British Columbia) for the sale of the UB Lot 2 Strata Lots.
- (dddd) **"UB Lot 2 Subdivided Parcel"** has the meaning set out in Section 5.2(e).
- (eeee) **"UB Lot 2 Unit"** means a UB Lot 2 Strata Lot or a UB Lot 2 Subdivided Parcel, as applicable.
- (ffff) **"UB Lot 2 Unit Net Sale Proceeds"** of a UB Lot 2 Unit means the gross sale proceeds from the sale of that unit, less the following:

- (1) all applicable sales and excise taxes; and
 - (2) all reasonable real estate commissions, reasonable customary adjustments (such as utilities and taxes) and reasonable closing costs, including legal fees and expenses incurred, provided that the aggregate amount of deductions pursuant to this paragraph (2) shall not exceed 5% of the purchase price of that parcel (or such other reasonable amount as may be approved by the Lenders in their sole discretion).
- (gggg) **"UB Lot 2 Unit Sale Agreements"** means the purchase and sale agreements for the UB Lot 2 Units which:
- (1) as of the First Funding Date, have been entered into by the UB Owner in respect of such units with such purchasers for such prices, all as set out in the UB Lot 2 Sales Summary; and
 - (2) thereafter, may be entered into by the UB Owner from time to time.
- (hhhh) **"UB Lot 3 Net Sale Proceeds"** means the gross sale proceeds from the sale of UB Lot 3 or any part thereof, less the following:
- (1) all applicable sales and excise taxes; and
 - (2) all reasonable real estate commissions, reasonable customary adjustments (such as utilities and taxes) and reasonable closing costs, including legal fees and expenses incurred, provided that the aggregate amount of deductions pursuant to this paragraph (2) shall not exceed 5% of the purchase price of that parcel (or such other reasonable amount as may be approved by the Lenders in their sole discretion).
- (iiii) **"UB Lot 3 Sale Agreements"** means the purchase and sale agreements for UB Lot 3 or any part thereof which may be entered into by the UB Owner from time to time.
- (jjjj) **"UB Master Development Agreement"** means the master development agreement dated for reference April 30, 2010 between the UB Nominee and the Comox Valley Regional District, which agreement is registered as a restrictive covenant on title to the UB Property under No. FB349802, as amended by an agreement registered on title to the UB Property under No. CA6517324.
- (kkkk) **"UB Nominee"** means 34083 Yukon Inc., its successors and permitted assigns.
- (llll) **"UB Owner"** means Kensington Union Bay Properties Limited Partnership, its successors and permitted assigns.
- (mmmm) **"UB Owner GP"** means Kensington Union Bay Properties GP Ltd., its successors and permitted assigns.
- (nnnn) **"UB Parks & Trails Transfer"** has the meaning set out in Section 5.2(d).
- (oooo) **"UB Property"** means, collectively:
- (1) UB Lot 1,
 - (2) UB Lot 2&3;
 - (3) UB Lot 4;

- (4) UB Lot A.
- (pppp) "**UB Project Indebtedness**" means the indebtedness owing to the UB Project Lenders by the UB Borrowers pursuant to the UB Project Loan Agreement.
- (qqqq) "**UB Project Lenders**" means, collectively, Lender A, Advanced Venture Holding Co., Ltd. and 1078688 B.C. Ltd., their respective successors and assigns.
- (rrrr) "**UB Project Loan Agreement**" means the loan agreement dated for reference April 15, 2021 among the UB Borrowers, as borrowers, UB Project Lenders, as lenders, and the ITC Borrower (among others), as guarantors, as amended by the UB Project Loan Amendment, as may be further amended, supplemented, replaced and restated from time to time.
- (ssss) "**UB Project Loan Amendment**" means the amending agreement dated for reference June 14, 2021 among the UB Borrowers, as borrowers, UB Project Lenders, as lenders, and the ITC Borrower (among others), as guarantors.
- (tttt) "**UB Project Permitted Pay-Down Reserve**" means the reserve in the amount of up to CAD\$7,600,000 to be funded out of the UB Lot 2 Unit Net Sale Proceeds and held in the trust account of the solicitors of the UB Project Lenders, pursuant to the terms of the UB Project Loan Agreement.
- (uuuu) "**UB Project Security**" means:
- (1) the mortgage and assignment of rents charging the UB Property, registered in favour of the UB Project Lenders under land title registration numbers CA8965637 (with respect to the mortgage), and CA8965638 (with respect to the assignment of rents); and
 - (2) all security agreements charging the personal property of the UB Borrowers, in favour of the UB Project Lenders, including, without limitation, such security agreements relating to the registration in the British Columbia Personal Property Registry under base registration number 921510M.
- (vvvv) "**UB-GF Indebtedness**" means the indebtedness owing by the UB Borrowers to the UB-GF Lender under the UB-GF Loan Agreement.
- (wwww) "**UB-GF Lender**" means Gulf and Fraser Fishermen's Credit Union, its successors and assigns.
- (xxxx) "**UB-GF Loan Agreement**" means the loan agreement for a term loan in the principal amount of CAD\$17,500,000 dated April 14, 2021 between the UB-GF Lender and the UB Borrowers.
- (yyyy) "**UB-GF Security**" means:
- (1) the mortgage and assignment of rents charging UB Lot 1 and UB Lot 3, registered in favour of the UB-GF Lender under land title registration numbers CA8962721 (with respect to the mortgage) and CA8962722 (with respect to the assignment of rents);
 - (2) all security agreements charging the personal property of the UB Borrowers in favour of the UB-GF Lender, including, without limitation, such security agreement relating to the registration in the British Columbia Personal Property Registry under base registration number 365710L and 934709M;

- (3) all security agreements charging the personal property of the ITC Borrower in favour of the UB-GF Lender, including, without limitation, such security agreement relating to the registration in the British Columbia Personal Property Registry under base registration numbers 840715L; and
- (4) all security agreements charging the personal property of Ching in favour of the UB-GF Lender, including, without limitation, such security agreement relating to the registration in the British Columbia Personal Property Registry under base registration numbers 365710L, 339993M, and 339995M.

(zzzz) "**UB-VTB Lender**" means 3003297 Nova Scotia Company, its successors and assigns.

(aaaa) "**UB-VTB Indebtedness**" means the indebtedness owing by the UB Borrowers to the UB-VTB Lender under the UB-VTB Agreement.

(bbbb) "**UB-VTB Agreement**" means:

- (1) the purchase and sale agreement dated for reference October 2, 2017 between (among others) the UB-VTB Lender as vendor, and UB Holdings Ltd. as purchaser, as amended by an amending agreement dated December 7, 2017 and as assigned by UB Holdings Ltd. to the UB Borrowers; and
- (2) UB-VTB Security.

(cccc) "**UB-VTB Security**" means the mortgage and assignment of rents charging UB Lot 1 and UB Lot A, registered in favour of the VTB Lender under land title registration numbers CA6518044, as modified by CA7889660 (with respect to the mortgage) and CA6518045, as modified by CA7889661 (with respect to the assignment of rents).

2. LOAN

2.1 Term Loan

Subject to the terms of this Agreement, the Lenders agree to make available to the Borrowers a non-revolving, term loan in the aggregate principal amount of CAD\$35,849,266.69 (the "**Loan**") to be divided in such tranches as follows:

- (a) a tranche ("**Tranche 1**") in the principal amount of CAD\$5,409,010.08, to be made available by Lender A;
- (b) a tranche ("**Tranche 2A**") in the principal amount of the lesser of (i) CAD\$17,386,259.54, and (ii) the sum of CAD\$15,600,000 plus the applicable amount of the Tranche 2A Interest Reserve pursuant to Section 2.5(b) below, to be made available by Lender A;
- (c) a tranche ("**Tranche 2B**"; together with Tranche 2A, collectively, "**Tranche 2**") in the principal amount of the lesser of (i) CAD\$8,916,030.53, and (ii) the sum of CAD\$8,000,000 plus the applicable amount of the Tranche 2B Interest Reserve pursuant to Section 2.5(c) below to be made available by Lender A;
- (d) a tranche ("**Tranche 3**") in the principal amount of the lesser of (i) CAD\$3,221,061.92, and (ii) the sum of CAD\$3,000,000 plus the applicable amount of the Tranche 3 Interest Reserve pursuant to Section 2.5(c) below to be made available by Lender A; and

- (e) a tranche ("**Tranche 4**", together with Tranche 1, Tranche 2 and Tranche 3, collectively, "**Tranches**") in the principal amount of CAD\$1,805,178.22, to be made available by Lender A.

Subject to Section 6 below:

- (f) each of Tranche 1 and Tranche 4 will be funded on June 14, 2021 (the "**First Funding Date**");
- (g) each of Tranche 2 and Tranche 3 will be funded on August 31, 2021, provided that the Lenders at any time may, by notice issued by the Lenders (or the Lenders' Solicitors on the Lenders' behalf) to the Borrowers:
- (1) notify the Borrowers that the Lenders have prepared sufficient funds and are otherwise in position to make advances under Tranche 2 and Tranche 3; and
 - (2) designate such other date between July 1, 2021 and September 30, 2021 (the "**Second Funding Outside Date**"; August 31, 2021 or such other date so designated, the "**Second Funding Date**").

Each applicable Lender will deduct (and will be deemed to have deducted) from the proceeds of its tranche the applicable Interest Reserves (as defined in Section 2.5 below).

2.2 Purposes

Tranche 1 shall be used for the following purposes:

- (a) together with the Senior A Loan Agreement, finance the repayment of the ITC-Romspen Indebtedness in full;
- (b) fund the Tranche 1 Interest Reserve; and
- (c) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 2 shall be used for the following purposes:

- (d) finance the repayment of the ITC-Junior Indebtedness in full;
- (e) fund the Tranche 2A Interest Reserve and Tranche 2B Interest Reserve; and
- (f) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 3 shall be used for the following purposes:

- (g) finance the partial repayment of the ITC-126 Indebtedness to reduce the principal amount then owing by CAD\$3,000,000;
- (h) fund the Tranche 3 Interest Reserve; and
- (i) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 4 shall be used for the following purposes:

- (j) finance the Processing Fee payable by the Borrowers under this Agreement;

- (k) fund the Tranche 4 Interest Reserve; and
- (l) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

2.3 Term

Subject to the terms hereof:

- (a) the term of Tranche 1 is for approximately 6 months, commencing on the First Funding Date and ending on December 28, 2021;
- (b) the term of Tranche 2 is for approximately 6 months, commencing on the Second Funding Date and ending on March 21, 2022;
- (c) the term of Tranche 3 is for approximately 4 months, commencing on the Second Funding Date and ending on December 28, 2021;
- (d) the term of Tranche 3 is for approximately 6 months, commencing on the First Funding Date and ending on December 28, 2021,

(the foregoing end date in respect of each tranche, the "**Maturity Date**").

2.4 Interest

Interest shall accrue on the daily outstanding balance of the Loan at such per annum rates during such period as follows:

- (a) in respect of Tranche 1 and Tranche 4:
 - (1) from the First Funding Date up to and including December 14, 2021, 15% per annum; and
 - (2) from December 15, 2021, 30% per annum;
- (b) in respect of Tranche 2:
 - (1) from the Second Funding Date up to and including March 7, 2022, 15% per annum; and
 - (2) from March 8, 2022, 30% per annum;
- (c) in respect of Tranche 3:
 - (1) from the Second Funding Date up to and including December 14, 2021, 15% per annum; and
 - (2) from December 15, 2021, 30% per annum;

in all cases, calculated daily and compounded monthly, not in advance, from the First Funding Date (in respect of Tranche 1 and Tranche 4) and the Second Funding Date (in respect of all other tranches), until the date when the Loan Amount is paid in full, both before and after default, demand, maturity and judgment. Interest shall accrue on overdue interest at the same rate and in the same manner.

For greater certainty:

- (a) in respect of each of Tranche 1 and Tranche 4, interest shall accrue on that tranche of the Loan as of the First Funding Date pursuant to the terms hereof, even if (i) that tranche is not advanced to the Borrowers until a later date, because the applicable conditions set out in Section 6 below have not been satisfied (or waived by the applicable Lenders) by the First Funding Date, or (iii) any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;
- (b) in respect of each of Tranche 2 and Tranche 3, interest shall accrue on that tranche as of the Second Funding Date pursuant to the terms hereof, even if (i) that tranche is not advanced to the Borrowers until a later date, because the applicable conditions set out in Section 6 below for that tranche have not been satisfied (or waived by the applicable Lenders) by the Second Funding Date, or (iii) any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder.

2.5 Interest Reserves

As security for the payment of the Loan Amount and all of the Borrowers' other obligations in respect of the Loan and under this Agreement, the Borrowers will establish interest reserves (the "**Interest Reserves**"), one for each tranche of the Loan, which shall be funded initially as follows:

- (a) for Tranche 1, in the amount of CAD\$409,010.08 (the "**Tranche 1 Interest Reserve**");
- (b) for Tranche 2A, in the amount equal to the amount of interest that will accrue on the entire principal amount of this tranche for the period commencing on the Second Funding Date up to the Maturity Date of this tranche (the "**Tranche 2A Interest Reserve**");
- (c) for Tranche 2B, in the amount equal to the amount of interest that will accrue on the entire principal amount of this tranche for the period commencing on the Second Funding Date up to the Maturity Date of this tranche (the "**Tranche 2B Interest Reserve**");
- (d) for Tranche 3, in the amount equal to the higher of the amount of interest that will accrue on the entire principal amount of this tranche for the period commencing on the Second Funding Date up to the Maturity Date of this tranche (the "**Tranche 3 Interest Reserve**");
- (e) for Tranche 4, in the amount of CAD\$136,501.15 (the "**Tranche 4 Interest Reserve**").

The initial amount of each Interest Reserve shall be deducted from the proceeds of the applicable tranche by the Lender of that tranche and shall be held and administered by that Lender.

2.6 Repayment

- (a) **Interest.** Commencing in the month after the First Funding Date, the Borrowers shall pay interest accrued on the then outstanding balance of the Loan on the same day of each month as the First Funding Date (or if that month does not have that day, the last day of that month; each such day, the "**Payment Date**"), until the Loan Amount is paid in full.

Provided that no Event of Default has occurred, and to the extent that there are sufficient funds in the applicable Interest Reserve, each Lender may deduct from the Interest Reserve maintained by that Lender on each Payment Date the amount of interest due on such date to that Lender and apply that amount to the outstanding interest. Notwithstanding the foregoing, monthly interest payments due on account of the Loan are the responsibility of the Borrowers. Nothing contained in this Agreement or in any Security Document will relieve the Borrowers from the obligation to pay such interest on the applicable Payment Date.

All funds remaining in the Interest Reserve of each Tranche on the applicable Maturity Date of that Tranche shall be applied to the Loan Amount owing on that date.

- (b) **Lump Sum Payments.** The Borrower shall pay to the Lenders the then outstanding balance of each Tranche in full on the applicable Maturity Date of that Tranche, provided that the then outstanding balance of the Loan Amount not already paid shall be due and payable in full on the latest of the Maturity Dates of all Tranches.

2.7 Payments

- (a) **Application of Payments.** Payments made on account of the Loan Amount will be applied when received in the following order:
- (1) firstly, in payment of outstanding fees and costs pursuant hereto or to other Loan Documents which have accrued to the date such payment is received;
 - (2) secondly, in payment of outstanding interest on the Loan which has accrued to the date such payment is received;
 - (3) thirdly, in payment of the principal balance of Tranche 1, Tranche 3 and Tranche 4 then outstanding, *pro rata* among all such tranches; and
 - (4) fourthly, in payment of the principal balance of Tranche 2A and Tranche 2B then outstanding, *pro rata* among all such tranches.

Notwithstanding the foregoing, if there is an Event of Default, then any payment received by any of the Lenders on account of the Loan Amount may be applied in such order and in such manner as the Lender, in their sole discretion, may determine.

- (b) **Business Day.** If a payment under this Agreement or any other Loan Document is due on a day other than a Business Day, then such payment shall be made on the immediately following Business Day. Any payment received by a Lender after 12 p.m. (Vancouver, B.C. local time) on any Business Day will be deemed to be received by that Lender on the next Business Day.
- (c) **Form of Payment.** Unless otherwise specified herein, the Borrowers shall make each payment in relation to the tranche of the Loan in the currency of that tranche in immediately available funds. All payments to be made by the Borrowers to each Lender shall be made by wire transfer pursuant to instructions delivered in writing to the Borrowers on or prior to the applicable Funding Date or as each Lender may designate in writing from time to time upon five Business Days' notice to the Borrowers.

2.8 Processing Fee

The Borrowers shall pay to Lender A a processing fee (the "**Processing Fee**") in the sum of CAD\$1,668,677.07.

The Processing Fee is non-refundable and will be earned by Lender A upon the issuance of this Agreement to the Borrowers, and due to Lender A on the earlier of (i) the date on which any tranche of the Loan is advanced, or (ii) the First Funding Outside Date.

For greater certainty, the Processing Fee is earned and payable as provided above in this Section 2.8, even if any of the conditions set out in Section 6 is not satisfied (or waived by the applicable Lender) and any tranche of the Loan is not advanced, or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder, or if the Loan is cancelled pursuant to Section 2.9 below.

2.9 Commitment Expiry; Commitment Compensation

The Loan will be cancelled and the Lenders will not be obligated to advance under any tranche of the Loan, if:

- (a) the Borrowers notify to the Lenders in writing that they do not intend to draw on any one or more of the tranches of the Loan (the date on which the Lenders receive such notification, the "**Borrowers' Cancellation Date**");
- (b) unless the Lenders in their sole decision agree otherwise, any of Tranche 1 or Tranche 4 has not been advanced to the Borrowers by August 10, 2021 (the "**First Funding Outside Date**"); or
- (c) unless the Lenders in their sole decision agree otherwise, any of Tranche 2A, Tranche 2B or Tranche 3 has not been advanced to the Borrowers by the Second Funding Outside Date,

provided that, in compensation to the Lenders for their costs in sourcing and committing funds in anticipation of advancing under the Loan, the Borrowers shall pay to each Lender a sum (each, a "**Commitment Compensation**") equal to the amount of interest that would have accrued on the principal amount of each tranche made available by that Lender which has not been advanced, for a period of 61 days, plus:

- (d) in respect of Tranche 1 and Tranche 4, the number of days from the First Funding Date and up to and including the earlier of the First Funding Outside Date and the Borrowers' Cancellation Date; and
- (e) in respect of Tranche 2 and Tranche 3, the number of days from the Second Funding Date and up to and including the earlier of the Second Funding Outside Date and the Borrowers' Cancellation Date (or zero, if the Borrowers' Cancellation Date precedes the Second Funding Date).

The Commitment Compensations shall be due and payable to the Lenders on the earliest of the Borrowers' Cancellation Date, the First Funding Outside Date and the Second Funding Outside Date (as applicable).

3. SALES OF UB LOT 2 UNITS AND UB LOT 3

3.1 Notices

The Borrowers shall deliver (and cause to be delivered) to the Lenders the following:

- (a) a copy of a UB Lot 2 Unit Sale Agreement or UB Lot 3 Sale Agreement that has been entered into by UB Owner since the First Funding Date (to the extent not provided under Section 6.1(d)(6) below); and
- (b) a copy of the notice of completion in respect of the sale of each UB Lot 2 Unit or UB Lot 3 (or any part thereof) in accordance with the applicable UB Lot 2 Unit Sale Agreement or UB Lot 3 Sale Agreement, concurrently upon delivering the same to the applicable purchaser.

3.2 UB Lot 2 Units – Repayment Reserve; Partial Discharges

Upon the completion of the sale of a UB Lot 2 Unit pursuant to the applicable UB Lot 2 Unit Sale Agreement:

- (a) the UB Owner shall deliver to the Lenders a signed copy of the vendor's final statements of adjustments relating to that sale;

- (b) subject to the UB Owner having funded the UB Project Permitted Pay-Down Reserve, the UB Owner shall promptly pay 100% of the UB Lot 2 Unit Net Sale Proceeds by wire transfer to the trust account of the Lenders' Solicitors, to be held as Repayment Reserve in accordance with Section 3.5, until sufficient sum has been paid to effect repayment in full of Tranche 1, Tranche 3 and Tranche 4 on their applicable Maturity Dates; and
- (c) provided that there is no Event of Default and no outstanding event which, with the passing of time, the giving of notice or otherwise, would constitute an Event of Default, the Lenders will execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of the UB Mortgage (as defined in Section 4.1(c) below) and other applicable Security Documents with respect to that UB Lot 2 Unit, subject to the Lenders' Solicitors confirming to the Lenders of their receipt of the amount payable pursuant to Section 3.2(b) above.

3.3 UB Lot 2 Units – Additional Partial Discharges

Provided that all of the following conditions have been satisfied:

- (a) all of Tranche 1, Tranche 3 and Tranche 4 have been repaid in full in accordance with the terms on their respective Maturity Dates; and
- (b) there is no Event of Default and no outstanding event which, with the passing of time, the giving of notice or otherwise, would constitute an Event of Default,

then, upon request of the Borrowers, the Lender will execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of the UB Mortgage and the other applicable Security Documents with respect to all UB Lot 2 Units (to the extent they have not been discharged pursuant to Section 3.2(c) above).

3.4 UB Lot 3 – Repayment Reserve; Partial Discharges

Upon the completion of the sale of UB Lot 3 (or any part thereof) pursuant to the applicable UB Lot 3 Sale Agreement:

- (a) the UB Owner shall deliver to the Lenders a signed copy of the vendor's final statements of adjustments relating to that sale;
- (b) subject to the UB Owner having repaid the UB-GF Indebtedness up to the principal amount of CAD\$17,500,000 (or otherwise permitted by the UB-GF Lender), the UB Owner shall promptly pay 100% of the UB Lot 3 Net Sale Proceeds by wire transfer to the trust account of the Lenders' Solicitors, to be held as Repayment Reserve in accordance with Section 3.5; and
- (c) provided that there is no Event of Default and no outstanding event which, with the passing of time, the giving of notice or otherwise, would constitute an Event of Default, the Lenders will execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of the UB Mortgage and other applicable Security Documents with respect to the UB Lot 3 (or the applicable thereof that is being sold), subject to the Lenders' Solicitors confirming to the Lenders of their receipt of the amount payable pursuant to Section 3.4(b) above.

3.5 Repayment Reserve

To facilitate the repayment in full of the Loan Amount on their applicable Maturity Dates and otherwise in accordance with the terms hereof, the Borrowers will establish a reserve (the "**Repayment Reserve**"),

which shall be held in the trust account of the Lenders' Solicitors and funded by the UB Lot 2 Unit Net Sale Proceeds and the UB Lot 3 Net Sale Proceeds which, in both cases, are paid to the Lenders' Solicitors from time to time in accordance with Section 3.2(b) and Section 3.4(b) above.

The balance of the Repayment Reserve shall be applied as follows:

- (a) Subject to the Lenders confirming to the Borrowers and the Lenders' Solicitors that there are sufficient funds in the Repayment Reserve to effect the repayment in full of Tranche 1, Tranche 3 and Tranche 4 on their respective Maturity Dates in accordance with the terms of this Agreement, the funds so held in the Repayment Reserve shall be withdrawn and paid to the Lenders to repay those Tranches on their respective Maturity Dates accordingly, which withdrawal is hereby irrevocably authorized and directed by the Borrowers; and
- (b) If Tranche 1, Tranche 3 and Tranche 4 have been repaid in full, then the funds held in the Repayment Reserve shall be withdrawn and paid to the Lenders to repay Tranche 2 on the Maturity Date of that tranche accordingly, which withdrawal is hereby irrevocably authorized and directed by the Borrowers.

Until the funds are so paid pursuant to the preceding paragraph, the Repayment Reserve shall be held as security for the payment of the Loan Amount and all of the Borrowers' other obligations in respect of the Loan and under this Agreement, and may be administered as follows:

- (c) Neither the Lenders nor any other person is obligated to pay any interest on the balance in the Repayment Reserve.
- (d) The Lenders may, in their sole discretion and without obligation, direct the Lenders' Solicitors to invest the funds in the Repayment Reserve in an interest-bearing account, and any interest or return so accrued thereon shall be added to the balance of the reserve, and the Borrowers shall have no right to collect or withdraw any such interest or return or the balance in the reserve, except to effect the repayment of the Loan Amount in accordance with the terms hereof.
- (e) For greater certainty, notwithstanding the restrictions and conditions in respect of the funds in the Repayment Reserve:
 - (1) Until paid to effect any repayment of the Loan Amount in accordance with the terms hereof, such funds shall be (and shall remain to be) the property of the Borrowers, which shall be solely responsible to pay any taxes that may be exigible in relation thereto (including, without limitation, any interest or return accrued thereon);
 - (2) Except as specifically provided in this Section 3.5, the Borrowers shall have no right to withdraw or request funds from the Repayment Reserve, or to assign, transfer or grant a security interest in the Repayment Reserve to any third party; and
 - (3) The Borrowers shall continue to be indebted to the Lenders under the Loan and shall remain obligated to pay interest on the Loan pursuant to the terms hereof, without any reduction or allowance on account of the balance in the Repayment Reserve.

4. SECURITY

4.1 Security Documents

As security for the repayment of the Loan Amount and performance of the obligations of the Borrowers to the Lenders, the Borrowers shall grant, or cause to be granted, to the Lenders the following documents, each in form and substance to the satisfaction of the Lenders (collectively, the "**Security Documents**"):

- (a) mortgage, including the terms of an assignment of rents, in favour of the Lenders charging the Hotel Property granted by the ITC Borrower (the "**ITC Hotel Mortgage**") in the principal amount of CAD\$3,400,000, provided that the principal amount thereof shall be increased to CAD\$37,000,000 on or prior to any advance under Tranche 2 and Tranche 3;
- (b) mortgage, including the terms of an assignment of rents, in favour of the Lenders charging the ITC Bar in the principal amount of CAD\$37,000,000 granted by the ITC Borrower (the "**ITC Bar Mortgage**"), provided that the ITC Bar Mortgage shall only be granted and registered on or prior to any advance under Tranche 2 and Tranche 3;
- (c) mortgage, including the terms of an assignment of rents, in favour of the Lenders charging the UB Property granted by the UB Nominee (the "**UB Mortgage**") in the principal amount of CAD\$7,300,000, provided that the principal amount thereof shall be increased to CAD\$37,000,000 on or prior to any advance under Tranche 2 and Tranche 3;
- (d) beneficiary authorization and charge agreement relating to the UB Property granted by the UB Nominee and the other UB Borrowers in favour of the Lenders;
- (e) mortgage, including the terms of an assignment of rents, in favour of the Lenders charging the SpaV-SL1 and SpaV-SL3 in the principal amount of CAD\$5,000,000 granted by MYPCo (the "**SpaV Mortgage**");
- (f) mortgage, including the terms of an assignment of rents, in favour of the Lenders charging the Residence-SL128 in the principal amount of CAD\$1,500,000 granted by Ching (the "**Residence Mortgage**");
- (g) general security agreement granted by the Borrowers and the other Obligants creating in favour of the Lender a security interest in all of its present and after-acquired personal property;
- (h) assignment by the Borrowers of the Interest Reserves and the Repayment Reserve;
- (i) assignment of all of the Borrowers' and (if applicable) the Hotel Operator's right, title and interest in:
 - (1) all construction contracts, plans and permits, warranties, licences and other material contracts, relating to any construction and development of the ITC Property and the Hotel,
 - (2) all agreements and licences in respect of the management of the Hotel and the licence for the use of the trademark "Opus Hotel" for the Hotel (the "**Hotel Management and License Agreements**"), and (iii) all agreements in respect of the use of and access to the Hotel Exclusive Amenities (the "**Hotel Exclusive Amenities Agreements**");

- (3) all construction contracts, plans and permits, warranties, licences and other material contracts, relating to any construction and development in respect of the UB Lot 2 Site Servicing Works and the other UB Property;
- (j) assignment of all of the Borrowers' right, title and interest in all contracts relating to the sale or refinancing of all or any portion of (i) the Hotel Property and all or any portion of the other ITC Property, and (ii) the UB Lot 2 Units, the UB Lot 3 and all or any portion of the other UB Property, and in the case of any sale, of all deposits paid and received in connection with same;
- (k) postponement and assignment of claims granted by the Borrowers and the Guarantors, their respective shareholders, applicable affiliates, and any persons not dealing at arm's length with the Borrowers or the Guarantors;
- (l) unlimited joint and several guarantee by the Guarantors to pay the Loan Amount and observe and perform all other obligations and liabilities of the Borrowers hereunder and under the Security Documents;
- (m) joint and several environmental indemnity agreement in respect of the Property by the Obligants;
- (n) cost overrun, completion and debt service agreement in respect of (i) the ITC Property and the Hotel, and (ii) the UB Property and the UB Lot 2 Site Servicing Works by the Obligants;
- (o) priority and standstill agreement between the Lenders and the Senior A Lenders, relating to the Senior A Security and all other security held by the Senior A Lenders from the Obligants (the "**Senior A / Senior B Priority Agreement**");
- (p) priority and standstill agreement between the Lenders and the ITC-126 Lender, relating to the ITC-126 Security and all other security held by the ITC-126 from the Obligants (the "**Senior B / ITC-126 Priority Agreement**"),

and such other security as the Lender may reasonably require.

4.2 Ranking

The Security Documents described in Section 4.1(a) to (j) above will rank:

- (a) as first charge against the Interest Reserves;
- (b) in respect of the ITC Hotel Mortgage:
 - (1) until the principal amount thereof is increased as provided under Section 4.1(a), as third charge against the Hotel Property, subject and subordinate only to the Senior A Security and the ITC-Junior Security; and
 - (2) otherwise, as second charge against the Hotel Property, subject and subordinate only to the Senior A Security;
- (c) in respect of the ITC Bar Mortgage, when registered, as first charge against the ITC Bar;
- (d) in respect of the UB Mortgage:
 - (1) until the principal amount thereof is increased as provided under Section 4.1(c):

- (A) as fifth charge against UB Lot 1, subject and subordinate only to the UB-VTB Security, the UB-GF Security, the ITC-Junior Security and the UB Project Security;
 - (B) as third charge against UB Lot 2 and UB Lot 4, subject and subordinate only to the ITC-Junior Security and the UB Project Security;
 - (C) as fourth charge against UB Lot 3, subject and subordinate only to the UB-GF Security, the ITC-Junior Security and the UB Project Security; and
 - (D) as fourth charge against UB Lot A, subject and subordinate only to the UB-VTB Security, the ITC-Junior Security and the UB Project Security;
- (2) otherwise:
- (A) as fourth charge against UB Lot 1, subject and subordinate only to the UB-VTB Security, the UB-GF Security and the UB Project Security;
 - (B) as second charge against UB Lot 2 and UB Lot 4, subject and subordinate only to the UB Project Security;
 - (C) as third charge against UB Lot 3, subject and subordinate only to the UB-GF Security and the UB Project Security; and
 - (D) as third against UB Lot A, subject and subordinate only to the UB-VTB Security and the UB Project Security;
- (e) in respect of the SpaV Mortgage:
- (1) as third charge against SpaV-SL1, subject and subordinate only to the SpaV-BDC Security and the SpaV-Jin Security; and
 - (2) as third charge against SpaV-SL3, subject and subordinate only to the SpaV-BDC Security and the SpaV-Jin Security;
- (f) in respect of the Residence Mortgage, as second charge against Residence-SL128, subject and subordinate only to the Residence-SL128-Morteq Security..

4.3 Priority Agreements

The Security Documents described in Sections 4.1(o) to 4.1(p) (collectively, the “**Priority Agreements**”) shall provide the following:

- (a) in all cases, the Lenders’ right to deduct any amount out of the Interest Reserves shall not be restricted;
- (b) in the case of the Senior A / Senior B Priority Agreement:
 - (1) the Lenders’ right to receive any payments on account of the Loan Amount from any sources whatsoever (other than proceeds from any sale of the Hotel Property or recovery from any enforcement actions against the Hotel Property) shall not be restricted, whether before or after an Event of Default or a demand under this Agreement;

- (2) the Lenders may receive and retain payments on account of interest, principal and all other amounts in respect of the Loan Amount, unless the Lenders have received a notice from the Senior A Lenders that an Event of Default (as defined in the Senior A Loan Agreement) has occurred or a demand has otherwise been issued;
 - (3) upon the issuance of notice of demand by the Senior A Lenders in respect of the Senior A Indebtedness, the Senior A Lenders shall deliver a copy of such notice to the Lenders concurrently. At any time after the Lenders have received such notice, any one or more or all of the Lenders may, but is not obligated to, purchase from the Senior A Lenders their respective interest in the Senior A Indebtedness and the Senior A Security. Unless the Lenders and the Senior A Lenders agree otherwise, the purchase shall complete within 30 days after the Lenders have delivered a notice to the Senior A Lenders requiring a sale of the Loan, and the purchase price shall be equal to the Senior A Indebtedness then owing on the day of such sale;
- (c) in the case of the Senior B / ITC-126 Priority Agreement:
- (1) the ITC-126 Lender's right to initiate any enforcement action under the Security Documents shall be subject to the ITC-126 Lender delivering to the Lenders a 5 days' prior notice of its intention to initiate such action;
 - (2) the principal amount of the ITC-126 Indebtedness shall not at any time exceed (i) \$6,000,000 during the term of the Loan up to the date of the advance under Tranche C, and (ii) \$3,000,000, thereafter; and
 - (3) the ITC-126 Lender may receive and retain payments on account of interest, principal and all other amounts in respect of the ITC-126 Indebtedness, unless the ITC-126 Lender has received a notice from the Lenders that an Event of Default has occurred or a demand has otherwise been issued.

5. REPRESENTATIONS AND WARRANTIES

The representations and warranties set out in this Section 5 shall survive the execution and delivery of this Agreement. No investigation at any time made by or on behalf of the Lender shall diminish in any respect whatsoever the Lender's rights to rely on such representations and warranties.

5.1 ITC Property

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the ITC Borrower is the sole legal and beneficial owner of the Hotel Property and the ITC Bar;
- (b) the Hotel Property consists of ITC Remainder and ITC ASP2;
- (c) ITC Remainder is a single legal parcel, which is the remainder of a certain legal parcel after the deposit of the air space parcel plan which created five other air space parcels (including ITC ASP2). The ITC Remainder is improved with a five-storey podium structure, which contains parking stalls and a common garden / patio area located on level 6 of the ITC Remainder between the buildings constructed, respectively, on air space parcels 3 and 5 (both of which are of the same air space plan as ITC ASP2) for the use of the owners and licensees of ITC ASP2 and the other airspace parcels;

- (d) ITC ASP2 consists of a single airspace parcel, being improved with a full-service, 14-storey hotel facility, with a total floor area of approximately 94,415 square feet, with 100 guest rooms, a roof-top patio lounge and swimming pool and other related amenities, which will be for the exclusive use of the Hotel and its guests (the "**Hotel**");
- (e) the completed Hotel will be known as Opus Hotel Versante. The ITC Borrower will operate the Hotel through Hotel Versante Ltd., which has engaged Trilogy Hotel Management (Richmond) Ltd., an affiliate of Trilogy Management and Opus Hotels Corporation (the "**Hotel Manager**") for the management and operation of the Hotel;
- (f) the Hotel Property and the ITC Bar form a part of a mixed-use development complex that will be known as the International Trade Centre at Versante (the "**Complex**") that will comprise of the Hotel, commercial, office and retail components;
- (g) the Complex includes the ITC Remainder, which provides approximately 333 parking stalls, 84 of which will be for the exclusive use of the Hotel and its guests, located on Parking Level 5 of the Remainder;
- (h) the construction and interior furnishing of the Hotel, the Hotel Property are expected to be fully completed, in order to achieve Hotel Property OP Issuance by June 14, 2021 (the "**Hotel Property OP Issuance Target Date**");
- (i) the hotel, the restaurant and other facilities located within the Hotel Property and all other works and services required for the commissioning of those facilities (collectively, the "**Hotel Property Commissioning**"), all substantially up to the Hotel Property Specifications, are expected to be substantially completed by July 1, 2021 (the "**Hotel Property Commissioning Target Date**");
- (j) the ITC Bar is located on the ground floor of the north tower of the Complex, with an area of approximately 3,164 square feet;
- (k) the ITC Bar will be part of a private membership club, known as Club Versante, and will be used as a whisky bar, known as Cask, with tasting room and private whisky lockers; and
- (l) the appraisal report and the stage 1 environmental assessment provided by or on behalf of the Borrowers to the Lenders in accordance with Section **Error! Reference source not found.** are the most recent ones prepared in respect of the Hotel Property, and there are no other similar reports or assessments that are in the possession of the Borrowers or otherwise under the control or accessible by the Borrowers which have not been provided to the Lenders.

5.2 UB Property

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the UB Nominee is the sole legal owner of the UB Property, holding the title thereto as bare trustee for the sole benefit of the UB Owner;
- (b) the UB Property is located in Union Bay on the east coast of Vancouver Island, within the Comox Valley;
- (c) the UB Property has an area of approximately 789 acre, and consists of 3 phases:

- (1) phase 1 consists of UB Lot 2 (with an area of approximately 23.99 acres) and UB Lot 3 (with an area of approximately 17.52 acres), with a total area of approximately 41.52 acres, and they are located to the east of Highway 19;
- (2) phase 2 consists of UB Lot 4 and UB Lot A, with a total area of approximately 162 acres (of which UB Lot 4 consists an area of approximately 131 acres), and they are located to the west of Highway 19; and
- (3) phase 3 consists of UB Lot 1, with a total area of approximately 583 acres, the majority of which is located to the west of Highway 19,

anticipated to comprise of a total of approximately 3,000 residential units, 2 hotels and 1 college, 400,000 square feet commercial retails, hi-tech park, railing station and a marina;

- (d) in connection with the development of the UB Property, the UB Owner is obligated pursuant to the UB Master Development Agreement to transfer or otherwise dedicate certain portions of the UB Property to or in favour of the Comox Valley Regional District for the purpose of creating certain Parks and Trails for public use (collectively, the "**UB Parks & Trails Transfer**");
- (e) the UB Owner has commenced the development (the "**UB Lot 2 Development**") on UB Lot 2 to create the following:
 - (1) a bare land strata subdivision composed of approximately thirty-nine (39) residential bare land strata lots (the "**UB Lot 2 Strata Lots**") which will be created by the filing of a strata plan (the "**UB Lot 2 Strata Plan**");
 - (2) parcels A, D and E (each, a "**UB Lot 2 Subdivided Parcel**"), which will be created out of UB Lot 2 in the area adjacent to, but outside of, the UB Lot 2 Strata Plan;
- (f) the UB Owner received the Preliminary Layout Approval ("**PLA**") from the Ministry of Transportation and Infrastructure of the Province of British Columbia for UB Lot 2 Development on September 16, 2020, which approval is subject to the conditions set out therein;
- (g) the UB Owner has carried out or is carrying out the following works on UB Lot 2 (collectively, the "**UB Lot 2 Development Works**"):
 - (1) in accordance with the Approval in Principal dated August 2, 2019 issued by the Ministry of Environment and Climate Change Strategy, the UB Owner completed the environmental remediation (the "**Remediation**") in respect of UB Lot 2 and submitted in May 2020 an application to the ministry for a Certificate of Compliance (a "**Certificate of Compliance**") pursuant to Section 53 of the *Environmental Management Act* for UB Lot 2. The UB Owner anticipates that the final Certificate of Compliance will be issued by the ministry imminently by July 31, 2021;
 - (2) the UB Owner has awarded a contract with a general contractor to construct the site servicing works (the "**UB Lot 2 Site Servicing Works**"), which consists of the following:
 - (A) to construct site servicing works (including off-site improvements in the form of a new potable water supply station on UB Lot 4), and utilities and road connection to UB Lot 2 Development from Highway 19A; and
 - (B) to construct internal roadways;

- (h) after the Certificate of Compliance for UB Lot 2 is granted and the UB Lot 2 Site Servicing Works are completed, the UB Owner will apply for the subdivision of UB Lot 2 to create (among others) the UB Lots 2 Subdivided Parcels and deposit the UB Lot 2 Strata Plan at the Land Title Office to create the UB Lot 2 Strata Lots, all of which is expected to occur in September 2021;
- (i) the UB Owner has filed the UB Lot 2 Strata Disclosure Statement and commenced the marketing and sales efforts for the UB Lots 2 Units;
- (j) the UB Owner has entered into the definitive UB Lot 2 Unit Sale Agreements for such units with such parties at such prices with such amounts of deposits paid, all as set out in the UB Lot 2 Sales Summary;
- (k) as at April 15, 2021:
 - (1) the total sum of the purchase price under the UB Lot 2 Unit Sale Agreements is CAD\$14,489,000.00;
 - (2) the total sum of the deposit paid under the UB Lot 2 Unit Sale Agreement is CAD\$650,270.00, which has been received and held by Fasken Martineau DuMoulin LLP, as solicitors for the UB Owners in respect of sale of the UB Lot 2 Units, as deposits in accordance with the terms of the applicable UB Lot 2 Unit Sale Agreement (the "**UB Lot 2 Unit Sale Deposits**");
- (l) in respect of the following UB Lot 2 Units, the UB Owner has negotiated the sale of such units to such prospective purchasers at such prospective prices, as set out in the UB Lot 2 Sales Summary:
 - (1) Strata Lots 34, 35, 36, 37 and 38 of the UB Lot 2 Strata Lots (the "**Bene Strata Lots**"),
and the UB Owner is going to enter into definitive UB Lot 2 Unit Sale Agreements for such units;
- (m) upon creation of the title to the UB Lot 2 Units, the UB Owner intends to close the sales of the UB Lot 2 Units pursuant to the terms of the UB Lot 2 Unit Sale Agreements. The UB Owner expects that the date of completion of the sale of the UB Lot 2 Units will be between September 1, 2021 and November 30, 2021; and
- (n) the Borrowers anticipate that they will need to fund additional contribution in a sum not less than CAD\$5,000,000 for completing the UB Lot 2 Site Servicing Works; and
- (o) the UB Lot 2 Unit Sale Agreements set out in the UB Lot 2 Sales Summary (copies of which agreements have been delivered pursuant to Section 6.1(d)(6) below) are all the agreements that have been entered into as at the date hereof in respect of the sales of UB Lot 2 Units and those agreements, together with the UB Lot 2 Strata Disclosure Statement (in respect of UB Lot 2 Strata Lots only), contain all information in respect of the sales of those UB Lot 2 Units, and are accurate and complete in all respects, un-amended and un-supplemented in any material respect except as provided therein.

5.3 UB-GF Indebtedness

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the UB-GF Lender advanced a loan to the Borrowers to finance the development on UB Lot 3 pursuant to the terms of the UB-GF Loan Agreement;
- (b) the outstanding principal balancing owing under the UB-GF Indebtedness is CAD\$17,500,000; and
- (c) interest on the UB-GF Indebtedness accrues at a rate of no more than UB-GF Lender's prime lending rate (currently, 2.45% per annum) plus 2.75% per annum, calculated and payable monthly, whether before or after default or demand;
- (d) the UB-GF Indebtedness will be due on April 1, 2022;
- (e) until the applicable due date, no amount is payable under the UB-GF Indebtedness (other than interest accrued thereon, which is payable monthly). The UB Owner may prepay the UB-GF Indebtedness, in full or in part, at any time, without bonus or penalty due to the UB-GF Lender;
- (f) the UB-GF Loan Agreement and the UB-GF Security are all the agreements and contain all material information in respect of the UB-GF Indebtedness, and are accurate and complete in all respects, un-amended and un-supplemented in any material respect except as provided therein.

5.4 UB-VTB Indebtedness

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the UB-VTB Lender advanced a vendor-take-back loan in the initial principal amount of CAD\$24,000,000 to finance acquisition of the UB Property by the UB Owner, pursuant to the terms of the UB-VTB Agreement;
- (b) the principal amount owing under the UB-VTB Indebtedness is CAD\$14,000,000;
- (c) interest on the UB-VTB Indebtedness accrues at a rate of no more than 5.00% per annum, calculated and payable annually on December 31, whether before or after default or demand;
- (d) the UB-VTB Indebtedness will be due as follow:
 - (1) CAD\$6,000,000 (the "**UB-VTB Installment**"), on the receipt by the UB Owner of the Certificates of Compliance for UB Lot 2&3;
 - (2) CAD\$4,000,000, on the later of (i) December 31, 2021, and (ii) if the UB Owner has not received the Certificates of Compliance for UB Lot 2&3 by December 31, 2021, 30 days after receipt of the same; and
 - (3) CAD\$4,000,000, on the later of (i) March 1, 2023, and (ii) if the UB Owner has not received the Certificates of Compliance for UB Lot 2&3 by March 1, 2023, 60 days after receipt of the same;
- (e) upon receipt of the UB-VTB Installment, the UB-VTB Lender will discharge the UB-Security in respect of UB Lot A; and

- (f) the UB-VTB Agreement and the UB-VTB Security are all the agreements and contain all material information in respect of the VTB Indebtedness, and are accurate and complete in all respects, un-amended and un-supplemented in any material respect except as provided therein.

5.5 ITC-126 Indebtedness

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the ITC-126 Lender advanced a term loan to ITC, Ching and Sunwins pursuant to the terms of the ITC-126 Loan Agreement, and the outstanding principal balance owing under the ITC-126 Indebtedness as at the First Funding Date is CAD\$6,000,000;
- (b) interest on the ITC-126 Indebtedness accrues at the rate of 3.00% per annum, calculated and payable monthly;
- (c) the ITC-126 Indebtedness will be due on September 4, 2021;
- (d) the ITC-126 Loan Agreement and the ITC-126 Security are all the agreements and contain all material information in respect of the ITC-126 Indebtedness, and are accurate and complete in all respects, un-amended and un-supplemented in any material respect except as provided therein;
- (e) the Borrowers intend to pay down the ITC-126 Indebtedness to be funded by Tranche 3 in order to reduce the principal balance thereof to CAD\$3,000,000.

5.6 Other Property

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the MYPCo is the sole legal and beneficial owner of SpaV-SL1 and SpaV-SL1 (collectively, the "SpaV Property");
- (b) the SpaV Property is located in Richmond with a civic addresses of 120 and 130, 8280 Lansdowne Road, and MYPCo is operating the business of a spa and a sports and recreational facility located within the SpaV Property;
- (c) Ching is the sole legal and beneficial owner of Residence-SL128;
- (d) Residence-SL128 is a residential penthouse unit the tower known as "River Park Place 2/3" in Richmond, with a civic address of 1402-6900 Pearson Way.

5.7 Indebtedness re Other Property

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the SpaV-BDC Lender advanced two term loans to MYPCo:
- (1) one in the original amount of \$3,800,000;
 - (2) another in the original principal amount of \$2,400,000,
- and the outstanding principal balance owing under the SpaV-BDC Indebtedness, in aggregate, as at the First Funding Date is no more than CAD\$4,500,000;

- (b) interest on the SpaV-BDC Indebtedness accrues at the rate of "BDC's Floating Base Rate plus 0.00% per annum, calculated and payable monthly;
- (c) the entire SpaV-BDC Indebtedness will be due no earlier than February 22, 2035;
- (d) the SpaV-Jin Lender advanced a term loan to MYPCo, and the outstanding principal balance owing under the SpaV-Jin Indebtedness as at the First Funding Date is CAD\$4,000,000;
- (e) interest on the SpaV-Jin Indebtedness accrues at the rate of (i) for the period up to November 19, 2021, 10% per annum, and (ii) thereafter, 18% per annum, calculated and payable monthly;
- (f) the SpaV-Jin Indebtedness will be due on December 20, 2021;
- (g) the SpaV-Kingdom Lender advanced a term loan to MYPCo pursuant to the terms of the SpaV-Kingdom Loan Agreement, and the outstanding principal balance owing under the SpaV-Kingdom Indebtedness as at the First Funding Date is CAD\$1,500,000;
- (h) interest on the SpaV-Kingdom Indebtedness accrues at the rate of 4% per annum, calculated and payable monthly;
- (i) the SpaV-Kingdom Indebtedness will be due on July 15, 2021;
- (j) the Residence-SL128-Morteq Lender advanced a term loan to Ching, and the outstanding principal balance owing under the SpaV-Jin Indebtedness as at the First Funding Date is CAD\$900,000;
- (k) interest on the Residence-SL128-Morteq Indebtedness accrues at the rate of 6.60% per annum, calculated and payable monthly;
- (l) the Residence-SL128-Morteq Indebtedness will be due on or about March 30, 2022.

5.8 Obligants

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) the sole shareholder of the ITC Borrower, the Hotel Operator, MYPCo and Sunwins is Ching;
- (b) the sole business of the ITC Borrower is the ownership and development of the ITC Property and the Hotel;
- (c) the sole shareholder of the UB Nominee is the UB Owner;
- (d) the sole limited partner of the UB Owner is Ching, and the sole shareholder of the UB Owner GP is Linda Ching, who is the daughter of Ching; and
- (e) the sole business of the UB Nominee is to hold legal title to the UB Property as bare trustee for the sole benefit of the UB Owner;
- (f) the sole business of the UB Owner is the development of the UB Property, and the sole business of the UB Owner GP is acting as the general partner of the UB Owner.

5.9 Standard Representations

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lender:

- (a) all information, documents, reports, certificates and records provided by or on behalf of the Obligants to the Lenders are accurate and complete in all material respects, and do not omit any material fact that would make the content thereof misleading;
- (b) each of the corporate Obligant is a corporation duly incorporated, validly existing and in good standing under the *Business Corporations Act* (British Columbia), save and except for the UB Nominee which is a Yukon corporation extra-provincially registered in British Columbia, and the UB Owner is a limited partnership formed and validly existing under the *Partnership Act* (British Columbia) of which the UB Owner GP is its sole general partner;
- (c) each of the corporate Obligant has (on its own behalf and, in the case of UB Owner GP, on behalf of UB Owner) all requisite power and authority to own its assets, to carry on its business as now being conducted, to borrow or to provide guarantee and other financial assistance, and to enter into and perform its obligations under the Loan Documents to which it is a party;
- (d) the borrowing of the Loan or the provision of financial assistance (as applicable) by each Obligant and the provision of security therefor, as contemplated by the Loan Documents to which that Obligant is party, and the execution, delivery and performance by that Obligant of the Loan Documents:
 - (1) have been duly authorized by all necessary proceedings of that Obligant (to the extent it is a corporation or a limited partnership);
 - (2) do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) the constating documents of that Obligant (to the extent it is a corporation or a limited partnership);
 - (B) any law applicable to or binding on or affecting that Obligant or its assets;
 - (C) the ITC-Junior Indebtedness or any ITC-Junior Security;
 - (D) the Senior A Indebtedness or any Senior A Security;
 - (E) the ITC-126 Indebtedness or any ITC-126 Security;
 - (F) the UB-GF Indebtedness or any UB-GF Security;
 - (G) the UB-VTB Indebtedness or any UB-VTB Security;
 - (H) the UB Project Indebtedness or any UB Project Security;
 - (I) the SpaV-Kingdom Indebtedness or any SpaV-Kingdom Security;
 - (J) the SpaV-BDC Indebtedness or any SpaV-BDC Security;
 - (K) the SpaV-Jin Indebtedness or any SpaV-Jin Security;

- (L) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security; or
 - (M) any agreement or other document to which that Obligant is a party;
- and
- (3) do not and will not, result in, or require or permit:
 - (A) the imposition of any encumbrances on or with respect to the Property or any other properties now owned by that Obligant; or
 - (B) the acceleration of the maturity of the Senior A Indebtedness, the ITC-Junior Indebtedness, ITC-126 Indebtedness, the UB-GF Indebtedness, the UB-VTB Indebtedness, the UB Project Indebtedness, the SpaV-Kingdom Indebtedness, the SpaV-BDC Indebtedness, the SpaV-Jin Indebtedness, the Residence-SL128-Morteq Indebtedness or any other debts owing by that Obligant.
 - (e) each of the Obligants has obtained all consents, authorizations and approvals required to carry on its business as now being conducted and to enter into and perform its obligations under the Loan Documents;
 - (f) none of the Obligants is in default, and there occurs no event which would, with notice, lapse of time or both, result in its default, under (i) any indenture, mortgage, deed of trust, or (ii) any agreement or other instrument to which any of the Obligants is a party or by which any Obligant or any of its assets may be bound;
 - (g) each of the Obligants has filed all tax returns which are required to be filed by it and it has paid or remitted when due all taxes, assessments and government charges imposed upon it which if unpaid could result in any charge or other encumbrance on its properties;
 - (h) no Event of Default has occurred or is continuing, and there exists no state of facts or circumstances, which after notice, lapse of time or both, would constitute an Event of Default;
 - (i) each of the Obligants is in compliance with all applicable laws, including, without limitation, all environmental laws in respect of the Property; and
 - (j) there is no action, suit, litigation, attachment, garnishment, charging order, equitable execution, or other proceeding (regulatory or otherwise) commenced or threatened against any of the Obligants or any of its assets (including, without limitation, the Property or any part thereof).

6. CONDITIONS PRECEDENT

6.1 All Tranches

Notwithstanding any other provisions of this Agreement, subject to Section 2.9 above, the Lenders shall not be obligated to advance under any tranche of the Loan unless and until the following conditions have been satisfied to the satisfaction of the Lender (or waived by the Lenders in their sole discretion):

- (a) the Lenders shall have received the following documents, each in form and substance to its satisfaction:

- (1) this Agreement and the Security Documents, duly executed by applicable Obligants;
 - (2) the Priority Agreements, duly executed by the parties thereto;
 - (3) certificate of good standing (or equivalent) with respect of each of the Obligants (to the extent it is a corporation or a limited partnership);
 - (4) certificate of officers or directors of each of the corporate Obligants;
 - (5) an opinion issued by counsel to the Obligants as to their existence (to the extent it is a corporation or a limited partnership), the authorization, execution, delivery by each of the Obligants of the applicable Loan Documents, and such other matters as the Lender or its solicitors may require;
 - (6) payment in immediately available funds:
 - (A) the sum of CAD\$50,000 on account of the Lenders' costs for monitoring the progress of the UB Lot 2 Site Servicing Works;
 - (B) on account of the costs and expenses pursuant to Section 13.2 below;
 - (7) irrevocable and unconditional direction as to the application of the proceeds of the Loan signed by the Borrowers; and
 - (8) appointment of the Obligants' Solicitors, as agent for services on behalf of the Obligants;
- (b) the Lenders shall have received and reviewed to their satisfaction:
- (1) the most recent interim and the annual financial statements (which will include disclosure of any litigation or judgments) for each Obligor (to the extent it is a corporation or a limited partnership);
 - (2) current signed net worth statement (which will include disclosure of any litigation or judgments) and a current credit report for each individual Obligor;
 - (3) confirmation that there is no action, suit, litigation or other proceeding (regulatory or otherwise) commenced against any of the Obligants; and
 - (4) two certified items of government identification for each individual Obligor and each person signing a Loan Document on behalf of each other Obligor, and such other documentation as may be required by the Lenders in order to comply with their obligations under applicable anti-money laundering legislation;
- (c) the Lenders shall have received and reviewed to their satisfaction:
- (in respect of the ITC Property)
- (1) the state of the title to the ITC Property and all encumbrances affecting it;
 - (2) the ITC-126 Agreement and the ITC-126 Security;
 - (3) the most recent stage 1 environmental review for the Hotel Property prepared by an environmental consultant or engineer acceptable to the Lenders, accompanied

by a transmittal letter from the consultant or engineer addressed to the Lenders and confirming that it may be relied upon by the Lenders for mortgage lending purposes;

- (4) a detailed up-to-date budget for the construction of the Hotel Property (including all hard and soft costs and projected cash flow), construction time schedule (including, without limitation, the estimated completion date), architectural drawings and specifications and the construction management agreement and other material agreements for the construction of the Hotel Property;
 - (5) copies of (i) all drawings of interior furnishing of the Hotel Property (including, without limitation, the hotel suites, lobby, restaurant, bar, swimming pool located therein), and (ii) all supply, procurement and installation contracts in respect of the Hotel Property;
 - (6) a current Progress Report in respect of the construction of the Hotel Property;
 - (7) the appraisal report prepared by an appraiser satisfactory to the Lenders in respect of the "when complete" value of the Hotel Property, accompanied by a transmittal letter from the appraiser addressed to the Lenders and confirming that it may be relied upon by the Lender for mortgage lending purposes;
 - (8) evidence confirming that there are no arrears of property or related taxes levied or assessed in respect of the ITC Property; and
 - (9) title insurance policy for a lender in respect of the ITC Property and the Mortgage issued by a title insurer approved by the Lenders containing such endorsements as the Lenders may require;
- (d) the Lenders shall have received and reviewed to their satisfaction:
- (in respect of the UB Property)
- (1) the state of the title to the UB Property and all encumbrances affecting it;
 - (2) the UB-GF Loan Agreement and the UB-GF Security;
 - (3) the UB-VTB Agreement and the UB-VTB Security;
 - (4) the proof of the full discharge of the UB-Kingdom Security from the UB Property;
 - (5) a copy of the UB Lot 2 Strata Disclosure Statement that has been filed with the applicable authority pursuant to the *Real Estate Development Marketing Act* (British Columbia);
 - (6) the fully signed copies of all UB Lot 2 Unit Sale Agreements (including all amendments and supplements thereto);
 - (7) written confirmation (in form and substance acceptable to the Lenders) from Fasken Martineau DuMoulin LLP, as solicitors for the UB Owners in respect of sale of the UB Lot 2 Units, that they hold in their trust account the UB Lot 2 Unit Sale Deposits in accordance with the terms of the UB Lot 2 Unit Sale Agreements;
 - (8) the most recent stage 1 environmental review for UB Property prepared by an environmental consultant or engineer acceptable to the Lenders, accompanied by

- a transmittal letter from the consultant or engineer addressed to the Lenders and confirming that it may be relied upon by the Lenders for mortgage lending purposes;
- (9) the letters issued by SLR Consulting (Canada) Ltd. regarding the status of the Remediation and the application for the Certificates of Compliance, and all communication to and from the Ministry of Environment (or other applicable governmental authority) in respect thereof;
 - (10) the appraisal report prepared by an appraiser satisfactory to the Lenders in respect of the "as-is" value of the UB Property (except UB Lot 2) and the value of UB Lot 2 "as if" fully serviced lots, accompanied by a transmittal letter from the appraiser addressed to the Lenders and confirming that it may be relied upon by the Lenders for mortgage lending purposes; and
 - (11) evidence confirming that there are no arrears of property or related taxes levied or assessed in respect of the UB Property;
- (e) the Lender shall have received and reviewed to its satisfaction:
- (1) a written confirmation issued by the lender in respect of the current balance of each of the SpaV-BDC Indebtedness, and that such indebtedness remains in good standing;
 - (2) a written confirmation issued by the SpaV-Jin Lender in respect of the SpaV-Jin Indebtedness, and that such indebtedness remains in good standing;
 - (3) a written confirmation issued by the SpaV-Kingdom Lender in respect of the SpaV-Kingdom Indebtedness, and that such indebtedness remains in good standing; and
 - (4) a written confirmation issued by the Residence-SL128-Morteq Lender in respect of the Residence-SL128-Morteq Indebtedness, and that such indebtedness remains in good standing;
- (f) the Lenders shall have conducted an inspection of the Property, satisfactory to the Lenders in all respects;
- (g) all registrations and filings in connection with the Security Documents (including, without limitation, the Priority Agreements) have been made to the satisfaction of the Lender; and
- (h) there must be no outstanding Event of Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Default.

6.2 Tranche 1 and Tranche 4

Notwithstanding any other provisions of this Agreement, in addition to the conditions set out in Section 6.1 above, Lender A shall not be obligated to advance under Tranche 1 and Tranche 4 unless and until the following conditions have been satisfied to the satisfaction of Lender A (or waived by Lender A in its sole discretion):

- (a) Lender A shall have received and reviewed to its satisfaction the following:
- (1) written confirmation issued by the City of Richmond that the Hotel Property OP Issuance has been achieved; and

- (2) certificate of insurance (and on Lenders' request, the full policy) in respect of the Property, with the Lenders indicated as the loss payee in the order of its interest therein and additional insured and endorsed with the standard mortgage clause, for full replacement value in such amount as may be approved by the Lenders in their sole discretion, with coverage for fire, earthquake, flood, other water damages and such other coverages as the Lenders may require, and public liability insurance with a minimum of CAD\$2,000,000 coverage per occurrence;
- (b) Lender A shall have received and reviewed to its satisfaction the following:
 - (1) the payout statement in respect of the ITC-Romspen Hotel Indebtedness;
 - (2) there is sufficient arrangement (including, without limitation, undertakings given by the Obligants' Solicitors regarding same) that the outstanding balance of the ITC-Romspen Indebtedness will be repaid in full upon the release of the net proceeds of Tranche 1, together with the advance under the Senior A Loan Agreement, so that the ITC-Romspen Lender will be legally obligated to release and discharge the ITC-Romspen Security within reasonable period of time;
 - (c) title searches for the Property (as at the date of such advance), satisfactory to Lender A, evidencing that no encumbrances are registered against the Property, except for Permitted Encumbrances; and
 - (d) there must be no outstanding Event of Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Default.

6.3 Tranche 2 and Tranche 3

Notwithstanding any other provisions of this Agreement, in addition to the conditions set out in Section 6.1 above, Lender A shall not be obligated to advance under Tranche 2 and Tranche 3, unless and until the following conditions have been satisfied to the satisfaction of Lender A (or waived by those two lenders in their sole discretion):

- (a) Lender A shall have received and reviewed to its satisfaction the following:
 - (1) confirmation by Lender A, in its sole opinion and discretion, based on the inspection by Lender A (or its authorized representative) of the Hotel Property and review of other supporting evidence provided by or on behalf of the Borrowers, that the Hotel Property Commissioning has achieved completion on or before the Hotel Property Commissioning Target Date, all substantially up to or exceed the qualities and standards as specified in the Hotel Property Specifications and otherwise acceptable to Lender A in its sole opinion;
 - (2) certificate(s) of insurance in respect of the Property, with the Lenders indicated as the loss payee and additional insured and endorsed with the standard mortgage clause, for full replacement value (which value, in respect of the Hotel Property, shall not be less than the sum of CAD\$70,000,000 or such other amount as may be approved by the Lenders in their sole discretion), with coverage for fire, earthquake and such other coverage as the Lender may require, and public liability insurance with a minimum of CAD\$2,000,000 coverage per occurrence;
- (b) title searches for the Property (as at the date of such advance), satisfactory to the Lenders, evidencing that no encumbrances are registered against the Property, except for Permitted Encumbrances; and

- (c) there must be no outstanding Event of Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Default.

7. COVENANTS

7.1 General

Each of the Obligants covenants and agrees as follows:

- (a) maintain the corporate or partnership existence of each corporate or partnership Obligant, and do or cause to be done all things necessary to keep in full force and effect all licences and qualifications necessary to carry on business in all jurisdictions in which it carries on business;
- (b) keep current of all property or related taxes and levies assessed in respect of the Property, and all other taxes, rates, levies, charges and assessments charged or assessed in relation to the business of each of the Obligants and the Property;
- (c) keep insured, with an insurer acceptable to the Lenders, the Property and the personal property of the Obligants located thereon, for full replacement value not less than such amount as may be approved by the Lenders in their sole discretion, with coverage for fire, earthquake, flood, other water damages and such other coverages as may be acceptable to the Lenders, against such peril as the Lenders may require from time to time.

Specifically, the Borrowers shall deliver to the Lenders the following:

- (1) Within five Business Days after the Hotel Property OP Issuance, and in any case no later than June 30, 2021, a new certificate of insurance (and on Lenders' request, the full policy) in respect of the Hotel Property, reflecting the change in the nature and scope of the insurance as a result of the completion of the construction of the Hotel Property, for full replacement value not less than such amount the sum of CAD\$70,000,000 (or in such other amount as may be approved by the Lenders in their sole discretion), with coverage for fire, earthquake, flood, other water damages and such other coverages as the Lenders may require, and public liability insurance with a minimum of CAD\$2,000,000 coverage per occurrence (such insurance, the "**Post-Completion Hotel Property Insurance**"); and
- (2) within five Business Days after the end of each month, commencing in the month after the policy for the Post-Completion Hotel Property Insurance was issued, a proof of payment of the premium due and payable under the policy, in form and substance acceptable to the Lenders;
- (d) promptly provide the Lenders with the following:
 - (1) upon receipt of the same, all notices and other communication from the ITC-126 Lender, UB-GF Lender, the UB-VTB Lender, the SpaV-BDC Lender, the SpaV-Jin Lender, the SpaV-Kingdom Lender or the Residence-SL128-Morteq Lender;
 - (2) concurrent with the delivery of the same to the ITC-126 Lender, UB-GF Lender, the UB-VTB Lender, the SpaV-BDC Lender, the SpaV-Jin Lender, the SpaV-Kingdom Lender or the Residence-SL128-Morteq Lender:

- (A) copies of all requests for advance, together with the applicable Progress Report and all other documents and information accompanying the same, under the applicable agreements, and
 - (B) copies of all notice and other communication that the Obligants are required to deliver under the applicable agreements;
- and
- (3) all other information reasonably requested by the Lenders from time to time concerning the Obligant's financial condition and property (including, without limitation, the Property), the progress of the construction of the Hotel Property, the Hotel Property OP Issuance, the Hotel Property Commissioning, the sale of the UB Lot 2 Units or the UB Lot 3 (or any part thereof), the UB Lot 2 Site Service Works and the other UB Lot 2 Development Works;
- (e) no less than monthly, deliver to the Lender a Progress Report in respect of the Hotel Property (including the Hotel Property Commissioning) and the UB Lot 2 Site Service Works and the other UB Lot 2 Development Works;
 - (f) permit and facilitate the Lender and its agents to inspect the Property from to time upon reasonable notice and during normal business hours;
 - (g) permit the Lenders and their representatives to visit the Property and each of the Borrowers' place of business, to examine its books and records and to make copies and take extracts therefrom, and to discuss its affairs, finances and accounts with its employees, accountants and external advisors, all at reasonable times and as often as the Lenders may reasonably request;
 - (h) comply with all laws applicable to each Obligant and the Property;
 - (i) promptly notify the Lenders on becoming aware of the occurrence of any litigation, dispute, arbitration or other proceeding which would reasonably be expected to have a material adverse effect on any Obligant or the Property if adversely determined, and from time to time provide the Lender with all reasonable information requested by the Lenders concerning the status of any such proceeding;
 - (j) promptly notify the Lenders (and immediately upon request of the Lenders) of all reasonable information concerning the status of the following, together with relevant documentation in relation thereto:
 - (1) any debt or equity refinancing in respect of the Hotel Property and the ITC Property, the UB Property, the Other Property, the Loan, the Senior A Indebtedness, the UB Project Indebtedness or the ITC-Junior Indebtedness or any other material indebtedness owing by the Borrowers or any other Obligants;
 - (2) the marketing and sales efforts of any UB Lot 2 Units, or any other part of UB Lot 2&3; and
 - (3) the marketing and sales efforts of any other Property;
 - (k) continuously and diligent carry out:
 - (1) the construction of the Hotel Property and the Hotel Property Commissioning in accordance with the budget and the Hotel Property Specifications; and

- (2) the UB Lot 2 Site Service Works and the other UB Lot 2 Development Works,
- and, after such construction or work has completed, keep the Property in good condition and repair, and not cause or permit any waste, abandonment, demolition or destruction of the Property;
- (l) comply in all material respects with the *Builders' Lien Act* (BC) and maintain sufficient holdbacks as required under that Act, release funds out of the holdbacks as may be permitted under that Act and otherwise carry out all obligations of an "owner" (as defined under that Act);
- (m) promptly notify the Lenders of any event which could result in any cost overrun, material delay or change in the construction of the Hotel Property, the Hotel Property Commissioning, the UB Lot 2 Site Service Works or the other UB Lot 2 Development Works;
- (n) promptly fund in full, to the satisfaction of the Lenders, all costs overruns and change orders related to the Hotel Property, the Hotel Property Commissioning, the UB Lot 2 Site Service Works or the other UB Lot 2 Development Works, as and when they occur or otherwise upon the Lenders' request;
- (o) promptly notify the Lenders if the Hotel Property Commissioning will not be completed by the Hotel Property Commissioning Target Date;
- (p) promptly notify the Lenders when:
- (1) the Certificates of Compliance for UB Lot 2&3 have been issued and deliver to the Lenders copies of the same;
 - (2) title to the UB Lot 2 Units (or any one or more of them) have been created;
- (q) promptly notify the Lenders if, in respect of any of the UB Lot 2 Unit Sale Agreements:
- (1) the purchaser thereunder is unwilling or unable to complete the sale thereunder, or claims that the agreement is terminated pursuant to the terms thereof or otherwise under the *Real Estate Development Marketing Act* (British Columbia) or other applicable laws; or
 - (2) the date of completion of the sale thereunder will not occur on or before November 30, 2021;
- (r) when issued, deliver to the Lenders a copy of each of (i) the Certificates of Compliance in respect of UB Lot 2&3, (ii) the certificate of substantial completion issued by the architect of the Hotel Property, and (iii) the occupancy permit (whether provisional or unconditional) of the Hotel Property by the City of Richmond; or
- (s) when issued, deliver to the Lenders a copy of the certificate of substantial completion of the UB Lot 2 Site Servicing Works;
- (t) except with the Lenders' prior written consent, not cause or permit any amendment or supplement to, and not cause or permit any termination of, any of the following agreements:
- (1) the ITC-Junior Indebtedness or any ITC-Junior Security;
 - (2) the Senior A Indebtedness or any Senior A Security;

- (3) the ITC-126 Indebtedness or any ITC-126 Security;
 - (4) the UB-GF Indebtedness or any UB-GF Security;
 - (5) the UB-VTB Indebtedness or any UB-VTB Security;
 - (6) the UB Project Indebtedness or any UB Project Security;
 - (7) the SpaV-Kingdom Indebtedness or any SpaV-Kingdom Security;
 - (8) the SpaV-BDC Indebtedness or any SpaV-BDC Security;
 - (9) the SpaV-Jin Indebtedness or any SpaV-Jin Security; or
 - (10) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security;
- (u) not apply the loan proceeds under the UB-GF Loan Agreement for any use other than the UB Lot 2 Site Servicing Works or other UB Lot 2 Development Works;
 - (v) except with the Lenders' prior written consent, not apply the UB Lot 2 Unit Net Sale Proceeds for any purposes or in any manner other than as provided under the UB Project Loan Agreement and this Agreement;
 - (w) except with prior written notice to the Lenders, together with a copy of the amendment or filing, not cause or permit any amendment to, or other filing in respect of, the UB Lot 2 Strata Disclosure Statement;
 - (x) except with the Lenders' prior written consent (which consent shall not be unreasonably withheld or delayed), not cause or permit any amendment or supplement to, and not cause or permit any termination of, any of the UB Lot 2 Units Sale Agreements;
 - (y) except with the Lenders' prior written consent (which consent shall not be unreasonably withheld or delayed), not cause or permit any material change to any budget, contracts, plans and specifications in respect of the Hotel Property, the Hotel Property Commissioning, the UB Lot 2 Site Servicing Works or any other UB Lot 2 Development Works;
 - (z) not make any Distributions or make any payments on account of any debt owing by any of the Obligants to their respective shareholders, any other Obligants or any other persons not dealing at an arm's length from any of the Obligants;
 - (aa) except with the Lenders' prior written consent, not create, assume, incur or permit the existence of any security interest, mortgage, lien, charge, or other encumbrance whatsoever upon the Property or any assets of any Obligant, except for Permitted Encumbrances;
 - (bb) except for the sales of UB Lot 2 Units in accordance with the UB Lot 2 Unit Sale Agreements and the Parks & Trails Transfer, not sell, transfer or otherwise dispose of its legal or beneficial interest in the Property or any part thereof; and
 - (cc) except with the Lenders' prior written consent (which consent shall not be unreasonably withheld or delayed), not cause or permit (i) any merger, amalgamation, arrangement, liquidation, dissolution, consolidation or other reorganization of any of the corporate Obligants, (ii) any issuance, transfer or other disposition of any shares or other securities

(whether legal or beneficial interest therein) in the capital of any corporate Obligant, or (iii) other transaction that would result in the change of control in any corporate Obligant, or the combination of any corporate Obligant with or into another person.

7.2 Hotel Commissioning

If the Hotel Property Commissioning has not achieved completion, all substantially up to or exceed the qualities and standards as specified in the Hotel Property Specifications and otherwise acceptable to Lender A in its sole opinion, on or before July 15, 2021 (the "**Hotel Property Commissioning Outside Date**"), then the Borrowers shall pay to the Lenders a fee equal to \$10,000 per each day after the Hotel Property Commissioning Outside Date, up to and including the day when Lender A has confirmed to the Borrowers and the Lenders that, in the sole opinion and discretion of Lender A, the Hotel Property Commissioning has achieved completion, which fee shall be due and payable on the date of such confirmation.

The Borrowers and the other Obligants acknowledge and agree that the foregoing payment is intended to compensate the Lender for the elevated risk profile of the Borrowers, the Hotel Property and the Loan resulting from the events set out above, and are not intended to be a penalty or a payment on account of the outstanding balance of the Loan.

8. DEFAULT

8.1 Event of Default

Each of the following events will constitute an "**Event of Default**" under this Agreement:

- (a) any of the Obligants fail to pay any amount hereunder or under any of the other Loan Documents when due, or is in default of any other obligations hereunder or under any of the other Loan Documents;
- (b) any representation or warranty made by the Obligants herein or in any of the other Loan Documents is misleading or inaccurate when made;
- (c) in the opinion of the Lenders acting reasonably there is a material adverse change in the financial condition, ownership, or operation of any Obligant or the Property;
- (d) the proceeds of the Loan have been applied for any purpose other than as permitted hereunder;
- (e) any encumbrance, mortgage, charge, lien or interest affecting the Property or any other assets of any Obligant that are charged in favour of the Lenders pursuant to any of the Security Documents, is in default or otherwise becomes enforceable;
- (f) any encumbrance, mortgage, charge, lien or interest, whether fixed or floating, is granted upon, or otherwise attaches to, the Property or any other assets of any Obligant charged in favour of the Lenders pursuant to any of the Security Documents, other than Permitted Encumbrances;
- (g) the Property (or any part thereof) is damaged or destroyed in any material respect, in the sole opinion of the Lenders, or becomes the subject of expropriation proceedings;
- (h) there is a default under any Hotel Management and Licence Agreement or Hotel Exclusive Amenities Agreement, or any such agreement has been terminated (or a notice of intention to terminate the same has been issued);

- (i) any litigation, arbitration or administrative proceeding has commenced against any of the Obligants or the Property, which proceeding would, in the sole opinion of the Lenders, have a material adverse effect on that Obligant or the Property if adversely determined;
- (j) any of the Obligants is unable to pay its debts as they generally fall due, or stops or suspends or threatens to stop or suspend payment of its debts, as they generally fall due, or is in default under any agreement by which that Obligant, any of its assets or the Property may be bound;
- (k) a writ of execution, attachment or similar process has been issued or levied against any of the Obligants, any of its assets or the Property;
- (l) any of the Obligants is adjudged or declared bankrupt or insolvent, or any of the Obligants makes an assignment for the general benefit of creditors, or a receiver or trustee in bankruptcy has been appointed for any of the Obligants, any part of its assets or the Property, or any proceedings have been commenced against any of the Obligants under any reorganization, arrangement, relief or readjustment of debt or liquidation law of any jurisdiction whether now or hereafter in effect, or any of the Obligants consents to, approves of, or acquiesces in, any such proceeding;
- (m) in respect of any Obligant that is a corporation or a limited partnership:
 - (1) an order is made, a resolution is passed or a motion is filed for its liquidation, dissolution or winding-up; or
 - (2) there is any issuance of its shares or units or any change in the legal or beneficial ownership of its shares or units, in either case, that would result, in the sole opinion of the Lender, in a change of control of that corporate or partnership Obligant which exists as of the date hereof;
- (n) any Obligant who is an individual dies or is declared to be incompetent by a court of competent jurisdiction;
- (o) any event of default has occurred and is continuing, or a demand has otherwise been issued by under or in connection with:
 - (1) the ITC-Junior Indebtedness or any ITC-Junior Security;
 - (2) the Senior A Indebtedness or any Senior A Security;
 - (3) the ITC-126 Indebtedness or any ITC-126 Security;
 - (4) the UB-GF Indebtedness or any UB-GF Security;
 - (5) the UB-VTB Indebtedness or any UB-VTB Security;
 - (6) the UB Project Indebtedness or any UB Project Security;
 - (7) the SpaV-Kingdom Indebtedness or any SpaV-Kingdom Security;
 - (8) the SpaV-BDC Indebtedness or any SpaV-BDC Security;
 - (9) the SpaV-Jin Indebtedness or any SpaV-Jin Security; or

- (10) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security;

or

- (p) a demand has otherwise been issued by under or in connection with:
 - (1) the ITC-Junior Indebtedness or any ITC-Junior Security;
 - (2) the UB Project Indebtedness or any UB Project Security; or
 - (3) the Senior A Indebtedness or any Senior A Security.

8.2 Remedies

Upon an Event of Default, the Lenders may do all or any of the following:

- (a) declare the then outstanding balance of the Loan Amount to be immediately due and payable;
- (b) suspend or cancel the availability of any unadvanced tranche of the Loan;
- (c) apply the balance of the Interest Reserves or the Repayment Reserve or both against the Loan Amount; and
- (d) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, the Security Documents, at law, in equity or otherwise.

9. RELATIONSHIP BETWEEN PARTIES

The relationship between the Borrowers on one part and the Lenders on the other part is that of debtor and creditor, and not of a partnership, joint venture, co-venture or the like.

10. AMONG THE LENDERS

10.1 Several Obligations of the Lenders

Each of the parties hereto acknowledges and agrees that the obligation of each of the Lenders to the Borrowers or other Obligants hereunder or pursuant hereto is several, and not joint or joint and several. For greater certainty, the obligation of a Lender to advance the applicable tranche of the Loan shall not exceed the amount set out or otherwise determined pursuant to Section 2.1 for that tranche. No Lender shall be responsible for any failure of the other Lender to make available that other Lender's tranche of the Loan pursuant to this Agreement.

10.2 Acknowledgement

Each of the Lenders acknowledges to each other that:

- (a) it has been, and will continue to be, solely responsible for making its own independent assessment of the financial condition, credit-worthiness, affairs, status and nature of the Property, the Borrowers or any other Obligant;
- (b) it has consulted or has been given opportunity to consult its own legal counsel in respect of the Loan, this Agreement and the other Loan Documents; and

- (c) it has received photocopies of this Agreement and each of the Loan Documents and that it is satisfied with the form and substance thereof.

10.3 Collective Action of the Lenders; Majority Lenders

Notwithstanding any of the provisions contained herein or in any other Loan Documents, each of the Lenders hereby agrees that:

- (a) except as otherwise expressly provided for herein, in exercising any right, power or discretion which the Lenders are entitled to exercise pursuant to the terms of this Agreement and the other Loan Documents, each Lender shall consult one another and strive to achieve a consensus in a timely and commercially reasonable manner. To facilitate an orderly and timely consultation, Lender A shall act as a convener and call a meeting of all Lenders (whether a physical meeting or any other format that permits contemporaneous discussion or otherwise acceptable to all Lenders) to consider the course of action. In the absence of a consensus, the Lenders shall adopt the course of action by the decision of the Majority Lenders (except as provided in Section 10.4), which decision shall be binding on all Lenders;
- (b) to the extent permitted by applicable laws, any security and any right, power, discretion, benefit, remedy provided under the Loan Documents to the Lenders are for the ratable benefit of the Lenders collectively and acting together and not severally, and further acknowledges that its rights hereunder and under any other Loan Documents are to be exercised not severally, but collectively upon the decision of the Majority Lenders (except as provided in Section 10.4); and
- (c) each of the Lenders shall not take any action hereunder or under any other Loan Documents, including any declaration of default hereunder or thereunder, but that any such action shall be taken only by the Lenders collectively.

10.4 Unanimous Decision

The following action shall be approved by all Lenders in writing in order to be effective and binding on the Lenders:

- (a) any amendment to the definition of Majority Lenders and any provisions of this Section 10 (other than such amendment that is of administrative nature);
- (b) any release or discharge of any security created under the Security Documents (except in accordance with the terms of this Agreement), and any amendment to the terms hereof in relation to any such release or discharge;
- (c) any change to the principal amount or the interest rate of each tranche of the Loan;
- (d) any change to the Maturity Date of each Tranche, any waiver of the provisions under Sections 2.6 and 2.7(a), and any amendment to such provisions; and
- (e) any amendment to the definition of Event of Default, and any waiver of a material Event of Default; and
- (f) a waiver of any conditions precedent under Section 6, and any amendment to the terms hereof in relation to any such conditions.

In circumstances other than those contemplated in the foregoing, and except as otherwise expressly provided for in this Agreement, an amendment, waiver, discharge or termination consented to or approved by the Majority Lenders shall be binding upon all of the Lenders

10.5 Pari Passu Ranking

Each of the Lenders agrees that:

- (a) other than as specifically provided under Section 2.7(a) above, any payment to be made to or received by the Lenders under this Agreement or any other Loan Documents will be made on a *pro rata, pari passu* basis based on each Lender's Proportion; and
- (b) its respective interest in the Security shall rank at all times *pari passu*, each with the other, on the basis of their respective Lender's Proportions.

10.6 No Partnership

Nothing contained in this Agreement or any other Loan Documents, and no action taken pursuant to any of them, shall be or shall be deemed to constitute the Lenders a partnership, association, joint venture or other such entity.

10.7 Disclaimer

Each Lender agrees that:

- (a) None of the Lenders makes any representation or warranty in respect of the Loan and the Loan Documents, to any other Lenders;
- (b) None of the Lenders assumes any responsibility to any other Lender for the financial condition of the Borrowers or any other Obligant, or for the payment by the Borrowers or any other Obligant of their obligations;
- (c) None of the Lenders assumes any responsibility to any other Lender with respect to the accuracy, authenticity, legality, validity, sufficiency or enforceability of any documents, papers, materials or other information furnished by the Borrowers or any other person to the Lender or any other Lenders in connection with this Agreement or any matter in connection with the Loan.

10.8 Notification

Each of the Lenders will promptly notify the other Lenders of any Event of Default or circumstances, which after notice, lapse of time or both, would constitute an Event of Default, in respect of which it has actual knowledge.

10.9 Expenses

All expenses and other costs, including legal fees, incurred by any Lender in accordance with this Agreement or any other Loan Documents in connection with any enforcement or other proceeding, action or step taken for the purpose of having the Loan Amount repaid to the Lenders (provided that such proceeding, action or step has been approved by the Majority Lenders or otherwise incidental to a decision approved by the Majority Lenders) which are not recoverable or are not recovered from the Borrowers or any other Obligants, will be borne by the Lenders based on their respective Lender's Proportions at the time those expenses are made or incurred.

10.10 Lender A Not a Fiduciary

Each Lender acknowledges and agrees that Lender A:

- (a) has an interest in the ITC-Junior Indebtedness, the UB Project Indebtedness and the Senior A Indebtedness by virtue of being a lender thereunder, which interest may conflict with its interest under the Loan or the interest of the other Lenders;
- (b) shall be entitled to:
 - (1) from time to time make other loans to or have other business relationships with the Borrowers, the other Obligants and any of their respective affiliates; and
 - (2) generally engage with the Borrowers, the other Obligants and any of their respective affiliates, or any corporation or other entity owned or controlled by any of the foregoing persons in respect of the ITC-Junior Indebtedness, the UB Project Indebtedness and the Senior A Indebtedness or in any other kind of business, all as if Lender A were not a party hereto and without any duty to account for any sum or the profit element of any sum received by it for its own account to any other Lender (except as may be specifically provided in the ITC-Junior / Senior B Priority Agreement or Senior A / Senior B Priority Agreement);
- (c) shall not be subject to any fiduciary or other implied duties to any other Lender.

10.11 For the Benefit of the Lenders

The provisions of this Section 10 may be amended or added to from time to time by the Lenders without requiring the approval, consent or the execution of any instrument in writing by the Borrowers, provided that such amendment or addition does not adversely affect the rights or obligations of the Borrowers.

11. CRIMINAL INTEREST RATE

Notwithstanding anything contained in this Agreement or any other Loan Documents, the parties hereto agree that no "interest" shall be paid or payable to the Lenders in connection with the "credit advanced" in respect of the Loan at an annual rate of interest greater than that rate which is one (1%) percent per annum less than the "criminal rate" of interest (the "**Maximum Rate**").

The Obligants will not pay, and the Lenders will not demand from the Obligants, "interest" on the "credit advanced" in respect of the Loan which is in excess of the Maximum Rate (any such excess, "**Excess Interest**").

The parties hereto agree that any "interest" received by the Lenders on the "credit advanced" in respect of the Loan which could, but for this Section, be construed as Excess Interest, will be automatically applied to the Loan Amount as a repayment on account of the principal balance of the Loan then outstanding.

If it is at any time determined that, at the time any Excess Interest was received by the Lenders, and there were no, or insufficient, principal monies owing under the Loan to allow for an automatic reduction of the principal balance of the Loan as contemplated above, then the parties hereto agree to reduce the "interest" paid by the Borrowers on the "credit advanced" in respect of the Loan to the Maximum Rate by either one or a combination of the following:

- (a) if the Loan Amount has not then been repaid in full, by reducing the "interest" payable thereafter on the "credit advanced" in respect of the Loan:

- (1) firstly, by reducing the monies payable thereafter on account of the Processing Fee; and
- (2) secondly if necessary, by reducing the monies payable thereafter on account of interest,

until the Excess Interest is repaid to the Borrowers in full; or

- (b) if the Loan Amount has been repaid in full, or there are insufficient monies due and owing in account of the Loan Amount to allow for a repayment of the Excess Interest in accordance with subparagraph (a) above, by repaying to the Borrowers, on demand, that amount which would repay the outstanding Excess Interest in its entirety.

In this section words or phrases in quotations and which are defined in Section 347 of the *Criminal Code of Canada* have the meaning set out in that section.

12. GENERAL INDEMNITY

In addition to any liability of the Borrowers to the Lenders under any other provision hereof or the other Loan Documents, the Borrowers shall indemnify the Lenders and hold the Lenders harmless against any losses, claims, costs, damages or liabilities (including, without limitation, any loss of profits or fees anticipated hereunder, any expense or cost incurred in the liquidation and re-deployment of funds acquired to fund or maintain any portion of an advance under the Loan and reasonable out of pocket expenses and legal fees on a solicitor-and-his-own-client basis) incurred by the Lenders as a result of or in connection with the Loan or the Loan Documents, including as a result of or in connection with:

- (a) the failure of any Borrower to pay any interest, fee or any other amounts due hereunder on its due date;
- (b) the failure to give any notice required to be given by them or other Obligants to the Lenders hereunder;

provided that this Section 12 shall not apply to any losses, claims, costs, damages or liabilities suffered by a Lender which arise by reason of the wilful misconduct or gross negligence of that Lender. The provisions of this Section 12 shall survive repayment of the Loan Amount and any other obligations in connection herewith.

13. GENERAL

13.1 Evidence of Indebtedness

Each Lender shall maintain its books, accounts and records in respect of its tranche of the Loan, which shall constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Obligants to that Lender under the Loan, provided that any failure of a Lender to maintain the books, accounts and records under this Section shall not affect the obligations of the Obligants to pay such amounts to the Lenders.

13.2 Lenders' Expenses

The Borrowers shall pay all expenses (including all applicable taxes thereon) incurred by or on behalf of the Lenders in carrying out or attempting to carry out the transaction(s) contemplated hereby to completion (including, without limitations, all legal fees and other costs incurred from time to time for the preparation, completion, registration and enforcement of the Loan Documents and any agreements or instruments among the Lenders and any prospective lenders in respect of the Loan, and otherwise in relation to

administering the co-lending relationship in respect of the Loan), and in collecting the Loan Amount or enforcing its rights and remedies under the Loan Documents.

Each such expense shall accrue interest in accordance with Section 2.4 from the date it is incurred by or on behalf of the Lenders until such expense and the interest thereon are fully paid upon demand.

13.3 Gross-Up; Withholding

All amounts payable by an Obligant under this Commitment Letter and the other Loan Documents shall, unless otherwise required by applicable laws, be made free and clear of, and without deduction for, any amount in respect of withholding taxes. If an Obligant is required to deduct or withhold any amount in respect of taxes from or in respect of any amount payable hereunder or under any of the other Loan Documents, then:

- (a) the Obligant shall pay to the applicable payee an additional amount as may be necessary so that the net amount received by that payee after such deduction or withholding shall not be less than the amount such payee would have received if no such deduction or withholding had been made;
- (b) the Obligant shall make such deductions or withholdings; and
- (c) the Obligant shall remit the full amount deducted or withheld to the relevant taxing authority in accordance with applicable laws, and provide evidence thereof to the Lenders.

13.4 Governing Law

This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

13.5 Currency

All references to money herein and in any other Loan Documents mean the lawful money of Canada.

13.6 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under any other Loan Documents to the Lenders in one currency (the "**Original Currency**") into another currency (the "**Judgment Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures Royal Bank of Canada (or such other Canadian chartered banks as the Lenders may designate in their sole discretion) could purchase the Original Currency with the Judgment Currency on the Business Day preceding that on which the judgment is paid or satisfied in full.

The obligations of each Borrower in respect of any sum due in the Original Currency from it to the Lender under any Loan Document shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that, on the Business Day following receipt by the Lenders of any sum adjudged to be so due in such Judgment Currency, the Lenders 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 Lenders in the Original Currency, each Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lenders against such loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Lenders in the Original Currency, the Lenders agree to remit such excess to that Borrower.

13.7 Severability

If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

13.8 Entire Agreement

This Agreement and the other Loan Documents are intended by the Borrowers and the Lenders to be the final, complete, and exclusive expression of the agreement between the Borrowers on one part and the Lenders on the other part relating to the Loan, and they supersede all prior understandings and agreements, whether written or oral, among the parties relating to the same subject matter (including, limitation, the term sheet dated May 25, 2021 (written in Chinese) signed by Mr. Gavin Wang on behalf of the Lenders and Mr. Michael Ching on behalf of the Borrowers).

13.9 Non-Merger

All representations, warranties, covenants and agreements contained in this Agreement shall survive the execution, delivery and the registration of the Security Documents and other Loan Documents and the advance made on account of the Loan.

13.10 Notice

Any notice required or permitted to be given under this Agreement or the Loan Documents shall be in writing and delivered in person, or sent by e-mail transmission, or by mail, as follows:

- (a) in the case of an Obligor:

1205-8400 West Road Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
email: michael@myiegroup.com

with a copy to:

Pryke Lambert Leathley Russell LLP
5811 Cooney Rd Unit 500, Richmond, BC V6X 3M1

Attention: Tom Russell
e-mail: trussell@pllr.com

- (b) in the case of Lender A:

c/o Fox Island Development Ltd.
1800 – 510 West Georgia Street, Vancouver, BC, V6B 0M3

Attention: Gavin Wang
e-mail: wwy031@gmail.com and wwyvip@163.com

with a copy to:

Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street, Vancouver, BC, V6B 0M3

Attention: Matthew Choi
e-mail: matthew.choi@nortonrosefulbright.com

Any notice so given will be deemed to have been given and received at the time of delivery in person, or on the next Business Day following the day of fax or e-mail transmission of the same, or on five Business Days after the date of posting. Any party hereto may from time to time by notice in writing change its address or the designated recipient for the purposes of this Section.

13.11 Further Assurance

The Borrowers will perform, execute and deliver, and will cause to be performed, executed and delivered, all such further acts, documents, instruments and matters as the Lenders may reasonably require from time to time to give effect to the purpose and intent of this Agreement and the other Loan Documents.

13.12 Assignment by Obligants

None of the Obligants may assign or transfer its rights, interests in and obligations under this Agreement to another person, without the Lenders' prior written consent.

13.13 Assignment, and Grant of Participation and Security by Lenders

Each Lender may assign, syndicate or grant participations in its tranche of the Loan (together with its proportional interest in the Loan Documents), and grant security interest in or mortgage of its interest therein (including, without limitation, a mortgage of the Mortgage), at any time and from time to time, to any persons, without any notice to or consent from any Obligant.

For greater certainty and without limiting the generality of Section 13.11, but subject to the restriction in the foregoing paragraph of this Section 13.13, each of the Obligants:

- (a) acknowledges that each Lender may grant mortgage charging its rights and interests in or under the Loan Documents and make such registration as may be required or desirable in all applicable registry or public offices, in connection therewith; and
- (b) upon request of each Lender, will execute and deliver all such documents, instruments and agreements as that Lender may reasonably require from time to time to give effect to the foregoing.

13.14 Enurement

This Agreement shall be binding upon and enure to the benefit of the Obligants and the Lenders and their respective personal representatives, successors and permitted assigns.

13.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument, and all such counterparts may be delivered by way of facsimile transmission or in PDF by e-mail to the other party.

13.16 Conflict

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions of this Agreement will prevail to the extent of such conflict or inconsistency.

[Signature Pages Follow.]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lender:

FOX ISLAND DEVELOPMENT LTD.

Per:



Authorized Signatory

[Obligants' Signature Page Follows]

Borrowers:

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, by its general partner, **KENSINGTON UNION BAY PROPERTIES GP LTD.**

Per: 
Mo Yeung Ching
Authorized Signatory

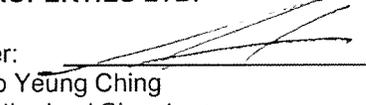
KENSINGTON UNION BAY PROPERTIES GP LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

34083 YUKON INC.

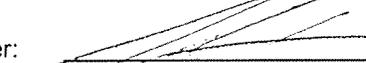
Per: 
Mo Yeung Ching
Authorized Signatory

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

Guarantors:

MO YEUNG PROPERTIES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SUNWINS ENTERPRISES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

HOTEL VERSANTE LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SIGNED, SEALED AND DELIVERED:)

Signature of Witness)

THOMAS RUSSELL)
Name of Witness **SOLICITOR**)

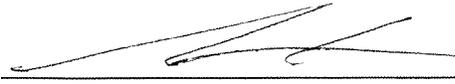
Suite 500 North Tower)

5811 Grosvenor Street)

Richmond, B.C. V6X 3M1)

Telephone 604-276-2765)

Occupation)


MO YEUNG CHING (also known as MICHAEL CHING) 

Schedule A**ITC Property**

(a) 030-795-851

Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985

("ITC ASP2")

(b) 029-611-598

Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985

("ITC Remainder")

(c) 030-797-691

Strata Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5802

("ITC Bar")

Schedule B**UB Property**

(a) 028-731-492

Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931

("UB Lot 1")

(b) 028-731-565

Lot 2 District Lot 28 Nelson District Plan EPP15507

("UB Lot 2")

(c) 028-731-531

Lot 3 District Lot 154, Nanaimo District, Section 32 Township 1 and District Lot 28 Nelson District Plan EPP15507

("UB Lot 3")

(d) 028-731-549

Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plan EPP78068

("UB Lot 4")

(e) 028-330-633

Lot A District Lot 28, Nelson District Plan EPP9011

("UB Lot A")

Schedule C**Other Property**

(a) 027-609-197

Strata Lot 1 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043

("SpaV-SL1")

(b) 027-609-219

Strata Lot 3 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043

("SpaV-SL3")

(c) 031-058-906

Strata Lot 128 Section 5 Block 4 North Range 6 West New Westminster District Strata Plan Eps5391

("Residence SL128")

Schedule D
UB Lot 2 Sales Summary
(see attached)

**FIRST AMENDING AGREEMENT
(SENIOR B LOAN)**

THIS AGREEMENT dated for reference March 7, 2022

AMONG:

**34083 YUKON INC.,
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, and
KENSINGTON UNION BAY PROPERTIES GP LTD.**

(collectively, "UB Borrowers")

AND

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

("ITC Borrower"; together with UB Borrowers, collectively, the "Borrowers")

AND

**HOTEL VERSANTE LTD.
AND
SUNWINS ENTERPRISE LTD.
AND
MO YEUNG PROPERTIES LTD.
AND
MO YEUNG CHING**

(collectively, the "Guarantors")

AND:

**FOX ISLAND DEVELOPMENT LTD. ("Lender A")
AND
ADVANCED VENTURE HOLDING CO., LTD. ("Lender B")**

(collectively, the "Lenders")

WHEREAS:

- (A) The Borrowers, the Guarantors and the Lender A entered into the Senior B Loan Agreement dated for reference June 14, 2021 (the "**Existing Loan Agreement**") whereby (among other things) the Lenders agreed to provide a term loan in the aggregate principal amount of up to CAD\$35,800,000 to the Borrowers;
- (B) Lender B has become a Lender under the Existing Loan Agreement pursuant to the loan transfer agreement dated as of October 1, 2021 between Lender A, as transferor, and Lender B, as transferee, in respect of Tranche 2B;
- (C) On the Borrowers' request, the parties have agreed to amend the Existing Loan Agreement pursuant to the terms and conditions herein, in order to (among other things) modify the Maturity Date of Tranche 2, increase the principal amount thereof, and provide an additional tranche, all on the terms and conditions set forth herein.

NOW THEREFORE in consideration of the mutual premises, covenants and agreements set forth herein and all other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) Words with initial capital letters which are not otherwise defined in this Agreement have the meanings set out in the Loan Agreement.
- (b) "**Loan Agreement**" means the Existing Loan Agreement, as amended by this Agreement and as the same may be amended, extended, supplemented, modified, renewed, replaced and restated from time to time.
- (c) "**Effective Date**" means March 7, 2022.
- (d) "**Obligants**" means, collectively, the Borrowers and the Guarantors.

1.2 Amendment Not a Waiver

Except as expressly provided herein, the Lenders reserve all of their rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Loan Document, and whether known or not, and this Agreement shall not be construed as a waiver of any such breach, default or Events of Default.

1.3 Advance Date; Deemed Borrowing

The Obligants and the Lenders acknowledge and agree that all outstanding borrowings under the Existing Loan Agreement shall continue to be outstanding and constitute borrowings under the Loan Agreement as of the Effective Date. This Agreement shall not be deemed to evidence or result in a novation of such borrowings or a repayment and reborrowing of such borrowings.

2. ACKNOWLEDGEMENT, REPRESENTATIONS AND WARRANTIES

2.1 Specific Representations

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lenders:

- (a) The original principal amount of each tranche of the Loan, the amount withheld on account of the Interest Reserve for each such tranche, and the net amount advanced to the Borrower, all pursuant to the Existing Loan Agreement as of the applicable date of advance under such tranche, are set out in the table (the "**Senior B Loan Summary Table**") in Section **Error! Reference source not found.** below.
- (b) As of the Effective Date, there is no balance remaining in any of the Interest Reserves.

(in respect of the Hotel)

- (c) The hotel, the restaurant and other facilities within the Hotel Property and all other works and services required for the commissioning of those facilities (except for the bar area on level 12, and the podium pool on level 6) achieved substantially completion on or about June 24, 2021.

- (d) The City of Richmond issued a provisional occupancy permit for the Hotel Property on June 25, 2021, subject to the deficiencies in respect of the bar area on level 12, and the podium pool on level 6. The last of such deficiencies were rectified and approved by the City on October 1, 2021, such that the occupancy permit for the Hotel Property is final and unconditional.

(in respect of other indebtedness)

- (e) Each of the ITC-126 Indebtedness and the ITC-Junior Indebtedness has been repaid in full.

2.2 General Representations

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lenders:

- (a) Except as set out in Section 2.1 above, each of the representations and warranties in Section 5 of the Existing Loan Agreement are true, accurate and complete in all respects on and as of the date hereof and the Effective Date, with the same effect as if such representations and warranties had been made on and as of the date hereof (except for those representations and warranties which speak solely as of an earlier date, in which event those representations and warranties must be true, accurate and complete in all respects as of such earlier date);
- (b) the borrowing of the Loan (as amended herein) or the provision of financial assistance (as applicable) by each Obligant and the provision of security therefor, as contemplated by this Agreement and the other Loan Documents to which that Obligant is party, and the execution, delivery and performance by that Obligant of this Agreement and the other Loan Documents:
- (1) have been duly authorized by all necessary proceedings of that Obligant (to the extent it is a corporation or a limited partnership);
 - (2) do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) the constating documents of that Obligant (to the extent it is a corporation or a limited partnership);
 - (B) any law applicable to or binding on or affecting that Obligant or its assets;
 - (C) the Senior A Indebtedness or any Senior A Security;
 - (D) the UB Project Indebtedness or any UB Project Security;
 - (E) the UB-GF Indebtedness or any UB-GF Security; or the UB-VTB Indebtedness or any UB-VTB Security;
 - (F) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security; the SpaV-BDC Indebtedness or any Spa-BDC Security; the SpaV-Jin Indebtedness or any Spa-Jin Security; the SpaV-Kingdom Indebtedness or any Spa-Kingdom Security; or
 - (G) any agreement or other document to which that Obligant is a party;

and

- (3) do not and will not, result in, or require or permit:
- (A) the imposition of any encumbrances on or with respect to the Property or any other properties now owned by that Obligor; or
 - (B) the acceleration of the maturity of the Senior A Indebtedness, the UB Project Indebtedness, the UB-GF Indebtedness, the UB-VTB Indebtedness, the Residence-SL128-Morteq Indebtedness, the SpaV-BDC Indebtedness, the SpaV-Jin Indebtedness, the SpaV-Kingdom Indebtedness or any other debts owing by that Obligor;
- (c) each of the Obligor has obtained all consents, authorizations and approvals required to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement and the other Loan Documents; and
- (d) all information, documents, reports, certificates and records provided by or on behalf of the Obligors to the Lenders in relation to this Agreement or otherwise in connection with the Loan are accurate and complete in all material respects, and do not omit any material fact that would make the content thereof misleading.

3. AMENDMENT

Subject to Section 4 below, the Existing Loan Agreement is amended, with effect as of the Effective Date, as follows:

- (a) Section 1 of the Existing Loan Agreement is amended by adding the following definitions:

(dddd) "Amendment Effective Date" means March 7, 2022.

(eeee) "Existing Loan Agreement" means the Senior B Loan Agreement dated for reference June 14, 2021 among the Lenders, the Borrowers and the Guarantors.

- (b) Sections 2.1, and 2.3 to 2.5 of the Existing Loan Agreement are deleted in its entirety and replaced with the following:

2.1 Term Loan

Subject to the terms of this Agreement, the Lenders agree to make available to the Borrowers a non-revolving, term loan in the aggregate principal amount of not more than CAD\$39,000,000 (the "Loan") to be divided in such tranches as follows:

- (a) *a tranche ("Tranche 1") made available by Lender A in the principal amount of CAD\$5,409,010.08;*
- (b) *a tranche ("Tranche 2A") made available by Lender A in the principal amount equal to the sum of the following:*
 - (1) *CAD\$15,338,904.56; plus*
 - (2) *CAD\$1,065,139.29, on account of the applicable amount of the Tranche 2A Initial Interest Reserve pursuant to Section 2.5(b)(1)below; plus*

- (3) the applicable amount of the Tranche 2A Additional Interest Reserve pursuant to Section 2.5(b)(2) below (the "**Tranche 2A Additional Advance**");
- (c) a tranche ("**Tranche 2B**"; together with Tranche 2A, collectively, "**Tranche 2**") made available by Lender B:
- (1) CAD\$8,000,000; plus
- (2) CAD\$555,523.00, on account of the applicable amount of the Tranche 2B Initial Interest Reserve pursuant to Section 2.5(c)(1) below; plus
- (3) the applicable amount of the Tranche 2B Additional Interest Reserve pursuant to Section 2.5(c)(2) below (the "**Tranche 2B Additional Advance**", together with the Tranche 2A Additional Advance, the "**Tranche 2 Additional Advances**");
- (d) a tranche ("**Tranche 3**") made available by Lender A in the principal amount equal to the sum of the following:
- (1) CAD\$3,000,000; plus
- (2) \$95,406.36, on account of the applicable amount of the Tranche 3 Interest Reserve pursuant to Section 2.5(d) below ; and
- (e) a tranche ("**Tranche 4**") made available by Lender A in the principal amount of CAD\$1,805,178.22;
- (f) a tranche ("**Tranche 5**", together with Tranche 1, Tranche 2, Tranche 3 and Tranche 4, collectively, the "**Tranches**") made available by Lender A in the principal amount of up to up to CAD\$926,000.00.

Each of Tranche 1 and Tranche 4 was fully funded on June 14, 2021 (the "**First Funding Date**"). Each of Tranche 2 (except for the Tranche 2 Additional Advances), and Tranche 3 was fully funded on October 1, 2021 (the "**Second Funding Date**").

Each of Tranche 2 (in respect of the Tranche 2 Additional Advances only) and Tranche 5 will be (and are deemed to be) funded on the Amendment Effective Date. Each applicable Lender will deduct (and will be deemed to have deducted) from the proceeds of its tranche the applicable Interest Reserves (as defined in Section 2.5 below) and the applicable fees.

2.3 Term

Subject to the terms hereof,

- (a) the term of Tranche 1 commenced on the First Funding Date;
- (b) the term of Tranche 2 commenced on the Second Funding Date;
- (c) the term of Tranche 3 commenced on the Second Funding Date;
- (d) the term of Tranche 4 commenced on the First Funding Date; and
- (e) the term of Tranche 5 commences on the Amendment Effective Date,

all of which will end on September 14, 2022 (the foregoing end date in respect of each tranche, the "Maturity Date").

2.4 Interest

Interest shall accrue on the daily outstanding balance of the Loan at such per annum rates during such period as follows:

- (a) in respect of Tranche 1 and Tranche 4:
 - (1) from the First Funding Date up to and including December 14, 2021, 15% per annum; and
 - (2) from December 15, 2021, 30% per annum;
- (b) in respect of Tranche 2:
 - (1) from (i) the Second Funding Date (except for the Tranche 2 Additional Advances) and Tranche 3) and (ii) from the Amendment Effective Date (in respect of Tranche 2 Additional Advances) up to and including September 7, 2022, 15% per annum; and
 - (2) from September 8, 2022, 30% per annum;
- (c) in respect of Tranche 3:
 - (1) from the Second Funding Date up to and including December 14, 2021, 15% per annum; and
 - (2) from December 15, 2021, 30% per annum;
- (d) in respect of Tranche 5:
 - (1) from the Amendment Effective Date up to and including September 7, 2022, 15% per annum; and
 - (2) from September 8, 2022, 30% per annum;

in all cases, calculated daily and compounded monthly, not in advance, from the First Funding Date (in respect of Tranche 1 and Tranche 4) and the Second Funding Date (in respect of Tranche 2, except for the Tranche 2 Additional Advances) and Tranche 3) and from the Amendment Effective Date (in respect of Tranche 2 Additional Advances and Tranche 5), until and including the date when the Loan Amount is paid in full, both before and after default, demand, maturity and judgment. Interest shall accrue on overdue interest at the same rate and in the same manner.

For greater certainty:

- (a) in respect of each of Tranche 1 and Tranche 4, interest shall accrue on that tranche of the Loan as of the First Funding Date pursuant to the terms hereof, even if (i) that tranche is not advanced to the Borrowers until a later date, because the applicable conditions set out in Section 6 below have not been satisfied (or waived by the applicable Lenders) by the First Funding Date, or (iii) any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;

- (b) in respect of each of Tranche 2 (except for the Tranche 2 Additional Advances) and Tranche 3, interest shall accrue on that tranche as of the Second Funding Date pursuant to the terms hereof, even if (i) that tranche is not advanced to the Borrowers until a later date, because the applicable conditions set out in Section 6 below for that tranche have not been satisfied (or waived by the applicable Lenders) by the Second Funding Date, or (iii) any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;
- (c) in respect of each of Tranche 2 Additional Advances and Tranche 5, interest shall accrue thereon as of the Amendment Effective Date pursuant to the terms hereof, even if the applicable conditions to the amendment of the Existing Loan Agreement have not been satisfied (or waived by the applicable Lenders) by that date.

2.5 Interest Reserves

As security for the payment of the Loan Amount and all of the Borrowers' other obligations in respect of the Loan and under this Agreement, the Borrowers will establish interest reserves (the "Interest Reserves"), one for each tranche of the Loan, which shall be funded as follows:

- (a) for Tranche 1, in the amount of CAD\$409,010.08 (the "**Tranche 1 Interest Reserve**") on the First Funding Date;
- (b) for Tranche 2A, in the amounts as follows (collectively, the "**Tranche 2A Interest Reserve**"):
 - (1) on the Second Funding Date, in the amount equal to the interest accrued on the principal amount of Tranche 2A under the Existing Loan Agreement for the period commencing on the Second Funding Date up to and including the Amendment Effective Date (the "**Tranche 2A Initial Interest Reserve**"; as more particularly set out in Section 2.1(b)(2)); and
 - (2) on the Amendment Effective Date, in the amount equal to the amount of interest that will accrue on the entire principal amount of Tranche 2A for the period commencing on the Amendment Effective Date up to and including September 7, 2022 (the "**Tranche 2A Additional Interest Reserve**");
- (c) for Tranche 2B, in the amount as follows (collectively, the "**Tranche 2B Interest Reserve**"):
 - (1) on the Second Funding Date, in the amount equal to the interest accrued on the principal amount of Tranche 2A under the Existing Loan Agreement for the period commencing on the Second Funding Date up to and including the Amendment Effective Date (the "**Tranche 2B Initial Interest Reserve**"; as more particularly set out in Section 2.1(c)(2)); and
 - (2) on the Amendment Effective Date, in the amount equal to the interest that will accrue on the entire principal amount of Tranche 2A for the period commencing on the Amendment Effective Date up to and including September 7, 2022 (the "**Tranche 2B Additional Interest Reserve**");
- (d) for Tranche 3, in the amount as more particularly set out in Section 2.1(d)(2) (the "**Tranche 3 Interest Reserve**") on the Second Funding Date;

- (e) for Tranche 4, in the amount of CAD\$136,501.15 (the "**Tranche 4 Interest Reserve**") on the First Funding Date; and
- (f) for Tranche 5, in the amount of CAD\$70,512.80 (the "**Tranche 5 Interest Reserve**") on the Amendment Effective Date.

The amount of each Interest Reserve shall be deducted from the proceeds of the applicable tranche by the Lender of that tranche and shall be held and administered by that Lender.

- (c) Section 2.2 of the Existing Loan Agreement is amended by adding the following at its end:

Tranche 5 shall be used for the following purposes:

- (m) finance certain fees due to the lenders in connection with the extension under the Senior A Loan Agreement, and the amendment of the Existing Loan Agreement; and
- (n) fund the Tranche 5 Interest Reserve.

- (d) The following is added immediately after Section 2.6 of the Existing Loan Agreement:

2.6A Prepayment

The Borrowers may prepay the Loan, in full but not in part, at any time, provided that:

- (a) the Borrowers have provided to the Lenders not less than 60 days' prior written notice of their intention to make a prepayment (the "**Prepayment Notice**") and the notice shall set out the proposed date of prepayment (the "**Proposed Prepayment Date**"); and
- (b) the Borrowers will pay all accrued and unpaid interest on the Loan, and all other amounts due and payable under this Agreement or the Security Documents, up to the date of the prepayment.

Each of the Borrowers agrees and acknowledges that:

- (c) the Prepayment Notice, once delivered to the Lenders, is irrevocable;
- (d) the Lenders are entitled to, and will, rely on the Prepayment Notice, including, without limitation, in managing the Loan and all other loans (whether committed or proposed but not yet committed) within their respective portfolios;
- (e) the Lenders may suffer losses (including, without limitation, loss of alternate investment opportunities, loss of profits, increased cost of funds) if the Borrowers do not complete the prepayment in accordance with the Prepayment Notice;
- (f) without limiting the generality of Section 12 below, the Borrowers will indemnify the Lenders and hold the Lenders harmless against any losses, claims, costs, damages or liabilities incurred or suffered by the Lenders as a result of or in connection with the Prepayment Notice; and
- (g) if the Borrowers do not complete the prepayment in accordance with the Prepayment Notice within 10 days after the Proposed Prepayment Date, they will, at the request of the Lender A in its sole discretion, pay to Lender A an administrative fee in the same

amount equal to 2% of the Loan Amount then outstanding on the Proposed Payment Date.

(e) Section 2.7(c) is deleted and replaced with the following:

(4) *fourthly, in payment of the principal balance of all other tranches the Loan then outstanding, pro rata among all such tranches.*

(f) Section 4.1 is amended by deleting paragraph (o) and replacing it with “[**Intentionally deleted**]” and by adding the following paragraphs:

(q) *modification granted by the ITC Borrower and the UB Nominee of the ITC Hotel Mortgage, the ITC Bar Mortgage and the UB Mortgage, increasing the principal amount thereof to CAD\$42,000,000 (the “**Modification of Mortgage**”);*

(r) *beneficiary authorization and charge agreement relating to the Modification of Mortgage granted by the UB Nominee and the other UB Borrowers in favour of the Lenders (the “**BAC re Modification of Mortgage**”);*

(s) *amended and restated priority and standstill agreement between the Lenders and the Senior A Lenders, relating to the Senior A Security and all other security held by the Senior A Lenders from the Obligants (the “**Senior A / Senior B Lenders Priority Agreement**”),*

4. AMENDMENT FEE

The Borrowers shall pay a fee in respect of this Agreement (the “**Amendment Fee**”) in the amount of **\$558,385.90** to Lender A.

The Amendment Fee is non-refundable and will be earned by Lender A upon issuance to the Borrowers of this Agreement, and, subject to Section 5 below, the Amendment Fee is deemed to be paid out of the proceeds of Tranche 5 on the Effective Date.

For greater certainty, the Amendment Fee is earned and payable as provided above in this Section 4, even if any of the conditions set out in Section 5 is not satisfied (or waived by the Lenders), or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder.

5. CONDITIONS PRECEDENT

Notwithstanding any other provisions of this Agreement, the amendment to the Existing Loan Agreement pursuant to Section 3 above shall not become effective unless and until the following conditions have been satisfied to the satisfaction of the Lenders (or waived by the Lenders in their sole discretion):

- (a) the Lenders shall have received the following documents, each in form and substance to their satisfaction
 - (1) this Agreement, duly executed by the Obligants;
 - (2) the Modification of Mortgage, the BAC re Modification of Mortgage and the Senior A / Senior B Lenders Priority Agreement (as both terms are defined under amendment pursuant to Section 3(f) above), duly executed by the parties thereto; and

- (3) irrevocable and unconditional direction as to the application of the proceeds of Tranche 2 and Tranche 5 signed by the Borrowers;
- (b) all registrations and filings in connection with the Modification of Mortgage and the Senior A / Senior B Lenders Priority Agreement have been made to the satisfaction of the Lenders; and
- (c) there must be no outstanding Event of Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Default.

6. ACKNOWLEDGEMENT RE LOAN DOCUMENTS

Each of the Obligants hereby agrees, ratifies, acknowledges and confirms to the Lenders that:

- (a) the term "Loan Agreement", as used in each of the Loan Documents, means the Existing Loan Agreement, as amended by this Agreement, and as may be further amended, extended, supplemented, modified, renewed, replaced and restated from time to time;
- (b) this Agreement constitutes a "Loan Document";

and

- (c) each of the Security Documents previously granted by the Obligants prior to the Effective Date pursuant to the Existing Loan Agreement is held and will continue to be held by the Lenders as collateral security for all of the debts, liabilities and obligations, present and future, direct and indirect, of each of the Obligants to the Lenders pursuant to the Loan Agreement and the other Loan Documents;
- (d) each of the Obligants will continue to be bound by all of the terms, conditions, covenants and obligations applicable to such Obligant under or pursuant to this Agreement, the Loan Agreement and the other Loan Documents to the extent such Obligant is a party, and
- (e) each of the Obligants hereby ratifies, acknowledges and confirms all obligations, covenants, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained therein.

7. GENERAL

7.1 Amendment

This Agreement shall be read and construed along with the Existing Loan Agreement and be treated as a part thereof and, for such purposes and so far as may be necessary to effectuate these presents, the Existing Loan Agreement shall be regarded as being hereby amended (subject to Section 5 above), and the Existing Loan Agreement as so amended together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement shall continue in full force and effect.

7.2 Expenses

The Borrowers shall pay on demand all costs and expenses incurred by or on behalf of the Lenders in carrying out or attempting to carry out the transaction(s) contemplated under this Agreement.

7.3 Successors and Assigns

This Agreement and the Loan Agreement shall enure to the benefit of and be binding on each of the parties hereto and their respective personal representatives, successors and permitted assigns.

7.4 Applicable Law

This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

7.5 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument, and all such counterparts may be delivered by way of facsimile transmission or in PDF by e-mail to the other party.

[Signature Pages Follow.]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: 

Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

[Obligants' Signature Page Follows]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

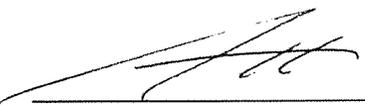
Per:  _____
Authorized Signatory

Per:  _____
Authorized Signatory

[Obligants' Signature Page Follows]

Borrowers:

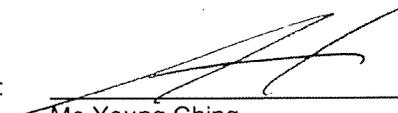
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, by its general partner, **KENSINGTON UNION BAY PROPERTIES GP LTD.**

Per: 
Mo Yeung Ching
Authorized Signatory

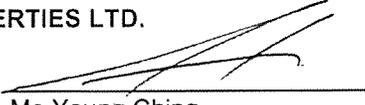
KENSINGTON UNION BAY PROPERTIES GP LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

34083 YUKON INC.

Per: 
Mo Yeung Ching
Authorized Signatory

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

Guarantors:

MO YEUNG PROPERTIES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

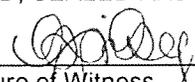
SUNWINS ENTERPRISES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

HOTEL VERSANTE LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SIGNED, SEALED AND DELIVERED:)



Signature of Witness)
KATE MACKAY)
Name of Witness AND SOLICITOR)
SUITE 500 - North Tower)
Address 5811 COONEY ROAD)
RICHMOND, BC V6X 3M1)
OCCUPATION TELEPHONE: 604-275-2765)
Occupation)



MO YEUNG CHING (also known as MICHAEL CHING) 

**SECOND AMENDING AGREEMENT
(SENIOR B LOAN)**

THIS AGREEMENT dated for reference September 7, 2022

AMONG:

**34083 YUKON INC.,
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, and
KENSINGTON UNION BAY PROPERTIES GP LTD.**

(collectively, "**UB Borrowers**")

AND

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

("ITC Borrower"; together with UB Borrowers, collectively, the "**Borrowers**")

AND

**HOTEL VERSANTE LTD.
AND
SUNWINS ENTERPRISE LTD.
AND
MO YEUNG PROPERTIES LTD.
AND
MO YEUNG CHING**

(collectively, the "**Existing Guarantors**")

AND

SFT DIGITAL HOLDINGS 30 LTD. ("**SFT 30**" or the "**Additional Guarantor**"; together with the Existing Guarantors, collectively, the "**Guarantors**")

AND:

FOX ISLAND DEVELOPMENT LTD. ("**Lender A**")
AND
ADVANCED VENTURE HOLDING CO., LTD. ("**Lender B**")

(collectively, the "**Lenders**")

WHEREAS:

- (A) Pursuant to the Senior B Loan Agreement dated for reference June 14, 2021, as amended by an amending agreement dated for reference March 7, 2022 (as amended, the "**Existing Loan Agreement**"), the Lenders agreed to provide a term loan in the aggregate principal amount of not more than CAD\$39,000,000 to the Borrowers;
- (B) The ITC Borrower has entered into an agreement to transfer its beneficial interest in all or part of the Hotel Property to a separate entity (the "**Hotel Property Holdco**"; such agreement, the "**Hotel Property Beneficial Transfer Agreement**"), which transfer (the "**Hotel Property Beneficial**

Transfer") constitutes a material change in the ownership of the Hotel Property and is subject to the Lenders' approval;

- (C) The Lenders have not issued any approval for the Hotel Property Beneficial Transfer, nor have they approved the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement in relation to such transfer;
- (D) On the Borrowers' request, the Lenders have agreed to refrain from exercising the rights in under the Loan Agreement and the Loan Documents in relation to the Hotel Property Beneficial Transfer during the Accommodation Period (as defined herein) and to amend the Existing Loan Agreement, all on the terms and conditions set forth herein.

NOW THEREFORE in consideration of the mutual premises, covenants and agreements set forth herein and all other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) Words with initial capital letters which are not otherwise defined in this Agreement have the meanings set out in the Loan Agreement.
- (b) "**Accommodation Effective Date**" means September 7, 2022.
- (c) "**Accommodation End Date**" means March 7, 2023.
- (d) "**Accommodation Period**" means the period from the Accommodation Effective Date and up to and including the earlier of:
 - (1) the Accommodation End Date; and
 - (2) the date on which an Event of Accommodation Default has occurred.
- (e) "**Event of Accommodation Default**" has the meaning given to it in Section 9 hereof
- (f) "**Loan Agreement**" means the Existing Loan Agreement, as amended by this Agreement and as the same may be amended, extended, supplemented, modified, renewed, replaced and restated from time to time.
- (g) "**Obligants**" means, collectively, the Borrowers and the Guarantors.

1.2 Amendment Not a Waiver

Except as expressly provided herein, the Lenders reserve all of their rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Loan Document, and whether known or not, and this Agreement shall not be construed as a waiver of any such breach, default or Events of Default.

1.3 Advance Date; Deemed Borrowing

The Obligants and the Lenders acknowledge and agree that all outstanding borrowings under the Existing Loan Agreement shall continue to be outstanding and constitute borrowings under the Loan Agreement as

of the Accommodation Effective Date. This Agreement shall not be deemed to evidence or result in a novation of such borrowings or a repayment and reborrowing of such borrowings.

2. ACKNOWLEDGEMENT AND AGREEMENT BY THE OBLIGANTS

2.1 Hotel Property Beneficial Transfer

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) The statements set out in Recitals (B) and (C) are true and correct, and form an operative part of this Agreement.
- (b) The Hotel Property Beneficial Transfer has not been fully consummated, subject to the satisfaction of certain conditions to be fulfilled by the ITC Borrower, including, without limitation, the refinancing of the Loan under the Loan Agreement (together the Senior A Indebtedness which is secured by a mortgage against the Hotel Property).
- (c) As at the Accommodation Effective Date and the date on which all conditions set out in Section 9 hereof have been satisfied (or otherwise waived by the Lenders), the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property (subject only to its obligation to effect the Hotel Property Beneficial Transfer in favour of Hotel Property Holdco pursuant to the Hotel Property Beneficial Transfer Agreement).
- (d) Notwithstanding that the Hotel Property Beneficial Transfer has not been fully consummated, the Obligants agree that the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement and otherwise agreeing to the Hotel Property Beneficial Transfer constitute an Event of Default under the Loan Agreement (the "**Existing Default**"), and the Lenders are entitled to immediately accelerate and demand full payment of the outstanding Loan Amount as a result of the Existing Default pursuant to the terms of the Loan Agreement.
- (e) The Obligants agree to:
 - (1) promptly and from time to time advise the Lenders of the status of the Hotel Property Beneficial Transfer in sufficient details to the satisfaction of the Lenders; and
 - (2) upon the Lenders' request from time to time, (i) provide confirmation (in form and substance satisfactory to the Lenders) that the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property, and (ii) deliver to the Lenders a certified copy of the Hotel Property Beneficial Transfer Agreement.

2.2 Debt

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) As at the Accommodation Effective Date (and without taking into account the amendment to the Existing Loan Agreement provided herein):
 - (1) the Borrowers are indebted to the Lenders, on account of the outstanding balance under each tranche of the Loan (including any accrued and unpaid interest thereon, if applicable), in the amounts set out below:

Tranche	Principal Amount owing
1	\$6,718,541.95
2a	\$17,753,820.62
2b	\$9,259,498.58
3	\$3,847,909.25
4	\$2,244,022.65
5	\$9,260,000
Total:	\$40,749,793.05

plus all other fees, costs, expenses and other charges that are payable by the Borrowers to the Lenders in accordance with the Existing Loan Agreement (collectively, the "Debt").

- (2) there is no balance remaining in any of the Interest Reserves, except for the one for Tranche 5 which has a balance of \$1,653.14 remaining.
- (b) As of the Accommodation Effective Date, none of the Obligants has any claim or counterclaims against the Lenders in relation to the Debt, the Loan Amount, the Existing Loan Agreement, the Security Documents and the other Loan Documents.

2.3 Existing Default

Each of the Obligants hereby acknowledges to and agrees with the Lenders as follows:

- (a) The Loan Agreement and the Security Documents are in default pursuant to the terms thereof as a result of the Existing Default and, but for this Agreement, the Lenders are entitled to immediately accelerate and demand full payment of the Debt and the Loan Amount, and take immediate steps to enforce its security under the Security Documents.
- (b) The Lenders have entered into this Agreement with the Obligants at their request and with a view to allowing the Obligants additional time to repay the Debt and the Loan Amount in a lawful, efficient and cost-effective manner.
- (c) Except as expressly provided in this Agreement, the Lenders have not made any promise, nor has any of them taken any action or omitted to take any action, that would constitute a waiver of their rights to pursue any remedies in respect of the Loan, the Loan Agreement, the Security Documents or the other Loan Documents that would prevent them from so doing.
- (d) The Lenders' accommodation as provided in Section 3 below and otherwise under this Agreement is not to be taken as a waiver by the Lenders of any of their rights under any of the Loan Agreement, the Security Documents or any other Loan Documents which may arise from any other default which presently exists or which may in the future occur.
- (e) In the event that the Obligants seek the assistance of a court of competent jurisdiction, or other protection, under any legislation or otherwise to stay the actions or claims of creditors, to the extent permitted by law, the Obligants, in consideration of the accommodation

provided to them by the Lenders under the terms of this Agreement, will not seek any assistance from the court, or other protection, under any legislation, or otherwise, which would in any way stay the actions of the Lenders or otherwise prevent the Lenders from realizing on all or any part of the security under the Security Documents.

2.4 Loan Documents

Each of the Obligants hereby agrees, ratifies, acknowledges and confirms to the Lenders that:

- (a) the term "Loan Agreement", as used in each of the Loan Documents, means the Existing Loan Agreement, as amended by this Agreement, and as may be further amended, extended, supplemented, modified, renewed, replaced and restated from time to time;
- (b) this Agreement constitutes a "Loan Document";
- (c) each of the Security Documents (i) previously granted by the Obligants prior to the Accommodation Effective Date pursuant to the Existing Loan Agreement or (ii) granted pursuant hereto, is held and will continue to be held by the Lenders as collateral security for all of the debts, liabilities and obligations, present and future, direct and indirect, of each of the Obligants to the Lenders pursuant to the Loan Agreement and the other Loan Documents;
- (d) each of the Obligants will continue to be bound by all of the terms, conditions, covenants and obligations applicable to such Obligant under or pursuant to this Agreement, the Loan Agreement and the other Loan Documents to the extent such Obligant is a party, and
- (e) each of the Obligants hereby ratifies, acknowledges and confirms all obligations, covenants, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained therein.

2.5 Redemption Period

The Borrowers and the other Obligants will irrevocably consent to an order nisi, stipulating a shortened redemption period of 60 days in any foreclosure proceedings brought by the Lenders in respect of the Property charged by the mortgages granted pursuant to the Loan Agreement (as may be modified, as contemplated under Section 5(g) below) or any other Security Document and an order for conduct of sale in favour of the Lenders effective from the end of the redemption period, such consent order otherwise in form and content acceptable to the Lenders in all other respects. The Borrowers and the other Obligants hereby agree to cooperate with the Lenders in their efforts to achieve a timely sale of the Property (or any part thereof) in any foreclosure proceedings.

3. LENDERS' ACCOMMODATION

Subject to Section 8 below, and provided that there is no outstanding Event of Accommodation Default and no outstanding event, which with the passing of time, the giving of notice or otherwise, would constitute an Event of Accommodation Default, the Lenders hereby agree with the Borrowers and the other Obligants to refrain from making demand on the Loan and enforcing their security under the Security Documents, until the Accommodation Period has expired.

4. REPRESENTATIONS AND WARRANTIES

4.1 General Representations

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lenders:

- (a) Except as set out in Section 2.1 above, each of the representations and warranties in Section 5 of the Existing Loan Agreement are true, accurate and complete in all respects on and as of the date hereof and the Accommodation Effective Date, with the same effect as if such representations and warranties had been made on and as of the date hereof (except for those representations and warranties which speak solely as of an earlier date, in which event those representations and warranties must be true, accurate and complete in all respects as of such earlier date);
- (b) the borrowing of the Loan (as amended herein) or the provision of financial assistance (as applicable) by each Obligant and the provision of security therefor, as contemplated by this Agreement and the other Loan Documents to which that Obligant is party, and the execution, delivery and performance by that Obligant of this Agreement and the other Loan Documents:
- (1) have been duly authorized by all necessary proceedings of that Obligant (to the extent it is a corporation or a limited partnership);
 - (2) do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) the constating documents of that Obligant (to the extent it is a corporation or a limited partnership);
 - (B) any law applicable to or binding on or affecting that Obligant or its assets;
 - (C) the Senior A Indebtedness or any Senior A Security;
 - (D) the UB Project Indebtedness or any UB Project Security;
 - (E) the UB-GF Indebtedness or any UB-GF Security; or the UB-VTB Indebtedness or any UB-VTB Security;
 - (F) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security; the SpaV-BDC Indebtedness or any Spa-BDC Security; the SpaV-Jin Indebtedness or any Spa-Jin Security; the SpaV-Kingdom Indebtedness or any Spa-Kingdom Security; or
 - (G) the Hotel Property Beneficial Transfer Agreement; or
 - (H) any agreement or other document to which that Obligant is a party
- and
- (3) do not and will not, result in, or require or permit:
 - (A) the imposition of any encumbrances on or with respect to the Property or any other properties now owned by that Obligant; or
 - (B) the acceleration of the maturity of the Senior A Indebtedness, the UB Project Indebtedness, the UB-GF Indebtedness, the UB-VTB Indebtedness, the Residence-SL128-Morteq Indebtedness, the SpaV-BDC Indebtedness, the SpaV-Jin Indebtedness, the SpaV-Kingdom Indebtedness or any other debts owing by that Obligant;

- (c) each of the Obligant has obtained all consents, authorizations and approvals required to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement and the other Loan Documents;
- (d) no consent or approval is required from the Hotel Property HoldCo or other entities that are parties to, or have a direct or indirect interest in, the Hotel Property HoldCo or otherwise in relation to the Hotel Property Beneficial Transfer in order for the Borrowers and any other Obligants to enter into and perform its obligations under this Agreement and the other Loan Documents; and
- (e) all information, documents, reports, certificates and records provided by or on behalf of the Obligants to the Lenders in relation to this Agreement or otherwise in connection with the Loan are accurate and complete in all material respects, and do not omit any material fact that would make the content thereof misleading

5. AMENDMENT

Subject to Section 8 below, the Existing Loan Agreement is amended, with effect as of the Accommodation Effective Date, as follows:

- (a) Section 1 of the Existing Loan Agreement is amended by adding SFT 30 into the definition of "Guarantors" as follows:

<p>(j) "Guarantors" means, collectively:</p> <ul style="list-style-type: none"> (1) <i>Hotel Versante Ltd.;</i> (2) <i>MYPCo;</i> (3) <i>Sunwins;</i> (4) <i>Ching; and</i> (5) <i>SFT 30.</i>
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- (b) Section 1 of the Existing Loan Agreement is amended by deleting the definitions of "Existing Loan Agreement" and "Extension Effective Date" and adding the following definitions :

<p>(ddddd) "Accommodation Effective Date" means September 7, 2022.</p> <p>(eeee) "Existing Loan Agreement" means the Senior B Loan Agreement dated for reference June 14, 2021 among the Lender A, the Borrowers and the Guarantors, as amended by the First Amending Agreement dated for reference March 7, 2022 among the same parties and Lender B.</p> <p>(ffff) "Office SL12" means the parcel of lands, together with the improvements thereon, having the legal description as follows:</p> <p style="padding-left: 40px;">1115 – 8400 West Road, Richmond, BC</p>
--

030-797-918

Strata Lot 12 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan
EPS5803

(ggggg) "SFT 30" means SFT Digital Holdings 30 Ltd., and its successors and permitted assigns.

- (c) Sections 2.1 to 2.5 of the Existing Loan Agreement are deleted in their entirety and replaced with the following:

2.1 Term Loan

Subject to the terms of this Agreement, the Lenders agree to make available to the Borrowers a non-revolving, term loan in the aggregate principal amount of not more than CAD\$43,000,000 (the "Loan") to be divided in such tranches as follows:

- (a) a tranche ("**Tranche 1**") made available by Lender A in the principal amount of CAD\$5,409,010.08;
- (b) a tranche ("**Tranche 2A**") made available by Lender A in the principal amount equal to the sum of the following:
 - (1) \$17,753,820.62; plus
 - (2) \$1,435,236.31, on account of the Tranche 2A Additional Interest Reserve pursuant to Section 2.5(b)(1) below (the "**Tranche 2A Additional Advance**");
- (c) a tranche ("**Tranche 2B**"; together with Tranche 2A, collectively, "**Tranche 2**") made available by Lender B:
 - (1) \$9,259,498.58; plus
 - (2) \$748,546.97, on account of the Tranche 2B Additional Interest Reserve pursuant to Section 2.5(c)(1) below (the "**Tranche 2B Additional Advance**", together with the Tranche 2A Additional Advance, the "**Tranche 2 Additional Advances**");
- (d) a tranche ("**Tranche 3**") made available by Lender A in the principal amount equal to the sum of the following:
 - (1) CAD\$3,000,000; plus
 - (2) \$95,406.36, on account of the applicable amount of the Tranche 3 Interest Reserve pursuant to Section 2.5(d) below; and
- (e) a tranche ("**Tranche 4**") made available by Lender A in the principal amount of CAD\$1,805,178.22;
- (f) a tranche ("**Tranche 5**") made available by Lender A in the principal amount equal to the sum of the following:
 - (1) \$926,000.00; plus
 - (2) \$74,858.75, on account of the Tranche 5 Additional Interest Reserve pursuant to Section 2.5(f) below (the "**Tranche 5 Additional Advance**"); and

- (g) a tranche ("**Tranche 6**", together with Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5, collectively, "**Tranches**") made available by Lender A in the principal amount of up to \$1,530,000.

Each of Tranche 1 and Tranche 4 was fully funded on June 14, 2021 (the "**First Funding Date**"). Tranche 3 was fully funded on October 1, 2021 (the "**Second Funding Date**").

Each of Tranche 2, Tranche 5 and Tranche 6 will be (and are deemed to be) funded on the Accommodation Effective Date. Each applicable Lender will deduct (and will be deemed to have deducted) from the proceeds of its tranche the applicable Interest Reserves (as defined in Section 2.5 below) and the applicable fees.

2.2 Purposes

Tranche 1 shall be used for the following purposes:

- (a) together with the Senior A Loan Agreement, finance the repayment of the ITC-Romspen Indebtedness in full;
- (b) fund the Tranche 1 Interest Reserve; and
- (c) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 2 shall be used for the following purposes:

- (d) refinance the indebtedness owing to the applicable Lenders under Tranche 2A and Tranche 2B of the Existing Loan Agreement as of the Accommodation Effective Date;
- (e) fund the Tranche 2A Additional Interest Reserve and Tranche 2B Additional Interest Reserve; and
- (f) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 3 shall be used for the following purposes:

- (g) finance the partial repayment of the ITC-126 Indebtedness to reduce the principal amount then owing by CAD\$3,000,000;
- (h) fund the Tranche 3 Interest Reserve; and
- (i) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 4 shall be used for the following purposes:

- (j) finance the Processing Fee payable by the Borrowers under this Agreement;
- (k) fund the Tranche 4 Interest Reserve; and
- (l) pay all fees, legal and other costs incurred by the Lenders in connection with the Loan.

Tranche 5 shall be used for the following purposes:

- (m) refinance the indebtedness owing to the applicable Lender under Tranche 5 of the Existing Loan Agreement as of the Accommodation Effective Date; and

- (n) fund the Tranche 5 Additional Interest Reserve.

Tranche 6 shall be used for the following purposes:

- (o) finance certain fees due to the Lenders in connection with the amendment and accommodation under the Senior A Loan Agreement, and the Existing Loan Agreement; and
- (p) fund the Tranche 6 Interest Reserve.

2.3 Term

Subject to the terms hereof, the term of each Tranche will end on March 14, 2023 (the "**Maturity Date**").

2.4 Interest

Interest shall accrue on the daily outstanding balance of the Loan at such per annum rates during such period as follows:

- (a) in respect of Tranche 1 and Tranche 4:
- (1) from the First Funding Date up to and including December 14, 2021, 15% per annum, PLUS the then applicable Rate Premium; and
 - (2) from December 15, 2021, 30% per annum;
- (b) in respect of Tranche 2:
- (1) from the Accommodation Effective Date up to and including March 7, 2023, 15% per annum, PLUS the then applicable Rate Premium; and
 - (2) from March 8, 2023, 30% per annum;
- (c) in respect of Tranche 3:
- (1) from the Second Funding Date up to and including December 14, 2021, 15% per annum, PLUS the then applicable Rate Premium; and
 - (2) from December 15, 2021, 30% per annum;
- (d) in respect of Tranche 5:
- (1) from the Accommodation Effective Date up to and including March 7, 2023, 15% per annum, PLUS the then applicable Rate Premium; and
 - (2) from March 8, 2023, 30% per annum;
- (e) in respect of Tranche 6:
- (1) from the Accommodation Effective Date up to and including March 7, 2023, 15% per annum, PLUS the then applicable Rate Premium; and
 - (2) from March 8, 2023, 30% per annum;

in all cases, calculated daily and compounded monthly, not in advance, from the applicable date on which such tranche is advanced, until and including the date when the Loan Amount is paid in full, both before and after default, demand, maturity and judgment. Interest shall accrue on overdue interest at the same rate and in the same manner.

For greater certainty:

- (a) in respect of each of Tranche 1 and Tranche 4, interest shall accrue on that tranche of the Loan as of the First Funding Date pursuant to the terms hereof, even if (i) that tranche is not advanced to the Borrowers until a later date, because the applicable conditions set out in Section 6 below have not been satisfied (or waived by the applicable Lenders) by the First Funding Date, or (iii) any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;*
- (b) in respect of Tranche 3, interest shall accrue on that tranche as of the Second Funding Date pursuant to the terms hereof, even if (i) that tranche is not advanced to the Borrowers until a later date, because the applicable conditions set out in Section 6 below for that tranche have not been satisfied (or waived by the applicable Lenders) by the Second Funding Date, or (iii) any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;*
- (c) in respect of each of Tranche 2, Tranche 5 and Tranche 6, interest shall accrue thereon as of the Accommodation Effective Date pursuant to the terms hereof, even if the applicable conditions to the amendment of the Existing Loan Agreement have not been satisfied (or waived by the applicable Lenders) by that date.*

In this Section 2.4:

"Rate Premium" means, on any applicable date after the Accommodation Effective Date, the difference (round to one basis point, or 0.01%) resulting from:

- (1) the highest RBC Prime Rate in the period from the Accommodation Effective Date up to and including such applicable date;*

minus:

- (2) the sum of (i) the RBC Prime Rate effective September 8, 2022 (being 5.45% per annum), plus (ii) 100 basis points (or 1.00%),*

provided that such difference shall not be less than zero.

For illustration only, and without limitation, if the RBC Prime Rate is increased to 6.48% per annum effective October 1, 2022, then to 8.00% per annum effective November 1, 2022, and then reduced to 7.00% per annum effective April 1, 2023, then the Rate Premium is as follows:

Applicable Date	RBC Prime on the Applicable Date	Rate Premium	Interest Rate
September 8, 2022	5.45%	0.00%	15.00%
October 1, 2022	6.48%	0.03%	15.03%

November 1, 2022	8.00%	1.55%	16.55%
April 1, 2023	7.00%	1.55%	31.55%

"RBC Prime Rate" means the annual rate of interest announced by Royal Bank of Canada from time to time as its prime rate for purposes of determining rates of interest it will charge on commercial loans in Canada denominated in Canadian dollars.

2.5 Interest Reserves

As security for the payment of the Loan Amount and all of the Borrowers' other obligations in respect of the Loan and under this Agreement, the Borrowers will establish interest reserves (the **"Interest Reserves"**), one for each tranche of the Loan, which shall be funded as follows:

- (a) for Tranche 1, in the amount of CAD\$409,010.08 (the **"Tranche 1 Interest Reserve"**) on the First Funding Date;
- (b) for Tranche 2A, in the amounts as follows (collectively, the **"Tranche 2A Interest Reserve"**):
 - (1) on the Accommodation Effective Date, in the amount equal to the amount of interest that will accrue (assuming the Rate Premium is 0.00%) on the entire principal amount of Tranche 2A for the period commencing on the Accommodation Effective Date up to and including March 7, 2023 (the **"Tranche 2A Additional Interest Reserve"**);
- (c) for Tranche 2B, in the amount as follows (collectively, the **"Tranche 2B Interest Reserve"**):
 - (1) on the Accommodation Effective Date, in the amount equal to the amount of interest that will accrue (assuming the Rate Premium is 0.00%) on the entire principal amount of Tranche 2B for the period commencing on the Accommodation Effective Date up to and including March 7, 2023 (the **"Tranche 2B Additional Interest Reserve"**);
- (d) for Tranche 3, in the amount as more particularly set out in Section 2.1(d)(2) (the **"Tranche 3 Interest Reserve"**) on the Second Funding Date;
- (e) for Tranche 4, in the amount of CAD\$136,501.15 (the **"Tranche 4 Interest Reserve"**) on the First Funding Date; and
- (f) for Tranche 5, in the amount equal to the interest that will accrue (assuming the Rate Premium is 0.00%) on the entire principal amount of Tranche 5 for the period commencing on the Accommodation Effective Date up to and including March 7, 2023 (the **"Tranche 5 Additional Interest Reserve"**);
- (g) for Tranche 6, in the amount of \$116,131.41 (the **"Tranche 6 Interest Reserve"**) on the Accommodation Effective Date.

The amount of each Interest Reserve shall be deducted from the proceeds of the applicable tranche by the Lender of that tranche and shall be held and administered by that Lender.

- (d) Section 2.6(a) of the Existing Loan Agreement is amended by replacing the first paragraph thereof as follows, so that the definition of "Payment Date" is changed to the 7th day of each month.

(a) **Interest.** The Borrowers shall pay interest accrued on the then outstanding balance of the Loan on the 7th day of each month (the "Payment Date"), until the Loan Amount is paid in full.

- (e) Section 2.7(a) is deleted and replaced with the following:

(a) **Application of Payments.** *Payments made on account of the Loan Amount will be applied when received in the following order:*

- (1) *firstly, in payment of outstanding fees and costs pursuant hereto or to other Loan Documents which have accrued to the date such payment is received;*
- (2) *secondly, in payment of outstanding interest on Tranche 1, Tranche 3 and Tranche 4 then outstanding, pro rata, among all such tranches which has accrued to the date such payment is received;*
- (3) *thirdly, in payment of outstanding interest on Tranche 2A, Tranche 2B and Tranche 5 then outstanding, pro rata, among all such tranches which has accrued to the date such payment is received;*
- (4) *fourthly, in payment of outstanding interest on Tranche 6 then outstanding which has accrued to the date such payment is received;*
- (5) *fifthly, in payment of the principal balance of Tranche 1, Tranche 3 and Tranche 4 then outstanding, pro rata, among all such tranches; and*
- (6) *fourthly, in payment of the principal balance of Tranche 2A, Tranche 2B and Tranche 5 then outstanding, pro rata among all such tranches; and*
- (7) *fifthly, in payment of the principal balance of Tranche 6 then outstanding.*

Notwithstanding the foregoing, if there is an Event of Default and the Lenders have issued to the Borrowers a demand for the repayment pursuant to Section 8, then any payment received by any of the Lenders on account of the Loan Amount will be applied when received in the following order:

- (8) *firstly, in payment of outstanding fees and costs pursuant hereto or to other Loan Documents which have accrued to the date such payment is received;*
- (9) *secondly, in payment of outstanding interest and principal balance of Tranche 1, Tranche 2A, Tranche 2B, Tranche 3 and Tranche 4 then outstanding, pro rata, among all such tranches;*
- (10) *thirdly, in payment of outstanding interest and principal balance of Tranche 5; and*
- (11) *fourthly, in payment of outstanding interest and principal balance of Tranche 6,*

or otherwise in such order and in such manner as the Lenders, in their sole discretion, may unanimously determine.

- (f) Section 3 of the Existing Loan Agreement is amended by adding immediately after Section 3.5 the following as Sections 3.6 and 3.7.

3.6 UB Lot A Refinancing and Related Transactions

(a) The Obligants acknowledge to and agree with the Lenders as follows:

(1) The UB Owner intends to sell UB Lot A to an arm's length purchaser (the "**UB Lot A Purchaser**"). The UB Lot A Purchaser will satisfy the purchase price as follows:

- (A) in cash, by payment to or to the direction of the UB Owner in the amount of not less than \$5,800,000 (the "**UB Lot A Cash Proceeds**"); and
- (B) In kind, by transfer of the legal and beneficial interest in the Office SL12 to the UB Owner (or its assign, in either case, the "**Office SL12 Owner**"), free and clear of all financial encumbrances, for a value not less than \$1,950,000;

(the foregoing transaction, collectively, the "**UB Lot A Refinancing**");

(2) Upon completion of the UB Lot A, the UB Owner will apply the UB Lot A Cash Proceeds as follows:

(A) \$1,788,317.45 to the UB-VTB Lender, being the net balance equal to the following (the "**UB-VTB Net Paydown Amount**");

(i) \$525,000, on account of the interest accrued on the UB-VTB Indebtedness up to and including September 30, 2022;

plus

(ii) \$5,000,000, on account of the paydown by the UB Owner of the UB-VTB Indebtedness in order to reduce the outstanding principal balance thereof from \$14,000,000 to \$9,000,000;

less

(iii) \$3,736,682.55, on account of the amount of contribution payable to the UB-Owner by the UB-VTB Lender for its share of the environmental remediation cost incurred for the UB Property,

provided that the UB Owner will, as a condition to making the payment of the UB-VTB Net Paydown Amount, cause the UB-VTB Lender to immediately upon receipt of such payment (i) release the UB-VTB Security from UB Lot A, and (ii) reduce the principal amount of the UB-VTB Security as registered against UB Lot 1 to \$9,000,000;

(B) \$345,000 (or such higher amount pursuant to Section 3.7) to Lender A, on account of the Development Monitoring Charge;

(C) Not less than \$3,000,000 to the contractors and suppliers, on account of the costs for constructing the road connection to UB Lot 2 Development from Highway 19A and other related works, which costs will be due on or before October 30, 2022 (the "**UB Lot 2 Highway Connection Costs**").

- (3) Upon completion of the UB Lot A Refinancing and concurrently with the transfer of the ownership in Office SL12 to the Office SL12 Owner, the UB Owner will (and will cause the Office SL12 Owner, as applicable) to grant the following to the Lenders (collectively, the "Office SL12 Security Documents"):
- (A) 2nd-ranking mortgage, including the terms of an assignment of rents, in favour of the Lenders charging Office SL12 granted by the Office SL12 Owner (the "Office SL12 Mortgage") in the principal amount of \$1,950,000, subject and subordinate in priority only to the 1-ranking mortgage in the principal amount of \$1,950,000 to be registered as security for the UB Project Indebtedness;
 - (B) (if applicable) general security agreement granted by Office SL12 Owner creating in favour of the Lenders a security interest in all of its present and after-acquired personal property; and
 - (C) (if applicable) unlimited guarantee by Office SL12 Owner to pay the Loan Amount and observe and perform all other obligations and liabilities of the Borrowers hereunder and under the Security Documents.
- (b) As soon as practicable and no later than 10 days prior to the date of completion of the UB Lot A Refinancing, the UB Owner will deliver to the Lenders:
- (1) copies of the constating documents and the central securities registry of Office SL12 Owner, and all information and documents regarding it and its shareholders as the Lenders may require;
 - (2) copies of the purchase and sale agreement for UB Lot A, and the vendor's final statement of adjustments related thereto; and
 - (3) all due diligence and other information regarding Office SL12 as the Lenders may require; and
 - (4) evidence to the satisfaction of the Lenders that the sale of UB Lot A will occur in substantially the manner contemplated in Section 3.6(a) above.
- (c) As soon as practicable and no later than the date of completion of the UB Lot A Refinancing, the UB Owner will grant (and will cause the Office SL12 Owner to grant) to the Lenders the Office SL12 Security Documents.
- Once granted:
- (1) the Office SL12 Security Documents shall be (and deemed to be) part of the Security Documents;
 - (2) all references to "Property" in any of the Loan Documents shall include Office SL12, and exclude UB Lot A.
 - (3) all references to "Security Documents" in any of the Loan Documents shall include the Office SL12 Security Documents; and
 - (4) all references to "Guarantors" and "Obligants" in any of the Loan Documents shall include the Office SL12 Owner.

- (d) As soon as practicable and no later than 10 days after the completion of the UB Lot A Refinancing, the UB Owner will deliver to the Lenders:
- (1) written confirmations (in form and substance satisfactory to the Lenders) that the UB-VTB Paydown has been paid to the UB-VTB Lender, that the UB-VTB Indebtedness has been so reduced to \$9,000,000 in principal amount, and that the UB-VTB Security has been discharge from UB Lot A and its principal amount registered against UB Lot 1 has been reduced to \$9,000,000; and
 - (2) written confirmations (in form and substance satisfactory to the Lenders) that the amount of the UB Lot 2 Highway Connection Costs then due or will become due, and (when paid) evidence of the payments of such costs.
- (e) To facilitate the efficient completion of the UB Lot A Refinancing, the Lenders agree that, subject to (i) the receipt and review to their satisfaction of the documents set out in paragraph (c) above, and (ii) receipt of fully executed copies of the Office SL12 Security Documents (together with legal opinion from the solicitors of Office SL12 Owner and other supporting documents related thereto), the Lenders agree to partially discharge the UB Mortgage from UB Lot A, on the condition that registration of such partial discharge shall be effected after the registration of the Office SL12 Mortgage against Office SL12, and that the Lenders (and their solicitors) are satisfied to the arrangement (including by way of undertaking of the solicitors for Office SL12 Owner) to implement the foregoing registrations.

3.7 Development Monitoring Charge

To compensate the time and enhanced efforts in monitoring the progress of the development on the UB Property, the Borrowers shall pay Lender A the following metered charge (the "**Development Monitoring Charge**") upon completion of the UB Lot A Refinancing, but in any case no later than November 14, 2022:

- (a) \$345,000 (the "**Base Amount**"); plus
- (b) If the Development Monitoring Charge is not paid in full on or before November 6, 2022, an additional amount equal to:
 - (1) 15% per annum on the Base Amount for each day from the Accommodation Effective Date, up to and including November 6, 2022; and
 - (2) 30% per annum on the Base Amount for each day from and including November 7, 2022

until the date when the charge is paid in full.

- (g) Section 4.1 is amended by deleting paragraph (s) and replacing it with "**[Intentionally deleted]**" and by adding the following paragraphs:

- (s) **[Intentionally deleted]**
- (t) general security agreement granted by SFT 30 creating in favour of the Lender a first-ranking security interest in all of its present and after-acquired personal property ("**SFT 30 GSA**");
- (u) unlimited guarantee by SFT 30 to pay the Loan Amount and observe and perform all other obligations and liabilities of the Borrowers hereunder and under the Security Documents;

- (v) *2nd modification granted by the ITC Borrower and the UB Nominee of the ITC Hotel Mortgage, the ITC Bar Mortgage and the UB Mortgage, increasing the principal amount thereof to CAD\$43,500,000 (the "2nd Modification of Mortgage");*
- (w) *beneficiary authorization and charge agreement relating to the 2nd Modification of Mortgage granted by the UB Nominee and the other UB Borrowers in favour of the Lenders (the "BAC re 2nd Modification of Mortgage");*
- (x) *2nd amended and restated priority and standstill agreement between the Lenders and the Senior A Lenders, relating to the Senior A Security and all other security held by the Senior A Lenders from the Obligants (the "Senior A / Senior B Lenders Priority Agreement"),*

6. ACCOMMODATION FEE

The Borrowers shall pay a fee in respect of this Agreement (the "Accommodation Fee") in the amount of **\$950,440.50** to Lender A.

The Accommodation Fee is non-refundable and will be earned by Lender A upon issuance to the Borrowers of this Agreement, and, subject to Section 8 below, the Accommodation Fee is deemed to be paid out of the proceeds of Tranche 6 on the Accommodation Effective Date.

For greater certainty, the Accommodation Fee is earned and payable as provided above in this Section 6, even if any of the conditions set out in Section 8 is not satisfied (or waived by the Lenders), or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder.

7. SFT 30

Each of the Obligants, jointly and severally, represents and warrants to the Lenders, and agrees with the Lenders, as follows:

- (a) SFT 30 is an affiliate of the Borrowers.
- (b) SFT 30 is the registered and beneficial owner of 180,000 Class A ordinary shares in the capital of AMTD Digital Inc. (the "Class A Shares"), which shares are represented by a share certificate, number 51, issued by AMTD Digital Inc. (the "Share Certificate"), free and clear of any security interest, mortgage, lien, charge, or other encumbrance whatsoever.
- (c) The American depository shares ("ADS") of AMTD Digital Inc. are listed on the New York Stock Exchange under the ticket symbol "HKD"; and every five ADS represent two Class A Shares.
- (d) The sole business of SFT 30 is for the purpose of owning the 180,000 Class A Shares (the "SFT 30 Shareholding").
- (e) SFT 30 has all requisite power and authority, and has obtained all necessary consents, in order to grant SFT 30 GSA and to pledge and otherwise create interest in the SFT 30 Shareholding in favour of the Lenders.
- (f) Upon request of the Lenders, SFT 30 shall (and the other Obligants shall cause SFT 30 to) deliver the Share Certificate, together with a stock power of attorney, endorsed in blank, to or to the direction of the Lenders.

8. CONDITIONS PRECEDENT

Notwithstanding any other provisions of this Agreement, the accommodation of the Lenders' pursuant to Section 3 above and the amendment to the Existing Loan Agreement pursuant to Section 5 above shall not become effective unless and until the following conditions have been satisfied to the satisfaction of the Lenders (or waived by the Lenders in their sole discretion):

- (a) the Lenders shall have received the following documents, each in form and substance to their satisfaction
 - (1) this Agreement, duly executed by the Obligants;
 - (2) the SFT 30 GSA and the SFT 30 Guarantee (as both terms are defined under amendment pursuant to Section 5(g) above), duly executed by the parties thereto;
 - (3) the 2nd Modification of Mortgage, the BAC re 2nd Modification of Mortgage, and the Senior A / Senior B Lenders Priority Agreement (as both terms are defined under amendment pursuant to Section 5(g) above), duly executed by the parties thereto; and
 - (4) irrevocable and unconditional direction as to the application of the proceeds of Tranche 2 and Tranche 5 signed by the Borrowers;
- (b) the Lenders shall have received the following documents, each in form and substance to their satisfaction
 - (1) certificate of good standing (or equivalent) with respect to SFT 30;
 - (2) certificate of officers or directors of SFT 30;
 - (3) an opinion issued by counsel to SFT 30 as to their existence, the authorization, execution, delivery by each of the Obligants of the applicable Loan Documents, and such other matters as the Lenders or their solicitors may require;
 - (4) written confirmation in form and substance satisfactory to the Lenders issued by AMTD Digital Inc. that (i) SFT 30 is the registered owner of 180,000 Class A Shares, (ii) such shares remain certificated, and AMTD Digital Inc. has possession of the Share Certificate, and (iii) AMTD Digital Inc. has not entered into any agreement with any person to deliver the Share Certificate or otherwise comply with the instruction from such person regarding the Share Certificate;
- (c) all registrations and filings in connection with the SFT 30 GSA, the 2nd Modification of Mortgage and the Senior A / Senior B Lenders Priority Agreement have been made to the satisfaction of the Lenders; and
- (d) there must be no outstanding Event of Accommodation Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Accommodation Default.

9. EVENTS OF ACCOMMODATION DEFAULT

9.1 Events

Each of the following constitutes an Event of Accommodation Default:

- (a) if at any time there is a default or a breach by an Obligant of any covenant, agreement, term, condition, stipulation or proviso contained in this Agreement;
- (b) if an Event of Default (other than the Existing Default) has occurred under the Loan Agreement or any other Loan Document; or
- (c) if the Lenders, in their sole discretion, believe that (i) the Hotel Property Beneficial Transfer has been fully consummated, or (ii) the Borrower no longer has the sole control to the Hotel Property, or (iii) there is any change in the ownership or management of any Borrower, any of the other Obligants, the Hotel Property or any other Property (or any part thereof) that could have a material adverse effect on the validity and enforceability of the Loan Agreement, the Security Documents, the Lenders' rights, benefits and remedies thereunder, or the validity or priority of the Lenders' security interests created thereunder.

9.2 Remedies

Upon the occurrence of an Event of Accommodation Default, the Accommodation Period will automatically expire and come to an end (unless expressly waived by the Lenders in their sole discretion), and the Lenders may in their sole discretion exercise any and all of the rights, remedies and powers under the Loan Agreement, the Security Documents, the Loan Documents and this Agreement.

It shall constitute an Event of Default under the Loan Agreement, the Security Documents and the other Loan Documents if an Event of Accommodation Default has occurred.

10. GENERAL

10.1 Amendment

This Agreement shall be read and construed along with the Existing Loan Agreement and be treated as a part thereof and, for such purposes and so far as may be necessary to effectuate these presents, the Existing Loan Agreement shall be regarded as being hereby amended (subject to Section 8 above), and the Existing Loan Agreement as so amended together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement shall continue in full force and effect.

10.2 Expenses

The Borrowers shall pay on demand all costs and expenses incurred by or on behalf of the Lenders in carrying out or attempting to carry out the transaction(s) contemplated under this Agreement or in implementing or enforcing the terms of this Agreement.

10.3 Successors and Assigns

This Agreement and the Loan Agreement shall enure to the benefit of and be binding on each of the parties hereto and their respective personal representatives, successors and permitted assigns.

10.4 Applicable Law

This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

10.5 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument, and all such counterparts may be delivered by way of facsimile transmission or in PDF by e-mail to the other party.

[Signature Pages Follow.]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per:  _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

[Obligants' Signature Page Follows]

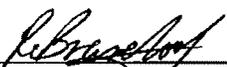
IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

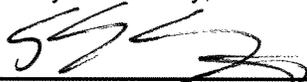
Per:  _____
Authorized Signatory
STANDARD NOMINEES LIMITED

Per:  _____
Authorized Signatory
STANDARD NOMINEES LIMITED

[Obligants' Signature Page Follows]

EXHIBIT B

This is **Exhibit "B"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976



1. Application

Norton Rose Fulbright Canada LLP
1800-510 W Georgia St
Vancouver BC V6B 0M3

Maria Cheung, Paralegal
 604. 641.4543
 file no. 1001088724

2. Description of Land

PID/Plan Number	Legal Description
030-795-851	AIR SPACE PARCEL 2 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT AIR SPACE PLAN EPP73985 OWNER: INTERNATIONAL TRADE CENTER PROPERTIES LTD.
029-611-598	LOT 1 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN EPP37734 EXCEPT AIR SPACE PLAN EPP73985 OWNER: INTERNATIONAL TRADE CENTER PROPERTIES LTD.
030-797-691	STRATA LOT 1 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT STRATA PLAN EPS5802 OWNER: INTERNATIONAL TRADE CENTER PROPERTIES LTD.
028-731-492	LOT 1 DISTRICT LOT 154 NANAIMO DISTRICT SECTIONS 31 AND 32 TOWNSHIP 1 AND DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507 EXCEPT PLANS EPP56910 AND EPP95931 OWNER: 34083 YUKON INC.
028-731-565	LOT 2 DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507 OWNER: 34083 YUKON INC.
028-731-531	LOT 3 DISTRICT LOT 154 NANAIMO DISTRICT, SECTION 32 TOWNSHIP 1 AND DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507 OWNER: 34083 YUKON INC.
028-731-549	LOT 4 SECTIONS 31 AND 32 TOWNSHIP 1 AND DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507 EXCEPT PLAN EPP78068 OWNER: 34083 YUKON INC.
028-330-633	LOT A DISTRICT LOT 28 NELSON DISTRICT PLAN EPP9011 OWNER: 34083 YUKON INC.

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

INTERNATIONAL TRADE CENTER PROPERTIES LTD. 1205 - 8400 WEST ROAD RICHMOND BC V6X 0S7	BC0909412
34083 YUKON INC. 1205 - 8400 WEST ROAD RICHMOND BC V6X 0S7	A0056440

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

FOX ISLAND DEVELOPMENT LTD. 1800-510 WEST GEORGIA STREET VANCOUVER BC V6B 0M3	BC1118527
As to an undivided 25100000/33100000 interest	



ADVANCED VENTURE HOLDING CO., LTD.
 1800 - 510 WEST GEORGIA STREET
 VANCOUVER BC V6B 0M3

As to an undivided
8000000/33100000 interest

5. Payment Provisions

Principal Amount \$37,000,000	Interest Rate 30% per annum	Interest Adjustment Date N/A
Interest Calculation Period Daily (calculated on the outstanding daily balance)	Payment Dates March 21, 2022	First Payment Date N/A
Amount of each periodic payment Interest payable on the 14th day of every month of as otherwise specified by the Mortgagee	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum	Last Payment Date N/A
Assignment of Rents which the applicant wants registered? Yes If yes, page and paragraph number: Page 9, 10, and 11 Paragraph No. 4	Place of payment Postal address in item 4	Balance Due Date March 21, 2022

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 Signature(s)

Thomas Russell
Solicitor
Suite 500 North Tower
5811 Cooney Road
Richmond B.C. V6X 3M1

YYYY-MM-DD

2021-09-27

International Trade Center
Properties Ltd.
By their Authorized Signatory

Name: Mo Yeung Ching

Telephone 604-276-2765

(as to both signatures)

34083 Yukon Inc.
By their Authorized Signatory

Name: Mo Yeung Ching

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.

Shui-Yuen Choi
KXZY39

Digitally signed by
Shui-Yuen Choi KXZY39
Date: 2021-09-28
19:35:00 -07:00

MORTGAGE TERMS - PART 2

EXPRESS MORTGAGE TERMS

1. DEFINITIONS

In these Express Mortgage Terms and in Form B to which they are annexed:

- (a) **"Amount of Each Periodic Payment"** means the amount set out in Item 5(g) of Form B.
- (b) **"Balance Due Date"** means the date or time set out in Item 5(l) of Form B.
- (c) **"Borrowers"** means collectively, 34083 Yukon Inc., Kensington Union Bay Properties Limited Partnership and Kensington Union Bay Properties GP Ltd., and International Trade Center Properties Ltd., and their respective successors and permitted assigns.
- (d) **"business day"** means any day which in Vancouver, British Columbia is a day that:
 - (i) is not a "holiday" as that word is defined in the *Interpretation Act* (British Columbia) as amended or replaced from time to time; and
 - (ii) the Mortgagee is open for business at its Place of Payment.
- (e) **"Encumbrances"** means all security interests, assignments, mortgages, hypothecs, ledges, liens, claims, charges, (whether fixed or floating), or encumbrances whatsoever.
- (f) **"Event of Default"** means an "Event of Default" (as defined in the Loan Agreement).
- (g) **"First Payment Date"** means the date set out in Item 5(f) of Form B.
- (h) **"Fixture(s)" or "fixtures"** means all personal property whatsoever, whether affixed, mobile or stationary, which is now or at any time hereafter owned, held or acquired in whole or in part by the Mortgagor and placed, installed or erected in, on, under or above the Mortgaged Land or any part thereof (including the Improvements or any part thereof), forms part thereof and is at law a fixture, including without limitation, all plant machinery, apparatus, facilities, equipment, goods and other personal property now or hereafter installed, affixed or attached to and forming part of the Improvements forming part of the Mortgaged Land and all present and future additions and attachments thereto and replacements thereof, including without limitation:
 - (i) all pipes, conduits, services and the like installed in or under the Lands for the purposes of providing utilities and other services within the boundaries of the Mortgaged Land or any parcel(s) of land hereafter created out of or forming part of the Mortgaged Land;
 - (ii) all heating, cooling, plumbing, air-conditioning, air-filtering, ventilating, conveyancing, electrical, lighting, telecommunications, security, vacuum, sprinkler, fire-fighting, cooking and refrigeration devices, systems and equipment (including without limitation all furnaces, water heaters, hot water tanks, oil and gas burners, motors, electric fixtures, wiring, escalators, elevators, boilers, pressure vessels, stokers, tanks, gas pipes, radiators, aerials, television antennae, satellite dishes and built-in furniture) located in, on or under the Improvements or any part thereof;

- (iii) all fixed mirrors, suspended ceiling tiles, doors, windows and window coverings, including without limitation all awnings, shutters, drapes, blinds and valances located in, on or attached to the Improvements or any part thereof; and
- (iv) all carpeting and other floor coverings, including without limitation all carpets and floor coverings in all rooms, halls and stairways located within the Improvements.
- (i) **"Form B"** means the form identified as "Form B" (Mortgage - Part 1) to which these Express Mortgage Terms are annexed.
- (j) **"Guarantors"** means collectively, Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Properties Ltd., Mo Yeung Ching, and their respective personal representatives, successors and permitted assigns.
- (k) **"Improvements"** mean each and every building, structure, erection, improvement, fixture and the like now or hereafter erected, placed or installed in, on, under or above the Mortgaged Land or any part thereof and forming part thereof and all additions and attachments thereto and replacements thereof from time to time.
- (l) **"Interest Adjustment Date"** means the date set out in Item 5(c) of Form B.
- (m) **"Interest Calculation Period"** means the interest calculation period set out or referred to in Item 5(d) of Form B.
- (n) **"Interest Rate"** means, subject to the provisions of Section 19 of this Mortgage, the annual interest rate set out or referred to in Item 5(b) of Form B, (or such other rate or rates of interest as may be agreed upon between the Mortgagor and the Mortgagee) calculated and compounded at the end of each Interest Calculation Period not in advance.
- (o) **"ITC ASP2"** means the lands legally described as PID: 030-795-851, Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985 or the ITC Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (p) **"ITC Bar"** means the lands legally described as PID: 030-797-691, Strata Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5802 or the ITC Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (q) **"ITC Lands"** means, collectively, ITC ASP2, ITC Bar and ITC Remainder.
- (r) **"ITC Mortgagor"** means International Trade Center Properties Ltd. (Incorporation Number BC0909412) and its successors and permitted assigns.
- (s) **"ITC Remainder"** means the lands legally described as PID: 029-611-598, Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985 or the ITC Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements,

licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.

- (t) **"Last Payment Date"** means the last payment date, if any, set out or referred to in Item 5(i) of Form B.
- (u) **"Loan Agreement"** means the loan agreement dated for reference June 14, 2021 between the Mortgagor, as borrower, and the Mortgagee, as lender, with respect to the loan to be made to the Mortgagor, as the same may be amended, extended, renewed, replaced, restated and in effect from time to time.
- (v) **"Loan Documents"** means, collectively, the Loan Agreement, this Mortgage, and all other documents and instruments evidencing or securing the payment of the Secured Obligations in whole or in part, whether provided by or on behalf of an Obligant.
- (w) **"Mortgage"** means the mortgage created by Part 1 and Part 2 together.
- (x) **"Mortgaged Land"** means, collectively, the ITC Lands and the UB Lands.
- (y) **"Mortgagee"** means the party or parties described in Part 1 as the "Lender(s) [Mortgagee(s)]".
- (z) **"Mortgagor"** means, collectively, the ITC Mortgagor and the UB Mortgagor, as described in Part 1 as the "Borrower(s) [Mortgagor(s)]", and except where the context or plain meaning herein may otherwise require, includes each or any one or more of them separately.
- (aa) **"Obligant"** means, collectively, the Mortgagor and all other Persons who are from time to time liable to the Mortgagee for the payment of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Mortgagee for any loss, costs or damages as a result of the failure of any other Persons to pay the Secured Obligations, in whole or in part.
- (bb) **"Part 1"** means all of the terms, conditions and other information contained in Form B and any schedule or attachment to Form B and which does not form a part of Part 2.
- (cc) **"Part 2"** means these Express Mortgage Terms.
- (dd) **"Payment Dates"** means those dates set out in Item 5(e) of Form B.
- (ee) **"Periodic Payment"** means the amount of each payment, if any, set out or referred to in Item 5(g) of Form B.
- (ff) **"Permitted Encumbrances"** means the prior notations, charges, liens or interests, if any, set out or referred to in Item 11 of Form B and as otherwise permitted by the Loan Agreement.
- (gg) **"Persons"** or **"Person"** means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).

- (hh) **"Place of Payment"** means the address set out or referred to in Item 5(k) of Form B or as otherwise designated in writing in accordance with the Loan Agreement.
- (ii) **"Principal Amount"** means the amount set out in Item 5(a) of Form B.
- (jj) **"Rents"** means all rents and other payments due or accruing due or at any time hereafter to become due pursuant the Revenue Leases and the benefit of all guarantees of payment and all covenants to pay therein contained.
- (kk) **"Revenue Leases"** means each and every written or unwritten agreement to lease, lease renewal, tenancy agreement, licence and right of occupancy made or to be made, or granted or to be granted, with respect to the Mortgaged Land or any part thereof, now or in the future.
- (ll) **"Secured Obligations"** means all indebtedness and liability of all or any one or more of the Obligants to the Mortgagee under the Loan Documents, whether such indebtedness and liability is present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re advances, under or pursuant to any of the Loan Documents.
- (mm) **"UB Lands"** means, collectively, UB Lot 1, UB Lot 2, UB Lot 3, UB Lot 4 and UB Lot A.
- (nn) **"UB Lot 1"** means the lands legally described as PID: 028-731-492, Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507, Except Part in Plan EPP56910 or the UB Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (oo) **"UB Lot 2"** means the lands legally described as PID: 028-731-565, Lot 2 District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (pp) **"UB Lot 3"** means the lands legally described as PID: 028-731-531, Lot 3 District Lot 154, Nanaimo District, Section 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (qq) **"UB Lot 4"** means the lands legally described as PID: 028-731-549, Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.

- (rr) "**UB Lot A**" means the lands legally described as PID: 028-330-633, Lot A District Lot Lot 28 Nelson District Plan EPP9011 or the UB Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (ss) "**UB Mortgagor**" means 34083 Yukon Inc. (Registration Number A0056440) and its successors and permitted assigns.
- (tt) "**terms**" and "**mortgage terms**" and "**express mortgage terms**" mean, unless the context otherwise requires, all of the covenants, agreements, provisos, terms, conditions and provisions of this Mortgage, and the agreement set out in Item 12 of Form B of the Mortgagor to be bound by the mortgage terms referred to in Item 9 of Form B will constitute the agreement of the Mortgagor to be bound by all of the covenants, agreements, provisos, terms, conditions and provisions of this Mortgage.

2. INTERPRETATION

- (a) **Headings.** The Article and Section headings in this Mortgage are inserted for convenience of reference only and will not affect the construction or interpretation of this Mortgage.
- (b) **Hereof, Etc.** All references in this Mortgage to the words "**hereof**", "**herein**" or "**hereunder**" will be construed to mean and refer to this Mortgage as a whole and will not be construed to refer only to a specific Article, Section or clause of this Mortgage unless the context clearly requires such construction.
- (c) **Joint and Several Liability.** In the event of any party being comprised of two or more Persons, all covenants and agreements of such party herein contained will be and be deemed to be joint and several covenants or agreements of each such Person, and the heirs, executors, administrators, successors and permitted assigns of each such Person will be jointly and severally bound by the covenants, agreements, stipulations and provisos herein stated in addition to those granted or implied by statute.
- (d) **Severability.** If any of the terms of this Mortgage are or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining terms of this Mortgage.
- (e) **Governing Law.** This Mortgage including any covenants and indemnity of the Covenantor (if any) provided for herein will be governed by and construed in accordance with the laws of the Province of British Columbia, and each party hereby submits to the jurisdiction of the courts of the Province of British Columbia and agrees to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding; provided that the foregoing will in no way limit the right of the Mortgagee to commence suits, actions or proceedings based on this Mortgage in any other jurisdiction. Without limiting the generality of the foregoing, the Mortgagor agrees that the laws of British Columbia shall govern the application and enforcement of this Mortgage as though this Mortgage were registered under the *Land Title Act*, (British Columbia).
- (f) **Gender.** Wherever the singular or masculine gender is used throughout this Mortgage, the same will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.

(g) **Capacity.** If the Mortgaged Land or any portion thereof is held by the Mortgagor as a partner of a firm, as a trustee, as an agent, or in any other similar capacity, whether fiduciary or otherwise:

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

made by or imposed upon the Mortgagor hereunder will be and be deemed to be jointly and severally made by or imposed upon the Mortgagor and the partnership, the beneficiary (or beneficiaries) of the trust, the principal(s) of the agent, or other entity (or entities), as the case may be, and each grant, mortgage and other charge contained in this Mortgage will be deemed to be a grant, mortgage or charge of the estate, right, title and interest of the partnership, the beneficiary (or beneficiaries), the principal(s), or such entity (or entities), as the case may be, in and to the Mortgaged Land as well as being a grant, mortgage or other charge of the estate, interest and title of the Mortgagor in and to the Mortgaged Land, it being the intention of the parties hereto that this Mortgage will constitute a mortgage and charge against both the legal and beneficial estate, right, title and interest of the partnership, the beneficiary (or beneficiaries) of the trust, the principal(s) of the agent, or other entity (or entities), as the case may be (including, without limitation, the Mortgagor), in and to the Mortgaged Land.

(h) **Binding Effect.** This Mortgage will be binding on the Mortgagor and the respective successors and permitted assigns of each person comprising the Mortgagor and will enure to the benefit of the Mortgagor and its successors and permitted assigns.

(i) **Time of the Essence.** Time will be of the essence hereof.

(j) **Reference Date.** This Mortgage will be dated, for reference purposes only September 28, 2021.

3. GRANT OF MORTGAGE

The following charging provision applies only if a specific mortgage and charge on the Mortgaged Land is not included in Part 1.

- (a) The ITC MORTGAGOR HEREBY grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the ITC Mortgagor in and to the ITC Lands; and
- (b) The UB MORTGAGOR HEREBY grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the UB Mortgagor in and to UB Lands,

as security for the payment to the Mortgagee of the Principal Amount and the payment, performance or fulfilment of all Secured Obligations upon the terms set out in this Mortgage.

4. ASSIGNMENT OF RENTS

THE MORTGAGOR HEREBY assigns to the Mortgagee all Rents to have and to hold until the Secured Obligations have been fully paid and satisfied, upon the following terms and conditions:

- (a) The Mortgagor will, upon request, promptly deliver to the Mortgagee a true copy of each of the Revenue Leases and give to the Mortgagee full information relating to each of the Revenue Leases;

- (b) The Mortgagor hereby grants to the Mortgagee full power and authority to enter upon the Mortgaged Land to collect the Rents, to serve demands on the holders of the Revenue Leases in respect of payment of the Rents and to demand, collect, sue for, distrain for, recover and give receipts for the Rents, and to enforce payment of the Rents and performance of the said guarantees of payment and covenants to pay, in the Mortgagee's own name or in the name of and as an agent for the Mortgagor, as the Mortgagee may elect, and hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions;
- (c) Although this is a present and absolute assignment, (subject to defeasance on payment of the Secured Obligations), the Mortgagor, as agent for the Mortgagee, will be entitled to collect and retain the Rents as and when they become due and payable according to the terms of the Revenue Leases until there occurs an Event of Default, PROVIDED that this paragraph shall not relieve the Mortgagor from the observance and performance of the Mortgagor's obligations under the Mortgage and the terms of this assignment of rents;
- (d) On the occurrence of an Event of Default, proceedings may, at the option of the Mortgagee, be taken under this Assignment of Rents either independently or in conjunction with the other rights and remedies of the Mortgagee under any of the Security Documents;
- (e) Nothing herein contained shall be deemed to have the effect of making the Mortgagee responsible for the collection of the Rents or for the observance or performance of any of the provisions of the Revenue Leases either by the Mortgagor or by any holders of the Revenue Leases, or of rendering the Mortgagee a mortgagee in possession of the Mortgaged Land or in any way accountable or liable as such, or of imposing any obligation on the Mortgagee to take any action or exercise any remedy in the collection or recovery of the Rents;
- (f) The Mortgagee will be liable to account for only such moneys as it actually receives pursuant to this Assignment of Rents, including such portions thereof as may be expended by the Mortgagee on collection charges, inspection fees, costs as between solicitor and own client, and other expenses to which the Mortgagee may be put in respect thereof, and the balance of such moneys, when so received by the Mortgagee, will be applied on account of the Secured Obligations;
- (g) The giving of this assignment of rents is by way of additional and collateral security for the Secured Obligations and not in substitution for or satisfaction of any other Loan Documents and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under any Loan Documents and will not in any way prejudice or limit the obligations of the Mortgagor or any other Person party to the Loan Documents;
- (h) The Mortgagor will not at any time during the existence of this Mortgage, without the prior written consent of the Mortgagee:
 - (i) assign, pledge, or otherwise encumber the Revenue Leases or the Rents, or any of them, and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with the Revenue Leases;
 - (ii) terminate, accept a surrender of, or amend the Revenue Leases in any manner, or permit any assignment or extension of any of the Revenue Leases or any subletting thereunder; or

- (iii) receive or permit any prepayment of the Rents under the Revenue Leases;
- (i) The Mortgagor will execute and deliver such further assurances, assignments, notices or other documents as the Mortgagee may reasonably require from time to time to render this Assignment of Rents effective;
- (j) At the request of the Mortgagee from time to time, the Mortgagor will give any other party to any of the Revenue Leases actual written notice of this Assignment of Rents, and will use the Mortgagor's best efforts to obtain from such party an acknowledgement of any such notice; but nothing in this paragraph shall oblige the Mortgagee to make any such request;
- (k) There are to the knowledge of the Mortgagor no existing or future rights of set-off, assignment, commutation or prepayment with respect to the Rents;
- (l) To the knowledge of the Mortgagor, there have been no defaults under any of the now existing Revenue Leases by the Mortgagor or by any of the holders of the Revenue Leases, and there are no outstanding disputes pursuant to such Revenue Leases;
- (m) The Mortgagor will at all times observe and perform all the Mortgagor's obligations under the Revenue Leases; and
- (n) The Mortgagor now has good and sufficient power, authority and right to assign the Rents and other benefits referred to herein in the manner aforesaid according to the true intent and meaning of this Assignment of Rents.

5. ASSIGNMENT

Without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the payment, observance and performance of its covenants and agreements contained herein and for the consideration aforesaid, the Mortgagor assigns, transfers and sets over to the Mortgagee, as additional security for the payment, observance and performance of the Secured Obligations, all of its right, title, claim, demand and interest whatsoever at law or in equity or otherwise in and to:

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

6. DEFEASANCE

The Mortgagor may redeem this Mortgage (which will be void upon the occurrence of the following events) by:

- (a) payment to the Mortgagee of the Principal Amount in lawful money of Canada, together with interest thereon at the Interest Rate, calculated as well after as before maturity, default and judgment, as follows:
 - (i) interest calculated as aforesaid on the total of all amounts from time to time advanced or secured hereunder as part of the Principal Amount and computed from the respective dates of such advances, or when such sums become secured, will become due and be paid by Periodic Payments on each and every Payment Date commencing on the First Payment Date and continuing on each and every Payment Date thereafter to and including the date the entire balance of the Secured Obligations is fully paid and satisfied; and
 - (ii) the outstanding balance of the Principal Amount will become due and be paid on the Balance Due Date;
- (b) payment to the Mortgagee of all such other moneys as the Mortgagee may be entitled to with respect to the Secured Obligations, as and when such moneys become due and payable; and
- (c) observance and performance of all covenants, agreements, provisos, terms, conditions and provisions herein contained.

AND taxes and performance of statute labour.

THE MORTGAGOR observing and performing the covenants and conditions herein contained on its part to be observed and performed shall have the right set out in the Loan Agreement to repay the whole balance of the Principal Amount remaining unpaid hereunder, subject to the provisions set out in the Loan Agreement.

7. PAYMENT AND OBSERVANCE

(a) Payment of Secured Obligations

The Mortgagor will pay, observe, perform and satisfy or cause to be paid, observed, performed or satisfied, all of the Secured Obligations as and when the same are required to be paid, observed, performed and satisfied.

(b) No Set-off

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

(c) Compound Interest

It is agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, interest shall be payable thereon and the sum in arrears for interest from time to time, as well after as before maturity or judgment, shall itself bear interest at the Interest Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default, a rest shall be made and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity or judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Mortgaged Land.

(d) **Place of Payment**

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

(e) **Taxes**

The Mortgagor will, on the due date thereof, pay and satisfy all taxes, rates, levies, charges, rents, assessments, statute labour and other impositions whatsoever already or hereafter rated, charged, assessed or imposed no matter by whom or by what authority howsoever on the Mortgaged Land, or any part thereof, or the Mortgagor, or the Mortgagee in respect of the Mortgaged Land (collectively, the "taxes"). It is mutually agreed between the parties to this Mortgage that:

- (i) the Mortgagor shall pay all taxes as they fall due and will provide the Mortgagee with receipts confirming payment of the same within thirty (30) days after they become due;
- (ii) the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay the taxes which have become or will become due and payable on or before the date of such advance;
- (iii) the Mortgagor shall, if directed by the Mortgagee, pay to the Mortgagee in monthly installments on the dates on which installments of principal and/or interest are payable under this Mortgage, sums which in the sole opinion of the Mortgagee will be sufficient to enable the Mortgagee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in installments, on or before the due date for payment of the first installment thereof; and the Mortgagor shall also pay to the Mortgagee on demand the amount, if any, by which the annual taxes exceed such estimated amount;
- (iv) The Mortgagee will apply such deduction and payments on the taxes chargeable against the Mortgaged Land so long as no Event of Default has occurred, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly; provided, however, that if, before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by the Mortgagor in respect of any payment of principal, interest or other amount as provided in this Mortgage, the Mortgagee may apply such sum or sums in or towards payment of the principal, interest and/or other amount in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after their receipt by the Mortgagor;
- (v) the Mortgagor will transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Mortgagor.

(f) Other Charges

If the Mortgaged Land or any part(s) thereof are now or at any time hereafter subject to any charge, lien or interest, including but not limited to Permitted Encumbrances (each hereinafter called an "other charge"):

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

(g) Pre-enforcement Costs

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

(h) Enforcement Costs

The Mortgagor will on demand pay all fees, costs, charges and expenses (including without limitation legal fees, costs, charges and expenses on a solicitor and his own client basis), which may be incurred by or on behalf of the Mortgagee whether before or after court proceedings are commenced, or whether otherwise incurred, in recovering, collecting, procuring or enforcing payment of any or all the Secured Obligations or in any way enforcing or protecting the security of this Mortgage or enforcing any of the terms of this Mortgage (including but not limited to all travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of Rent which may be incurred by or on behalf of the Mortgagee in the taking, recovering and keeping possession of the Mortgaged Land or in inspecting the same) and all other amounts generally in any other measure or proceedings taken by or on behalf of the Mortgagee to realize or collect the Secured Obligations, in whole or in part, or to defend or perfect the title of the Mortgaged Land, all of which fees, costs, charges, commissions, expenses and other amounts will be a charge under this Mortgage on the Mortgaged Land in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Interest Rate until paid.

(i) Other Outlays

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

(j) Discharge

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

8. LAND TRANSFER FORM COVENANTS

The Mortgagor covenants with the Mortgagee as follows:

(a) Good Title

- (i) The ITC Mortgagor has a good title in fee simple to the ITC Lands.
- (ii) The UB Mortgagor has a good title in fee simple to the UB Lands.

(b) Power and Authority to Mortgage Mortgaged Land

- (i) The ITC Mortgagor has full and lawful power and authority and right to convey the ITC Lands; and
- (ii) the UB Mortgagor has full and lawful power and authority and right to convey the UB Lands,

in all cases, to the Mortgagee upon and subject to the terms and conditions set forth herein.

(c) Valid and Enforceable against Mortgaged Land

This Mortgage is lawfully executed and delivered and will remain a valid and enforceable first lien on the Mortgaged Land except for Permitted Encumbrances.

(d) Pay Moneys Due

The Mortgagor will pay the mortgage money and interest and observe the provisos herein; and will also pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Mortgaged Land or in respect thereof, no matter by whom or by what authority imposed, which the Mortgagee has paid or has been rendered liable to pay and shall also pay all other sums as the Mortgagee may be entitled to under this Mortgage.

(e) After an Event of Default

Upon the occurrence of an Event of Default, the Mortgagee shall have possession of the land free from all encumbrances except for Permitted Encumbrances.

(f) Further Assurances

The Mortgagor will execute such further assurances of the Mortgaged Land as may be requisite.

(g) No Other Encumbrances

Other than Permitted Encumbrances, the Mortgagor has done nothing to encumber the Mortgaged Land.

(h) Releases all Claims

The Mortgagor releases to the Mortgagee all its claims on the Mortgaged Land, and provided that until the occurrence of an Event of Default, the Mortgagor shall have quiet possession of the Mortgaged Land.

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

9. REPRESENTATIONS AND WARRANTIES AND COVENANTS

(a) Increase to Fee Simple or Greater Interest

In the event that the interest of the Mortgagor in the Mortgaged Land or any part thereof increases to any greater or a fee simple interest, the mortgage and charge created by this Mortgage shall increase to be a mortgage of such greater or fee simple interest.

(b) Defend Title

The Mortgagor will preserve the Mortgaged Land and does hereby and will forever warrant and defend the same to the Mortgagee against the claims of all Persons and parties whomsoever.

(c) No Further Mortgages

In the event the Mortgagor grants any further mortgage or charge or otherwise encumbers the Mortgaged Land save and except for this Mortgage and the Permitted Encumbrances, then, at the sole discretion of the Mortgagee and notwithstanding the other provision of this Mortgage, the Mortgagee may declare the Secured Obligations to be immediately due and payable.

(d) Further Assurances

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

(e) No Builders' Liens

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

10. INSURANCE

(a) General

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

(b) Liability Insurance

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

(c) Other Insurance

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

(d) Payment of Loss

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

(e) Premiums

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

(f) Assignment

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

(g) Proofs of Insurance

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

(h) Application of Proceeds

Unless otherwise agreed to by the Mortgagor and the Mortgagee in writing, any insurance moneys received may, at the option of the Mortgagee, be applied to a suspense account or in or towards rebuilding, reinstating or repairing all or any portion of

the Mortgaged Land or be paid to the Mortgagor or any other Person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied or paid partly in one way and partly in another, or such moneys may be applied, in the sole discretion of the Mortgagee, in whole or in part on account of the Secured Obligations, or any part thereof, whether due or not then due.

(l) Waiver

To ensure that the Mortgagee may so apply such insurance moneys in the manner herein contemplated, the Mortgagor also assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance moneys and the Mortgagor waives any statutory right to request or require the insurance proceeds to be applied in any particular manner and expressly waives all the Mortgagor's rights and benefits under the *Fire Prevention (Metropolis) Act 1774* as amended or replaced from time to time.

11. USE, ALTERATIONS AND REPAIRS

(a) Use of Mortgaged Land

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

- (i) change the present use of the Mortgaged Land; nor
- (ii) permit the Mortgaged Land to be unoccupied or unused.

(b) Compliance

The Mortgagor covenants and agrees to at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and of all private covenants and restrictions affecting the Mortgaged Land or any portion thereof and the Mortgagor will from time to time upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the Mortgaged Land structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation. The Mortgagee whenever it deems necessary may by its surveyor or agent enter upon and inspect the Mortgaged Land and make such improvements and alterations and take all such other action as the Mortgagee deems necessary to render the Mortgaged Land in compliance with such laws, rules, requirements, orders, directions, by-laws, ordinances, work orders or regulations and the reasonable cost of such inspection, improvements, alterations and other actions with interest at the Interest Rate shall be payable by the Mortgagor forthwith upon demand and be a charge upon the Mortgaged Land.

(c) Repair

The Mortgagor will keep the Mortgaged Land and all buildings, structures, erections, improvements and the like now or hereafter constructed thereon in good condition and

repair according to the nature and description thereof respectively, and will not commit any act of waste or allow any act of waste to be committed upon the Mortgaged Land.

(d) Demolition, Alterations

Except as may be contemplated by the Loan Agreement, the Mortgagor will not, without the prior written consent of the Mortgagee, demolish the whole or any part of the buildings, structures, erections, improvements and the like now or hereafter existing on the Mortgaged Land and will not proceed with any alteration, remodeling, rebuilding or addition thereto or thereof, in whole or in part.

(e) Inspection

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

12. ADVANCES

(a) Payments Due

Any payments to be made by the Mortgagor will become due and be payable at the times provided herein notwithstanding that at the due date of any payment the full amount of the Principal Amount which this Mortgage is expressed to secure has not been advanced.

(b) Permitted Deductions

The Mortgagee may deduct accrued interest and costs, charges, and expenses payable hereunder from any advance of the Principal Amount and the Mortgagee may deduct interest from any advance of the Principal Amount calculated from the date of that advance to the date of the next Payment Date occurring after the date on which that advance was made.

(c) No Obligation to Advance

The Mortgagor agrees that neither the preparation, execution or registration of this Mortgage, nor the advance (or re-advance, if applicable) in part of the Principal Amount hereby secured, nor any course of conduct of the Mortgagee or of any of its officers, agents or employees will bind the Mortgagee to advance (or re-advance, if applicable) the Principal Amount or any unadvanced portion thereof to the Mortgagor or to any other Person the obligations of whom are guaranteed by the Mortgagor, it being understood and agreed that the advance (or re-advance, if applicable) of the Principal Amount thereof from time to time will be in the absolute discretion of the Mortgagee and not exercised or deemed exercised unless and until that advance (or re-advance, if applicable) has actually been made to the Mortgagor, but nevertheless the charge of this Mortgage shall take effect forthwith upon the execution of this Mortgage by the Mortgagor and the expenses incurred by the Mortgagee in the examination of the title, valuation of

the Mortgaged Land and preparation and registration of this Mortgage are secured by this Mortgage and constitute a charge upon the Mortgaged Land.

(d) Status Certificate

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

13. MORTGAGEE'S ELECTION TO MAKE PAYMENTS AND CURE DEFAULTS

(a) Payments by Mortgagee

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

(b) Performance by Mortgagee

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

- (i) insure the Mortgaged Land in the buildings on the Mortgaged Land in accordance with the provisions hereof if the Mortgagor neglects to insure or to deliver policies and receipts in accordance herewith;
- (ii) repair and reinstate the buildings and improvements on the Mortgaged Land if the Mortgagor fails to repair in accordance herewith or with the Leases or demolishes or alters such buildings or improvements in contravention hereof or thereof;
- (iii) without any order or direction of the Mortgagor, pay to contractors, sub-contractors, material men, labourers, and other Persons supplying or having a claim for work, services, or materials supplied in and about the construction, repairing, altering or replacing of any buildings, structures, erections or improvements and the like now or hereafter constructed on the Mortgaged Land or any part thereof, any moneys due to them for such work, services or materials; and
- (iv) pay common expenses, assessments, contributions or levies required to be paid in connection with any strata lot comprising part of the Mortgaged Land,

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

(c) Entitlement to Equities

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

(d) Repayment

All payments made and all sums of money expended by the Mortgagee under this Article 13, including incidental costs, charges, expenses and outlays incurred in doing anything under this Article 13, will be forthwith payable by the Mortgagor on demand with interest at the Interest Rate from the time or respective times of the payment thereof until paid, and until paid will be a charge on the Mortgaged Land in favour of the Mortgagee prior to all claims thereon subsequent to this Mortgage and may be added to the principal moneys then comprising the Secured Obligations as if the same had originally formed part thereof.

(e) No Prejudice

Nothing done by the Mortgagee in reliance on the provisions of this Article 13 will in any manner prejudice the remedies of the Mortgagee in respect of any default of the Mortgagor or otherwise.

14. ACCELERATION

Notwithstanding the Secured Obligations or any part thereof may be payable on demand, and without prejudice thereto, at any time upon the occurrence of an Event of Default then, and in every such case and in the sole discretion of the Mortgagee:

- (a) the Mortgagee may demand payment of the Secured Obligations and any other amounts payable under this Mortgage remaining unpaid and notwithstanding that this Mortgage is declared to be made in part in pursuance of Part 3 of the *Land Transfer Form Act* (British Columbia), it being expressly understood and agreed by the Mortgagor that the reinstatement provisions of the form of words numbered 15 in Column II of Schedule 6 to the *Land Transfer Form Act* will have no force and effect in respect of this Mortgage or any of the Secured Obligations, whether for interest, principal or upon any other account whatsoever and the provisions relating to a default under this Mortgage by the Mortgagor will be as set out herein and the Mortgagor will not be relieved from the consequences of default by payment of the moneys of which default of payment has been made and costs and charges related thereto;
- (b) the Mortgagee will have possession of the Mortgaged Land free and clear from all encumbrances subject only to Permitted Encumbrances; and
- (c) the Mortgagee may exercise any and all remedies to enforce this Mortgage.

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

15. REMEDIES OF MORTGAGEE ON DEFAULT**(a) Power of Sale**

Upon the occurrence of an Event of Default the Mortgagee may, without notice to or the concurrence of the Mortgagor, enter on and lease or sell the Mortgaged Land; and that the Mortgagee may lease or sell as aforesaid without entering into possession of the Mortgaged Land; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power, or that such power had been improperly or irregularly exercised, or that notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only; and that the Mortgagee may sell the whole or any part or parts of the Mortgaged Land by public auction or private contract, or partly one and partly the other, on such terms as to credit and otherwise as to the Mortgagee shall appear most advantageous and for such prices as can reasonably be obtained therefor; and that 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 title, or evidence, or commencement of title, or otherwise, as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of any of the Mortgaged Land and re-sell, without being answerable for loss occasioned thereby; and in the case of a sale on credit the Mortgagee shall only be bound to pay to the Mortgagor such monies as have been actually received from purchasers after the satisfaction of the Mortgagee's claim; and for any of such purposes the Mortgagee may make and execute all agreements and assurances the Mortgagee deems fit; and that the purchaser at any sale hereunder shall not be bound to see to the propriety or regularity thereof; and that no want of notice or of publication, if any, required hereby, shall invalidate any sale hereunder; and the Mortgagee will not be liable for any loss which may arise by any such leasing or sale as aforesaid; provided that, notwithstanding the power of sale or leasing and other powers and provisions of this clause, the Mortgagee will have and be entitled to its right of foreclosure of the equity of redemption of the Mortgagor in the Mortgaged Land and any and all other remedies available to it as fully as if said powers and provisions had not been contained herein or acted upon.

And it is further agreed between the parties to this Mortgage that until such sale or sales shall be made as aforesaid, the Mortgagee shall and will stand possessed of the rents and profits of the Mortgaged Land in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Mortgaged Land or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, or leases, secondly all costs, charges, damages and expenses of the Mortgagee relating to taxes, prior charges, rents, insurance, repairs, utilities and any other amounts which the Mortgagee may have paid relating to the Mortgaged Land, thirdly in discharge of all interest and costs then due in respect of this Mortgage, fourthly in discharge of the principal money secured by this Mortgage, fifthly in payment of subsequent encumbrances according to their priorities and the residue shall be paid to the Mortgagor as it may direct and shall also in such event, at the request, cost and charge of the Mortgagor transfer, release and assure to the Mortgagor or to such person or persons as it shall direct and appoint, all such parts of the Mortgaged Land as shall remain unsold for the purposes aforesaid, discharged from all this Mortgage, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode.

(b) Distress

Upon the occurrence of an Event of Default, it shall be lawful for the Mortgagee, and the Mortgagor hereby grants full power and license to the Mortgagee, to enter, seize and distraint upon any goods upon the Mortgaged Land and by distress warrant to recover by way of rent reserved as in the case of a demise of the Mortgaged Land as much of the said principal, interest or other monies secured by this Mortgage as shall from time to time be or remain in arrears or unpaid, together with all costs, charges and expenses (including without limitation costs as between solicitor and his own client) related to such levy or distress as in like cases of distress for rent; and as a part of the consideration for the advance of the principal sum secured by this Mortgage the Mortgagor hereby waives on the exercise of such power and license, all rights to exemption from seizure and distress under any law whatsoever.

(c) No Merger

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

(d) Rents

Upon the occurrence of an Event of Default the Mortgagor will refrain from collecting and receiving all Rents accruing as aforesaid and, upon notice from the Mortgagee, all subtenants will thereafter pay all such Rents to the Mortgagee and any payment made otherwise will not discharge the obligations of such subtenant.

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

(e) Receiver

Notwithstanding anything contained in this Mortgage it is declared and agreed that upon the occurrence of an Event of Default the Mortgagee may, at such time and from time to time and with or without entry into possession of the Mortgaged Land or any part thereof, by instrument in writing appoint, or by application to a court of competent jurisdiction obtain an order for the appointment of, any person, whether an officer or officers or an employee or employees of the Mortgagee or not, as a receiver (which term as used in this paragraph and elsewhere in this Mortgage includes a receiver-manager and receiver and manager and also includes the plural as well as the singular) of the Mortgaged Land or any part thereof and of the rents and profits thereof, and with or without security, and

may, when the appointment of the receiver is by instrument, from time to time by similar writing remove any receiver and appoint another in his stead, and that in making any such appointment or removal, the Mortgagee and any person so appointed shall be deemed to be acting as the agent or attorney for the Mortgagor, but no such appointment shall be revocable by the Mortgagor. Upon the appointment of any receiver from time to time the following provisions shall apply:

- (i) Every receiver shall have unlimited access to the Mortgaged Land as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:
 - (1) collect the rents and profits from tenancies whether created before or after this Mortgage;
 - (2) rent any portion of the Mortgaged Land which may become vacant on such terms and conditions as he considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (3) complete the construction of any building or buildings or other erections or improvements on the Mortgaged Land, with respect to the Mortgaged Land left by the Mortgagor in an unfinished state or award the same to others to complete;
 - (4) purchase, repair and maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the premises operable or rentable and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
 - (5) manage, operate, repair, alter or extend the Mortgaged Land or any part thereof and carry on the business of the Mortgagor;
 - (6) sell or grant options to purchase the Mortgaged Land, or any part thereof, at public auction, by public or private tender, or by private sale, on terms as to credit or otherwise and with or without security as shall appear most advantageous to the receiver;
 - (7) rescind or vary any contract or agreement of sale or lease;
 - (8) borrow such sum or sums as will in the opinion of the receiver, be required for the purposes of carrying on the receiver's duties and in so doing the receiver may issue receiver certificates; and
 - (9) employ such assistants as the receiver may consider necessary for carrying out the receiver's duties.

The Mortgagor undertakes to ratify and confirm whatever any receiver may do in the premises.

- (ii) The Mortgagee at its discretion may vest the receiver with all or any of the rights and powers of the Mortgagee.
- (iii) The Mortgagee may from time to time during the currency of the appointment of a receiver fix the reasonable remuneration of the receiver and such remuneration

together with all costs and expenses of the receiver when paid by the Mortgagee, shall be added to all other monies owing by the Mortgagor to the Mortgagee under this Mortgage, shall be payable by the Mortgagor to the Mortgagee together with interest at the same rate as applies to the principal secured by this Mortgage and shall be a charge on the Mortgaged Land. The receiver shall be entitled to deduct any remuneration, costs and expenses out of the revenue or out of any sale proceeds realized from the Mortgaged. The Mortgagee shall be under no liability to the receiver for his remuneration, costs or expenses.

- (iv) All sum or sums of money borrowed by the receiver and secured by receiver certificates shall be a charge on the Mortgaged Land.
- (v) Every receiver shall be deemed the agent or attorney of the Mortgagor for such purposes as the receiver shall deem necessary, including, without limitation, carrying out any sale of all or any part of the Mortgaged Land and affixing the seal of the Mortgagor to any deeds, transfers, conveyances, assignments, assurances and things which the Mortgagor ought to execute to complete any sale of all or any part of the Mortgaged Land or alternatively executing the same under his own seal by conveying in the name of and on behalf of the Mortgagor and under his own seal, and any deed or other instrument signed by him under his seal pursuant hereto shall have the same effect as if it were executed under the common seal of the Mortgagor and in no event shall the receiver be the agent of the Mortgagee and the Mortgagee shall not be responsible for the acts and omissions of the receiver.
- (vi) The appointment of any receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Mortgagee a mortgagee in possession of the Mortgaged Land.
- (vii) No receiver shall be liable to the Mortgagor to account for monies other than monies actually received by him in respect of the Mortgaged Land or any part thereof and out of such monies so received every receiver shall pay in the following order the following amounts:
 - (1) claims of all secured and unsecured creditors ranking in priority to this Mortgage;
 - (2) all remuneration, costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authorities hereby conferred, excluding the receiver's borrowings;
 - (3) to the Mortgagee any sum or sums borrowed by the receiver from the Mortgagee and interest thereon as secured by receiver certificates;
 - (4) to the Mortgagee all interest, principal and other monies due hereunder to be paid in such order as the Mortgagee in its sole discretion shall determine;
 - (5) any sum or sums borrowed by the receiver from any financial institution, corporation or other person other than the Mortgagee and interest thereon as secured by receiver certificates;

- (6) any surplus shall, subject to the rights of other creditors, be paid to the Mortgagor.
- (viii) Save as to its right to obtain from the receiver an accounting under the foregoing sub-paragraph (vii), the Mortgagor hereby releases and discharges any receiver from every claim of every nature whether sounding in damages or not which may arise or be caused to the Mortgagor or any person claiming through or under him by reason or as a result of anything done by the receiver unless such claim is a direct and proximate result of dishonesty or fraud.
- (ix) The Mortgagee may at any time and from time to time terminate any appointment of a receiver by instrument, by notice in writing to the Mortgagor and to any receiver.
- (x) The statutory declaration of an officer of the Mortgagee as to default under the provisions of the Mortgage and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed as regards such person to be valid and effectual notwithstanding any contrary assertion by the Mortgagor.
- (xi) The rights and powers conferred herein in respect of the receiver are in addition to and not in substitution for any other rights and powers which the Mortgagee may have.

(f) Remedies Cumulative

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

(g) Enforcement of Remedies

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

(h) Realization on Securities

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

16. PRESERVATION OF MORTGAGE AND OTHER SECURITY

(a) Equity of Redemption

No extension of time given by the Mortgagee to the Mortgagor, nor anyone claiming under the Mortgagor, nor any other dealing by the Mortgagee with the owner of the equity of redemption of the Mortgaged Land, will in any way affect or prejudice the rights or remedies of the Mortgagee against the Mortgagor or any other Person liable either in whole or in part for the payment of the Secured Obligations.

(b) No Apportionment

Every part, lot or strata lot into which the Mortgaged Land are or may hereafter be divided does and will stand as charged with the Secured Obligations and no Person will have any right to require the Secured Obligations to be apportioned upon or in respect of any such part, lot or strata lot.

(c) Fixtures

All Fixtures and Improvements are deemed to be part of the Mortgaged Land and shall be security for the Secured Obligations, even though not attached otherwise than by their own weight.

(d) Partial Release of Mortgage

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

(e) Waiver

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

(f) Additional Security

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

(g) Doctrine of Consolidation

The doctrine of consolidation will apply to this Mortgage notwithstanding Section 27 of the *Property Law Act* (British Columbia) as amended or replaced from time to time and any subsequent statutory provision of substantially the same effect.

17. SALE OR TRANSFER AND FURTHER ENCUMBRANCES

(a) Due on Sale

Save and except as contemplated by the Loan Agreement and by Permitted Encumbrances:

- (i) if the Mortgaged Land or any part thereof is sold, transferred, conveyed or assigned or otherwise disposed of, or the Mortgagor enters into any agreement to effect any of the foregoing, whether by registered or unregistered instrument

and whether for valuable or nominal consideration or otherwise, to a party not first approved in writing by the Mortgagee; or

- (ii) if such purchaser, grantee, transferee or assignee should fail to:
 - (1) apply for and receive the Mortgagee's written approval as aforesaid;
 - (2) if required by the Mortgagee, personally assume all the obligations of the Mortgagor under this Mortgage; and
 - (3) if required by the Mortgagee, execute an assumption agreement in the form required by the Mortgagee,

then the Mortgagee at its option may declare the Secured Obligations then secured hereby to become immediately due and payable in full and the Mortgagor will pay the same forthwith.

(b) Further Encumbrances

If the Mortgagor, without the prior written consent of the Mortgagee, further encumbers the Mortgaged Land or enters into any agreement to do so, then all monies secured by this Mortgage with interest thereon shall, at the option of the Mortgagee, become immediately due and payable. And it is further understood and agreed that the Mortgagor shall not create nor suffer to be created, any mortgage, charge, lien or encumbrance upon the Mortgaged Land ranking or capable of ranking in priority to or pari passu with this Mortgage, AND IT IS HEREBY DECLARED that this provision being a term of this Mortgage shall be notice within the meaning of the *Land Title Act* of British Columbia to every person dealing with the Mortgaged Land that any mortgage, charge, lien or encumbrance upon the Mortgaged Land which is registered subsequently to this Mortgage shall be subject to and rank in priority after this Mortgage in all respects to the same extent as if this Mortgage had been executed, delivered and registered and as if all monies hereby secured (regardless of the date of advances or re-advances by the Mortgagee) had been advanced prior to the execution, delivery and registration of such subsequently registered mortgage, charge, lien or encumbrance and before the advancement of any part of the monies thereby secured and, without limiting the generality of the foregoing, in the event of this Mortgage being security for a guarantee or guarantees given by the Mortgagor to the Mortgagee, any such subsequently registered mortgage, charge, lien or encumbrance shall rank in priority after this Mortgage to the same extent as if demand by the Mortgagee had been made for payment of the aggregate principal amount secured by this Mortgage in accordance with the terms of this Mortgage and the said guarantee or guarantees prior to the execution, delivery and registration of such subsequently registered mortgage, charge, lien or encumbrance and before the advancement of all or any part of the monies thereby secured.

(c) Meaning of Assigned

The word "assigned" as used in Section 1717 will include any transfer, sale, assignment, bequest, inheritance, encumbrance or other disposition of shares of any body corporate comprising the Mortgagor, in whole or in part, having the result of changing the identity of the Person(s) who during the currency of this Mortgage exercise the effective voting control of such body corporate.

(d) Servicing Fee

The Mortgagee will be entitled to charge a reasonable servicing fee to process each application for approval as contemplated in Section 17(a) or (b) which fee will be payable forthwith upon demand. Failure by the Mortgagor to pay such servicing fee will be deemed to be a default hereunder. It is further understood and agreed that any approval given hereunder will in no way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other mortgagor.

18. STRATA LOT PROVISIONS**(a) Definitions**

In this Article 18:

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

(b) Strata Lots

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

- (i) to observe and perform all the covenants, agreements, conditions and provisos required to be observed and performed under the Act and any by-laws, rules and regulations that may be passed by the strata corporation or any special interest section thereof of which the Mortgagor is a member by virtue of the leasing by the Mortgagor of the strata lot(s) hereby charged;
- (ii) to pay on or before the due dates thereof, the share of common expenses and each and every assessment, contribution or levy made by the strata corporation or any special interest section thereof against the strata lot(s) and interest(s) in the Mortgaged Land and the Mortgagor will not permit a situation under which the strata corporation or any special interest section thereof may register a Certificate of Lien in the land title office;
- (iii) pursuant to Section 115 of the Act, the Mortgagor hereby authorizes any officer of the Mortgagee to from time to time during the term hereof obtain a Certificate of Payment as provided for in the Act certifying that no moneys are owing to the strata corporation by the Mortgagor in respect of any one or more of the strata lots forming part of the Mortgaged Land;
- (iv) that the Mortgagor will not without the prior written consent of the Mortgagee:
 - (1) assign any of the Mortgagor's rights, powers, duties or obligations under the Act or the by-laws created under the Act; or
 - (2) give possession of any strata lot(s) hereby charged to any Person whether on the basis of an agreement providing for the purchase of the

strata lot(s) by the occupier or on the basis of a lease, sublease or assignment of lease;

- (v) to grant and hereby grants to the Mortgagee all rights and powers to vote conferred on the Mortgagor by the Act, but neither this section nor anything done by virtue thereof will render the Mortgagee a mortgagee in possession;
- (vi) that this Mortgage constitutes express written notice to the Mortgagor that the Mortgagee intends to exercise the power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for this Mortgage that the Mortgagor is permitted to exercise and no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise any such right and power to vote conferred on the Mortgagor in respect of these matters, and the 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 these matters if the Mortgagee is not by its authorized representative, agent or proxy, present at that meeting;
- (vii) that the right and power to vote granted in this Mortgage to the Mortgagee does not impose on the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote;
- (viii) pursuant to Section 59 of the Act, the Mortgagor hereby authorizes any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the strata corporation under section 59 of the Act for an Information Certificate, in respect of each strata lot forming part of the Mortgaged Land, to have the by-laws for the time being in force governing the strata lot(s) and interest in the Mortgaged Land hereby charged made available for inspection by an officer of the Mortgagee;
- (ix) that the Mortgagor will cause the Mortgagee to be named as a loss payee as its interest may appear in respect of the strata lot(s) on the policy or policies of insurance effected by the strata corporation, on the buildings, common facilities and the insurable improvements owned by the strata corporation and will cause mortgage clauses in a form approved by the Mortgagee to be included in such insurance policy or policies and will provide evidence of such insurance to the Mortgagee forthwith upon demand;
- (x) that if the insurance effected by the strata corporation on the buildings and common facilities is inadequate in the opinion of the Mortgagee, then the Mortgagor will upon demand effect insurance of the strata lot(s) and the Mortgagor's interest in the common property against such risks or hazards and in an amount as the Mortgagee may require with an insurance company and by a policy satisfactory to the Mortgagee, which policy or policies will contain loss payable provisions and mortgage clauses as aforesaid, and will provide evidence of such insurance to the Mortgagee; and
- (xi) that the Mortgagee is the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

19. INTEREST RATE ALTERNATIVE AND MAXIMUM RETURN TO MORTGAGEE**(a) Interest Rate Alternative**

Subject to the provisions of Section 19(b), if the Interest Rate would, except for this clause, be a criminal rate, or void for uncertainty, or unenforceable for any other reason, or not capable of being ascertained, or is determined by court to be subject to deemed reinvestment of interest then the Interest Rate will be one percent (1%) per annum less than the minimum rate which would be a criminal rate calculated in accordance with generally accepted actuarial practices and principles.

(b) Maximum Return

It is agreed that, notwithstanding any agreement to the contrary, no Interest on the Credit Advanced will be payable in excess of that permitted by the laws of Canada. If the effective annual rate of Interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed 60% on the Credit Advanced, then:

- (i) the amount of any fees payable in connection therewith will be reduced to the extent necessary to eliminate such excess;
- (ii) any remaining excess that has been paid will be credited towards prepayment of the principal amount; and
- (iii) any overpayment that may remain after such crediting will be returned forthwith upon demand.

In this Section the terms "**Interest**" and "**Credit Advanced**" have the meanings ascribed to them in section 347 of the *Criminal Code of Canada*.

20. LOAN AGREEMENT

The provisions of the Loan Agreement will survive the execution and registration of this Mortgage and the collateral or other security documents to be delivered herewith. Accordingly there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the parties thereto, by an appropriate instrument in writing so declare. Furthermore, if any conflict at any time exists between any term of the Loan Agreement (whether restated herein or not) and any term of this Mortgage, then the term of the Loan Agreement will govern and take precedence.

21. MISCELLANEOUS**(a) Estoppel Certificate**

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

(b) Modifications to Mortgage

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

(c) Extension, Renewal of Mortgage

Any extension of the term of payment of the Secured Obligations, or any part thereof, and any agreement increasing or decreasing the rate or rates of interest payable on account of the Principal Amount prior to the execution of the discharge of this Mortgage by the Mortgagee need not be registered in a land title office, but will be effectual and binding on the Mortgagor, the Covenantor (if any) and any other Person liable for payment of the Secured Obligations, in whole or in part, and it will not be necessary to register any such agreement in order to retain priority of this Mortgage so altered over any instrument registered as a charge against the Mortgaged Land subsequently to the registration of this Mortgage.

(d) Notice of Demand

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

(e) Address for Notices

Any demand or notice to be made or given under the provisions of this Mortgage may be effectually made or given in accordance with the provisions of the Loan Agreement.

(f) Currency

Unless otherwise specified, all references to money herein and in any other Loan Documents mean the lawful money of Canada.

(g) Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under any other Loan Documents to the Mortgagee in one currency (the "Original Currency") into another currency (the "Judgment Currency"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures Royal Bank of Canada (or such other Canadian chartered banks as the Mortgagee may designate in its sole discretion) could purchase the Original Currency with the Judgment Currency on the business day preceding that on which the judgment is paid or satisfied in full.

The obligations of the Mortgagor in respect of any sum due in the Original Currency from it to the Mortgagee under any Loan Document shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that, on the business day following receipt by the Mortgagee of any sum adjudged to be so due in such Judgment Currency, the Mortgagee 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 Mortgagee in the Original Currency, the Mortgagor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Mortgagee against such loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Mortgagee in the Original Currency, the Mortgagee agrees to remit such excess to the Mortgagor.

END OF DOCUMENT

Attached in support of the Form B Mortgage is a copy of the Certificate of Good Standing relating to the Lender (Mortgagee), Advanced Venture Holding Co., Ltd., BVI Company Number 1407806, issued by the Registrar of Corporate Affairs of the British Virgin Islands on April 7, 2021, pursuant to the BVI Business Companies Act, 2004.

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.

Shui-Yuen Choi
KXZY39

Digitally signed by
Shui-Yuen Choi KXZY39
Date: 2021-09-28
19:35:45 -07:00

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

**TERRITORY OF THE BRITISH VIRGIN ISLANDS
BVI BUSINESS COMPANIES ACT, 2004**



5CE6AF4DE1

**CERTIFICATE OF GOOD STANDING
(SECTION 235)**

The REGISTRAR OF CORPORATE AFFAIRS, of the British Virgin Islands HEREBY CERTIFIES that, pursuant to the BVI Business Companies Act, 2004 at the date of this certificate, the company,

Advanced Venture Holding Co., Ltd.

BVI COMPANY NUMBER: 1407806

1. Is on the Register of Companies;
2. Has paid all fees and penalties due under the Act;
3. Has filed with the Registrar a copy of its register of directors which is complete;
4. Has not filed articles of merger or consolidation that have not become effective;
5. Has not filed articles of arrangement that have not yet become effective;
6. Is not in voluntary liquidation;
7. Is not in liquidation under the Insolvency Act, 2003;
8. Is not in receivership under the Insolvency Act, 2003;
9. Is not in administrative receivership; and
10. Proceedings to strike the name of the company off the Register of Companies have not been instituted.

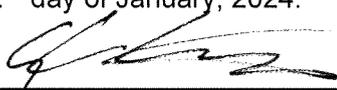


REGISTRAR OF CORPORATE AFFAIRS

7th day of April, 2021

EXHIBIT C

This is **Exhibit "C"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976



ADVANCED VENTURE HOLDING CO., LTD.
 SUITE 1800-510 WEST GEORGIA ST
 VANCOUVER BC V6B 0M3

As to an undivided
8000000/33100000 interest

7. Additional or Modified Terms

8. Execution(s)

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

Witnessing Officer Signature

THOMAS RUSSELL
SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND BC V6X 3M1

TELEPHONE 604-276-2765

(as to both signatures)

Execution Date

YYYY-MM-DD

2022-05-05

Transferor / Transferee / Party Signature(s)

International Trade Center Properties Ltd.
 By their Authorized Signatory

Mo Yeung Ching

34083 Yukon Inc.
 By their Authorized Signatory

Mo Yeung Ching

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.



Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

SHUI-YUEN CHOI
Barrister & Solicitor
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800-510 WEST GEORGIA STREET
VANCOUVER BC V6B 0M3

YYYY-MM-DD
2022-05-13

Fox Island Development Ltd.
By their Authorized Signatory

Wen Yong WANG

(604) 641-4976

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.

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

Corine George
Notary Public
Road Town
Tortola
BRITISH VIRGIN ISLANDS

YYYY-MM-DD
2022-05-10

Advanced Venture Holding Co., Ltd.
By their Authorized Signatory

Keiston Barzey and Rondell
Braveboy

Notarial Seal Affixed

on behalf of STANDARD NOMINEES
LIMITED - Director

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.

Shui-Yuen Choi
KXZY39

Digitally signed by
Shui-Yuen Choi KXZY39
Date: 2022-11-14
14:02:28 -08:00

TERMS OF INSTRUMENT - PART 2

EXPRESS CHARGE TERMS

MODIFICATION AGREEMENT

By execution of the Form C (General Instrument - Part 1) to which these Express Charge Terms are attached, the Transferor(s) described in Section 5 of the said Form C, for value received, does or do hereby and thereby grant, mortgage, charge, covenant and agree to, with and in favour of the Transferee(s) described in Section 6 of the said Form C as follows:

In these Express Charge Terms and in the said Form C:

- (a) **"Agreement"** means the modification agreement created by Part 1 and these Express Charge Terms and includes each and every provision hereof.
- (b) **"Assignment of Rents"** means Assignment of Rents CA9394749 registered against the Lands.
- (c) **"Borrowers"** means collectively, the ITC Mortgagor, the UB Borrowers and their respective successors and permitted assigns.
- (d) **"Express Charge Terms"** means this set of express charge terms entitled as such and labelled "Terms of Instrument - Part 2".
- (e) **"Existing Loan Agreement"** means the loan agreement dated for reference June 14, 2021 between (among others) the Borrowers, and Fox Island Development Ltd., as the initial lender, with respect to the loan to the Borrowers;
- (f) **"First Amending Agreement"** means the amending agreement dated for reference March 7, 2022 between (among others) the Borrowers, and the Mortgagee, as lender, with respect to the loan to the Borrowers.
- (g) **"Fixture(s)" or "fixtures"** means all personal property whatsoever, whether affixed, mobile or stationary, which is now or at any time hereafter owned, held or acquired in whole or in part by the Mortgagor and placed, installed or erected in, on, under or above the Lands or any part thereof (including the Improvements or any part thereof), forms part thereof and is at law a fixture, including without limitation, all plant machinery, apparatus, facilities, equipment, goods and other personal property now or hereafter installed, affixed or attached to and forming part of the Improvements forming part of the Lands and all present and future additions and attachments thereto and replacements thereof, including without limitation:
 - (i) all pipes, conduits, services and the like installed in or under the Lands for the purposes of providing utilities and other services within the boundaries of the Lands or any parcel(s) of land hereafter created out of or forming part of the Lands;
 - (ii) all heating, cooling, plumbing, air-conditioning, air-filtering, ventilating, conveyancing, electrical, lighting, telecommunications, security, vacuum, sprinkler, fire-fighting, cooking and refrigeration devices, systems and equipment (including without limitation all furnaces, water heaters, hot water tanks, oil and gas burners, motors, electric fixtures, wiring, escalators, elevators, boilers, pressure vessels, stokers, blowers, tanks, gas pipes, radiators, aerials, television antennae, satellite dishes and built-in furniture) located in, on or under the Improvements or any part thereof;

- (iii) all fixed mirrors, suspended ceiling tiles, doors, windows and window coverings, including without limitation all awnings, shutters, drapes, blinds and valances located in, on or attached to the Improvements or any part thereof; and
- (iv) all carpeting and other floor coverings, including without limitation all carpets and floor coverings in all rooms, halls and stairways located within the Improvements.
- (h) "**Form C**" means the form identified as "Form C" (General Instrument - Part 1) to which these Express Charge Terms are attached.
- (i) "**Improvements**" mean each and every building, structure, erection, improvement, fixture and the like now or hereafter erected, placed or installed in, on, under or above the Lands or any part thereof and forming part thereof and all additions and attachments thereto and replacements thereof from time to time.
- (j) "**ITC ASP2**" means the lands legally described as PID: 030-795-851, Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985 or the ITC Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (k) "**ITC Bar**" means the lands legally described as PID: 030-797-691, Strata Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5802 or the ITC Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (l) "**ITC Lands**" means, collectively, ITC ASP2, ITC Bar and ITC Remainder.
- (m) "**ITC Mortgagor**" means International Trade Center Properties Ltd. (Incorporation Number BC0909412) and its successors and permitted assigns.
- (n) "**ITC Remainder**" means the lands legally described as PID: 029-611-598, Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985 or the ITC Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (o) "**Loan Agreement**" means the Existing Loan Agreement, as amended by the First Amending Agreement, as the same may be further amended, extended, supplemented, modified, renewed, replaced, restated from time to time;
- (p) "**Loan Documents**" means, collectively, the Loan Agreement, the First Amending Agreement, the Mortgage, the Assignment of Rents, this Agreement and all other documents and instruments evidencing or securing the payment of the Secured Obligations in whole or in part, whether provided by or on behalf of an Obligant.
- (q) "**Lands**" means collectively, the ITC Lands and the UB Lands or the respective Mortgagor's interest therein described or referred to in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto

or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all fixtures and improvements.

- (r) “**Mortgage**” means Mortgage CA9394748 registered against the Lands.
- (s) “**Mortgagee**” means the party or parties described in Item 6 of Part 1 as “Transferee(s)”.
- (t) “**Mortgage Form**” means the form identified as “Form B” (Mortgage – Part 1) executed by the Mortgagor on September 27, 2021.
- (u) “**Mortgagor**” means collectively, the ITC Mortgagor and the UB Mortgagor, as described in Item 5 of Part 1 as the “Transferor(s)”, and except where the context or plain meaning herein may otherwise require, includes each or any one or more of them separately.
- (v) “**Obligant**” means, collectively, the ITC Mortgagor and the UB Mortgagor and all other Persons who are from time to time liable to the Mortgagee for the payment of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Mortgagee for any loss, costs or damages as a result of the failure of any other Persons to pay the Secured Obligations, in whole or in part.
- (w) “**Part 1**” means all of the terms, conditions and other information contained in Form C and any schedule or attachment to Form C and which does not form part of these Express Charge Terms.
- (x) “**Part 2**” means these Express Charge Terms.
- (y) “**Persons**” or “**Person**” means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).
- (z) “**Secured Obligations**” means all indebtedness and liability of all or any one or more of the Obligants to the Mortgagee under the Loan Documents, whether such indebtedness and liability is present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re advances, under or pursuant to any of the Loan Documents.
- (aa) “**UB Borrowers**” means, collectively, 34083 Yukon Inc., Kensington Union Bay Properties Limited Partnership and Kensington Union Bay Properties GP Ltd. and their respective successors and permitted assigns.
- (bb) “**UB Lands**” means, collectively, UB Lot 1, UB Lot 2 , UB Lot 3, UB Lot 4 and UB Lot A.
- (cc) “**UB Lot 1**” means the lands legally described as PID: 028-731-492, Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931 or the UB Mortgagor’s interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.

- (dd) "**UB Lot 2**" means the lands legally described as PID: 028-731-565, Lot 2 District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (ee) "**UB Lot 3**" means the lands legally described as PID: 028-731-531, Lot 3 District Lot 154 Nanaimo District, Section 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (ff) "**UB Lot 4**" means the lands legally described as PID: 028-731-549, Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (gg) "**UB Lot A**" means the lands legally described as PID: 028-330-633, Lot A District Lot 28 Nelson District Plan EPP9011 or the UB Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (hh) "**UB Mortgagor**" means 34083 Yukon Inc. (Registration Number A0056440) and its successors and permitted assigns.

Words used in the singular include and may be read to include the plural and vice versa, except where the context otherwise requires.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), the parties hereto hereby agree as follows:

1. The Mortgage is modified as follows:
 - (a) The "**Principal Amount**" of the Mortgage is increased from THIRTY-SEVEN MILLION (\$37,000,000.00) DOLLARS to FORTY-TWO MILLION (\$42,000,000) DOLLARS and item 5(a) of Payment Provisions in Part 1 of the Mortgage Form is amended by deleting "\$37,000,000" and substituting therefor "\$42,000,000";
2. All of the powers, covenants, agreements, obligations, terms, conditions and provisos contained or implied in the Mortgage as modified by this Agreement, and the Assignment of Rents, shall be applicable to the Principal Amount secured by the Mortgage and interest thereon as fully as if the said powers, covenants, agreements, obligations, terms, conditions and provisos were herein set out and specifically made applicable hereto.
3. The Mortgagor agrees that the provisions of the Assignment of Rents shall continue in full force and effect as security for the Secured Obligations under the Mortgage as modified by this Agreement and the Assignment of Rents.
4. The Mortgagor covenants and agrees to keep, observe and perform each and every one of the terms, covenants and conditions on the part of each of them to be kept, observed and performed

in the Mortgage as modified by this Agreement and the Assignment of Rents in accordance with the terms thereof and hereof.

5. Notwithstanding that any person has not joined in, approved of or consented to this Agreement, this Agreement shall not prejudice any rights which the Mortgagee may have under the Mortgage as modified by this Agreement and shall not create any merger or alter or prejudice the rights of the Mortgagee with regards to any security collateral to the Mortgage as modified by this Agreement and the Assignment of Rents, all of which rights are hereby reserved.
6. This Agreement shall from the date hereof and without prejudice to the rights and priorities of the Mortgagee as against the Mortgagor or any subsequent encumbrancer, be read and construed along with the Mortgage and the Assignment of Rents and be treated as a part thereof and for such purposes and so far as may be necessary to effectuate these presents, the Mortgage shall be regarded as being hereby modified, and the Mortgage as modified together the Assignment of Rents and together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Mortgage and the Assignment of Rents shall continue in full force and effect.
7. The Mortgagor and the Mortgagee hereby ratify and confirm the Mortgage as modified by this Agreement.
8. The Mortgagee hereby confirms that neither the Mortgage nor the Assignment of Rents has been assigned and the Mortgagee at the date hereof is the registered holder thereof.
9. The Mortgagor agrees that neither the preparation, execution or registration of this Agreement, nor the advances of any part of the Principal Amount hereby secured, nor the higher principal amount under the Mortgage as modified by this Agreement than actually advanced by the Mortgagee to and to the direction of the Mortgagor up to the date hereof, nor any other action or omission of the Mortgagee, will bind the Mortgagee to make any further advance to the Mortgagor or to any other person on the Mortgagor's request, it being understood and agreed that any further advance from time to time will be in the absolute discretion of the Mortgagee. Notwithstanding the foregoing, this Agreement and the Mortgage as modified by this Agreement shall take effect immediately upon the execution of this Agreement by the Mortgagor.
10. This Agreement shall extend to and enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
11. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.
12. This Agreement will be dated, for reference purposes only, March 7, 2022.

IN WITNESS WHEREOF the Mortgagor and the Mortgagee have executed this Agreement in Item 8 of the Form C General Instrument – Part 1 which is attached hereto and forms part hereof as evidence of their respective agreement to be bound by the terms hereof.

END OF DOCUMENT



1. Application

Document Fees: \$76.32

Norton Rose Fulbright Canada LLP
Suite 1800-510 West Georgia St
Vancouver BC V6B 0M3

Eva Chow, Paralegal
 matter no.1001088724
 Loan B - 2nd Mod of Mortgage

2. Description of Land

PID/Plan Number	Legal Description
030-795-851	AIR SPACE PARCEL 2 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT AIR SPACE PLAN EPP73985
029-611-598	LOT 1 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN EPP37734 EXCEPT AIR SPACE PLAN EPP73985
030-797-691	STRATA LOT 1 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT STRATA PLAN EPS5802
028-731-492	LOT 1 DISTRICT LOT 154 NANAIMO DISTRICT SECTIONS 31 AND 32 TOWNSHIP 1 AND DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507 EXCEPT PLANS EPP56910, EPP95931 AND EPP103248
028-731-565	LOT 2 DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507
028-731-531	LOT 3 DISTRICT LOT 154 NANAIMO DISTRICT, SECTION 32 TOWNSHIP 1 AND DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507
028-731-549	LOT 4 SECTIONS 31 AND 32 TOWNSHIP 1 AND DISTRICT LOT 28 NELSON DISTRICT PLAN EPP15507 EXCEPT PLANS EPP78068 AND EPP103248

3. Nature of Interest

Type	Number	Additional Information
MODIFICATION	CA9394748	of Mortgage CA9394748

4. Terms

Part 2 of this instrument consists of:
(b) Express Charge Terms Annexed as Part 2

5. Transferor(s)

INTERNATIONAL TRADE CENTER PROPERTIES LTD., NO.BC0909412
34083 YUKON INC. , NO.A0056440

6. Transferee(s)

FOX ISLAND DEVELOPMENT LTD.
 SUITE 1800-510 WEST GEORGIA ST
 VANCOUVER BC V6B 0M3

BC1118527

As to an undivided
25100000/33100000 interest



**ADVANCED VENTURE HOLDING CO., LTD. (BVI COMPANY
NUMBER 1407806)**
SUITE 1800-510 WEST GEORGIA ST
VANCOUVER BC V6B 0M3

As to an undivided
8000000/33100000 interest

7. Additional or Modified Terms

8. Execution(s)

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

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

THOMAS RUSSELL
Barrister & Solicitor
SUITE 500 NORTH TOWER
5811 COONEY ROAD
RICHMOND BC V6X 3M1

TELEPHONE 604-276-2765
(as to both signatures)

YYYY-MM-DD

2022-11-18

**International Trade Center
Properties Ltd.**
By their Authorized Signatory

Name: MO YEUNG CHING

34083 Yukon Inc.
By their Authorized Signatory

Name: MO YEUNG CHING

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.



Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

See Affidavit of Execution

YYYY-MM-DD

2022-11-09

Fox Island Development Ltd.
By their Authorized Signatory

Name: Wen Yong Wang

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.

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

Corine George
Notary Public
Road Town
Tortola
BRITISH VIRGIN ISLANDS

YYYY-MM-DD

2022-11-11

Advanced Venture Holding Co., Ltd.
By their Authorized Signatory

Rondell Braveboy on behalf of
STANDARD NOMINEES LIMITED -
Director

Notarial Seal Affixed

Gizelle Osborne on behalf of
STANDARD NOMINEES LIMITED -
Director

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.

Shui-Yuen Choi
KXZY39

Digitally signed by
Shui-Yuen Choi KXZY39
Date: 2022-12-07
17:08:07 -08:00

TERMS OF INSTRUMENT - PART 2

EXPRESS CHARGE TERMS

MODIFICATION AGREEMENT

By execution of the Form C (General Instrument - Part 1) to which these Express Charge Terms are attached, the Transferor(s) described in Section 5 of the said Form C, for value received, does or do hereby and thereby grant, mortgage, charge, covenant and agree to, with and in favour of the Transferee(s) described in Section 6 of the said Form C as follows:

In these Express Charge Terms and in the said Form C:

- (a) "**Agreement**" means the modification agreement created by Part 1 and these Express Charge Terms and includes each and every provision hereof.
- (b) "**Assignment of Rents**" means Assignment of Rents CA9394749 registered against the Lands.
- (c) "**Borrowers**" means collectively, the ITC Mortgagor, the UB Borrowers and their respective successors and permitted assigns.
- (d) "**Express Charge Terms**" means this set of express charge terms entitled as such and labelled "Terms of Instrument - Part 2".
- (e) "**Existing Loan Agreement**" means the loan agreement dated for reference June 14, 2021 between as amended by an amending agreement dated for reference March 7, 2022 (among others) the Borrowers, and Fox Island Development Ltd., as the initial lender, with respect to the loan to the Borrowers;
- (f) "**Fixture(s)**" or "**fixtures**" means all personal property whatsoever, whether affixed, mobile or stationary, which is now or at any time hereafter owned, held or acquired in whole or in part by the Mortgagor and placed, installed or erected in, on, under or above the Lands or any part thereof (including the Improvements or any part thereof), forms part thereof and is at law a fixture, including without limitation, all plant machinery, apparatus, facilities, equipment, goods and other personal property now or hereafter installed, affixed or attached to and forming part of the Improvements forming part of the Lands and all present and future additions and attachments thereto and replacements thereof, including without limitation:
 - (i) all pipes, conduits, services and the like installed in or under the Lands for the purposes of providing utilities and other services within the boundaries of the Lands or any parcel(s) of land hereafter created out of or forming part of the Lands;
 - (ii) all heating, cooling, plumbing, air-conditioning, air-filtering, ventilating, conveyancing, electrical, lighting, telecommunications, security, vacuum, sprinkler, fire-fighting, cooking and refrigeration devices, systems and equipment (including without limitation all furnaces, water heaters, hot water tanks, oil and gas burners, motors, electric fixtures, wiring, escalators, elevators, boilers, pressure vessels, stokers, blowers, tanks, gas pipes, radiators, aerials, television antennae, satellite dishes and built-in furniture) located in, on or under the Improvements or any part thereof;
 - (iii) all fixed mirrors, suspended ceiling tiles, doors, windows and window coverings, including without limitation all awnings, shutters, drapes, blinds and valances located in, on or attached to the Improvements or any part thereof; and

- (iv) all carpeting and other floor coverings, including without limitation all carpets and floor coverings in all rooms, halls and stairways located within the Improvements.
- (g) "**Form C**" means the form identified as "Form C" (General Instrument - Part 1) to which these Express Charge Terms are attached.
- (h) "**Improvements**" mean each and every building, structure, erection, improvement, fixture and the like now or hereafter erected, placed or installed in, on, under or above the Lands or any part thereof and forming part thereof and all additions and attachments thereto and replacements thereof from time to time.
- (i) "**ITC ASP2**" means the lands legally described as PID: 030-795-851, Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985 or the ITC Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (j) "**ITC Bar**" means the lands legally described as PID: 030-797-691, Strata Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5802 or the ITC Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (k) "**ITC Lands**" means, collectively, ITC ASP2, ITC Bar and ITC Remainder.
- (l) "**ITC Mortgagor**" means International Trade Center Properties Ltd. (Incorporation Number BC0909412) and its successors and permitted assigns.
- (m) "**ITC Remainder**" means the lands legally described as PID: 029-611-598, Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985 or the ITC Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (n) "**Loan Agreement**" means the Existing Loan Agreement, as amended by the Second Amending Agreement, as the same may be further amended, extended, supplemented, modified, renewed, replaced, restated from time to time;
- (o) "**Loan Documents**" means, collectively, the Loan Agreement, the Second Amending Agreement, the Mortgage, the Assignment of Rents, this Agreement and all other documents and instruments evidencing or securing the payment of the Secured Obligations in whole or in part, whether provided by or on behalf of an Obligant.
- (p) "**Lands**" means collectively, the ITC Lands and the UB Lands or the respective Mortgagor's interest therein described or referred to in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all fixtures and improvements.
- (q) "**Mortgage**" means Mortgage CA9394748 registered against the Lands.

- (r) "**Mortgagee**" means the party or parties described in Item 6 of Part 1 as "Transferee(s)".
- (s) "**Mortgage Form**" means the form identified as "Form B" (Mortgage – Part 1) executed by the Mortgagor on September 27, 2021.
- (t) "**Mortgagor**" means collectively, the ITC Mortgagor and the UB Mortgagor, as described in Item 5 of Part 1 as the "Transferor(s)", and except where the context or plain meaning herein may otherwise require, includes each or any one or more of them separately.
- (u) "**Obligant**" means, collectively, the ITC Mortgagor and the UB Mortgagor and all other Persons who are from time to time liable to the Mortgagee for the payment of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Mortgagee for any loss, costs or damages as a result of the failure of any other Persons to pay the Secured Obligations, in whole or in part.
- (v) "**Part 1**" means all of the terms, conditions and other information contained in Form C and any schedule or attachment to Form C and which does not form part of these Express Charge Terms.
- (w) "**Part 2**" means these Express Charge Terms.
- (x) "**Persons**" or "**Person**" means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).
- (y) "**Second Amending Agreement**" means the amending agreement dated for reference September 7, 2022 between (among others) the Borrowers, and the Mortgagee, as lender, with respect to the loan to the Borrowers.
- (z) "**Secured Obligations**" means all indebtedness and liability of all or any one or more of the Obligants to the Mortgagee under the Loan Documents, whether such indebtedness and liability is present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re advances, under or pursuant to any of the Loan Documents.
- (aa) "**UB Borrowers**" means, collectively, 34083 Yukon Inc., Kensington Union Bay Properties Limited Partnership and Kensington Union Bay Properties GP Ltd. and their respective successors and permitted assigns.
- (bb) "**UB Lands**" means, collectively, UB Lot 1, UB Lot 2 , UB Lot 3 and UB Lot 4.
- (cc) "**UB Lot 1**" means the lands legally described as PID: 028-731-492, Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910, EPP95931 and EPP103248 or the UB Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.

- (dd) "**UB Lot 2**" means the lands legally described as PID: 028-731-565, Lot 2 District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (ee) "**UB Lot 3**" means the lands legally described as PID: 028-731-531, Lot 3 District Lot 154 Nanaimo District, Section 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 or the UB Mortgagor's interest therein Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (ff) "**UB Lot 4**" means the lands legally described as PID: 028-731-549, Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plans EPP15507 and EPP103248 or the UB Mortgagor's interest therein described in Item 2 of Form C, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (gg) "**UB Mortgagor**" means 34083 Yukon Inc. (Registration Number A0056440) and its successors and permitted assigns.

Words used in the singular include and may be read to include the plural and vice versa, except where the context otherwise requires.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), the parties hereto hereby agree as follows:

1. The Mortgage is modified as follows:
 - (a) The "**Principal Amount**" of the Mortgage is increased from FORTY-TWO MILLION (\$42,000,000.00) DOLLARS to FORTY-THREE MILLION FIVE HUNDRED THOUSAND (\$43,500,000) DOLLARS and item 5(a) of Payment Provisions in Part 1 of the Mortgage Form is amended by deleting "\$42,000,000" and substituting therefor "\$43,500,000";
2. All of the powers, covenants, agreements, obligations, terms, conditions and provisos contained or implied in the Mortgage as modified by this Agreement, and the Assignment of Rents, shall be applicable to the Principal Amount secured by the Mortgage and interest thereon as fully as if the said powers, covenants, agreements, obligations, terms, conditions and provisos were herein set out and specifically made applicable hereto.
3. The Mortgagor agrees that the provisions of the Assignment of Rents shall continue in full force and effect as security for the Secured Obligations under the Mortgage as modified by this Agreement and the Assignment of Rents.
4. The Mortgagor covenants and agrees to keep, observe and perform each and every one of the terms, covenants and conditions on the part of each of them to be kept, observed and performed in the Mortgage as modified by this Agreement and the Assignment of Rents in accordance with the terms thereof and hereof.
5. Notwithstanding that any person has not joined in, approved of or consented to this Agreement, this Agreement shall not prejudice any rights which the Mortgagee may have under the Mortgage as modified by this Agreement and shall not create any merger or alter or prejudice the rights of

the Mortgagee with regards to any security collateral to the Mortgage as modified by this Agreement and the Assignment of Rents, all of which rights are hereby reserved.

6. This Agreement shall from the date hereof and without prejudice to the rights and priorities of the Mortgagee as against the Mortgagor or any subsequent encumbrancer, be read and construed along with the Mortgage and the Assignment of Rents and be treated as a part thereof and for such purposes and so far as may be necessary to effectuate these presents, the Mortgage shall be regarded as being hereby modified, and the Mortgage as modified together the Assignment of Rents and together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Mortgage and the Assignment of Rents shall continue in full force and effect.
7. The Mortgagor and the Mortgagee hereby ratify and confirm the Mortgage as modified by this Agreement.
8. The Mortgagee hereby confirms that neither the Mortgage nor the Assignment of Rents has been assigned and the Mortgagee at the date hereof is the registered holder thereof.
9. The Mortgagor agrees that neither the preparation, execution or registration of this Agreement, nor the advances of any part of the Principal Amount hereby secured, nor the higher principal amount under the Mortgage as modified by this Agreement than actually advanced by the Mortgagee to and to the direction of the Mortgagor up to the date hereof, nor any other action or omission of the Mortgagee, will bind the Mortgagee to make any further advance to the Mortgagor or to any other person on the Mortgagor's request, it being understood and agreed that any further advance from time to time will be in the absolute discretion of the Mortgagee. Notwithstanding the foregoing, this Agreement and the Mortgage as modified by this Agreement shall take effect immediately upon the execution of this Agreement by the Mortgagor.
10. This Agreement shall extend to and enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
11. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.
12. This Agreement will be dated, for reference purposes only, September 7, 2022.

IN WITNESS WHEREOF the Mortgagor and the Mortgagee have executed this Agreement in Item 8 of the Form C General Instrument – Part 1 which is attached hereto and forms part hereof as evidence of their respective agreement to be bound by the terms hereof.

END OF DOCUMENT

EXHIBIT D

This is **Exhibit "D"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT is dated for reference June 14, 2021

BETWEEN:

34083 YUKON INC. ("UB Nominee");
KENSINGTON UNION BAY PROPERTIES GP LTD. (the "GP");
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP (the "LP");
INTERNATIONAL TRADE CENTER PROPERTIES LTD. ("ITC Borrower" and together with
the UB Nominee, the GP and the LP collectively, the "Borrowers");
HOTEL VERSANTE LTD. (the "Hotel Operator");
SUNWINS ENTERPRISE LTD. ("Sunwins");
MO YEUNG PROPERTIES LTD. ("MYPCo"); and
MO YEUNG CHING (also known as Michael Ching) ("Ching")

(collectively, the "Debtor")

AND:

FOX ISLAND DEVELOPMENT LTD. ("Lender A")

(the "Secured Party")

FOR VALUE RECEIVED, the Debtor hereby covenants, agrees, warrants, represents, acknowledges and confirms to and with the Secured Party and creates and grants the mortgages, charges and security interests hereinafter set forth, as follows:

In this Security Agreement:

- (a) "Debtor" means, collectively, the UB Nominee, the GP and the LP (of which the GP is the general partner), ITC Borrower, the Hotel Operator, Sunwins, MYPCo and Ching, and, except where the context or plain meaning may otherwise require, includes each or any one or more of them separately. Except where the context or plain meaning may otherwise require, all warranties, representations, authorizations, acknowledgements, confirmations, covenants and agreements of or provided by the Debtor in this Security Agreement shall be construed as being given or made or provided by the UB Nominee, the GP and the LP, ITC Borrower, the Hotel Operator, Sunwins, MYPCo and Ching, jointly and severally; and
- (b) "Secured Party" means, collectively, Lender A and such other persons who may become a Lender under the Loan Agreement from time to time, for their ratable benefits based on their respective Lender's Proportions (as defined in the Loan Agreement).

1. SECURITY INTEREST

1.1 Grant of Security Interest

For the consideration aforesaid and as security for the payment and performance of the Secured Obligations (as hereinafter defined), the Debtor, subject to the exceptions set out in Section 2 hereof, does hereby:

- (a) mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment and transfer, a security interest in all the

Debtor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held personal property, of whatever nature or kind and wheresoever situate and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:

- (1) all inventory of whatever kind and wherever situate, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is hereinafter collectively called the "Inventory");
- (2) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property of whatsoever nature or kind that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is hereinafter collectively called the "Equipment");
- (3) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (all of which is hereinafter collectively called the "Accounts");
- (4) all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to or being records of Accounts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (5) all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights and other industrial or intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Investment Property or Money;
- (6) all Money;
- (7) all property described in **Schedule A** attached hereto, if so attached, or in any schedule now or at any time hereafter annexed hereto or agreed to form part hereof;
- (8) the undertaking of the Debtor; and
- (9) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Investment Property now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor), and all other goods of the Debtor which are not Equipment, Inventory or Accounts;

- (10) any and all property from time to time held by the UB Nominee in trust for the LP; and
 - (11) all of the GP's right, title and interest from time to time in and to the LP, including, without limitation, all of the GP's right, title and interest from time to time in and to the presently owned or held and after acquired or held personal property of the LP; and
- (b) charge as and by way of a floating charge to and in favour of the Secured Party, and grant to the Secured Party a security interest in and to:
- (1) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable 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, plant and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (2) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situate, 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 Section 1.1(a) hereof; and
- (c) mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party, and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment and transfer, a security interest in all of the Debtor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:
- (1) is or hereafter becomes a fixture; or
 - (2) constitutes a licence, quota, permit or other similar right or benefit or crops.

The mortgages, charges, assignments and transfers and security interests created or granted pursuant to Sections 1.1 (a), (b) and (c) hereof are hereinafter collectively called the "Security Interest", and all property, assets, interests and undertakings (including Proceeds) subject to the Security Interest or otherwise charged or secured hereby or expressed to be charged, assigned or transferred or secured by any instruments supplemental hereto or in implementation hereof are hereinafter collectively called the "Collateral".

2. EXCEPTIONS

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

- (a) Consumer Goods (except with respect to Ching); or
- (b) the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

3. SECURED OBLIGATIONS

This Security Agreement and the Security Interest are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor, any of the other Obligants, or from any other person whomsoever and shall be general and continuing security for the payment, performance and satisfaction of the Secured Obligations.

4. PROHIBITIONS

Without the prior written consent of the Secured Party the Debtor shall not and shall not have power to:

- (a) grant, create or permit to be created any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings which ranks or could in any event rank in priority to or pari passu with the Security Interest;
- (b) grant, sell, or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. ATTACHMENT

The Debtor acknowledges that the Security Interest attaches upon the execution of this Security Agreement (or in the case of any after acquired property, at the time of acquisition thereof), that value has been given, and that the Debtor has, or in the case of after acquired property will have at the time of acquisition, rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants to the Secured Party that:

- (a) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only the charges or security interests, if any, shown in any Schedule hereto and those consented to in writing by the Secured Party, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Security Agreement;
- (b) where the Collateral includes Accounts, Chattel Paper or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder and that the Debtor has fully and accurately disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;
- (c) with respect to goods constituting Collateral, the Debtor has herein or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor;
- (d) the Debtor has not consented to the entering into by: (A) any issuer of any Uncertificated Securities included in or relating to the Collateral of a Control Agreement; or (B) any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral of a Control Agreement, other than, in either case, the Secured Party.

7. COVENANTS OF THE DEBTOR

7.1 General Covenants

The Debtor covenants and agrees with the Secured Party that at all times while this Security Agreement remains in effect the Debtor will:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the Security Interest;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (1) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature which may be lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (2) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to the Security Interest, other than the charges or security interests, if any, shown in any Schedule hereto and those consented to in writing by the Secured Party;
- (e) forthwith reimburse and indemnify the Secured Party for all costs, charges, expenses and legal fees and disbursements which may be incurred by the Secured Party in:
 - (1) inspecting the Collateral;
 - (2) negotiating, preparing, perfecting and registering this Security Agreement or notice of it and other documents, whether or not relating to this Security Agreement;
 - (3) investigating title to the Collateral;
 - (4) taking, recovering, keeping possession of and insuring the Collateral; and
 - (5) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other Security Interest held by the Secured Party as security for the Secured Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interest in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:

- (1) any change in the information contained herein relating to the Debtor, its address, its business or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (2) the details of any material acquisition of Collateral;
 - (3) any material loss or damage to the Collateral;
 - (4) any material default by any account debtor in payment or other performance of his obligations to the Debtor with respect to any Accounts;
 - (5) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
 - (6) the details of any claims or litigation affecting the Debtor or the Collateral;
- (h) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (i) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection;
- (j) deliver to the Secured Party from time to time promptly upon request:
- (1) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting, representing or relating to Collateral;
 - (2) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (3) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (4) all policies and certificates of insurance relating to the Collateral; and
 - (5) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may reasonably require;
- (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral;
- (l) observe and perform the additional covenants, if any, set out in any schedule attached hereto;
- (m) will not consent to:
- (1) the entering into by any issuer of any Uncertificated Securities included in or relating to the Collateral of a Control Agreement in respect of such Uncertificated

Securities with any Person other than the Secured Party or such nominee or agent as it may direct; or

- (2) the entering into by any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral of a Control Agreement with respect to such Securities Accounts or Securities Entitlements with any Person other than the Secured Party or such nominee or agent as it may direct; and
- (n) promptly upon request from time to time by the Secured Party, the Debtor shall:
 - (1) enter into and use reasonable commercial efforts to cause any Securities Intermediary for any Securities Accounts or Securities Entitlements included in or relating to the Collateral to enter into a Control Agreement with the Secured Party with respect to such Securities Accounts or Securities Entitlements as the Secured Party requires in form and substance satisfactory to the Secured Party; and/or
 - (2) enter into and use reasonable commercial efforts to cause any issuer of any Uncertificated Securities included in or relating to the Collateral to enter into a Control Agreement with the Secured Party with respect to such Uncertificated Securities in form and substance satisfactory to the Secured Party.

7.2 Covenants Regarding Collateral

Except as herein provided, without the prior written consent of the Secured Party, the Debtor will not:

- (a) sell, lease or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.

7.3 Dealings With Collateral

Provided that the Debtor is not in default under this Security Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

8. INSURANCE

8.1 Covenants Regarding Insurance

The Debtor covenants that at all times while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;

- (b) cause the insurance policy or policies required hereunder to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
- (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if it so requires.

8.2 Application of Insurance Proceeds

If proceeds of any insurance required hereunder become payable the Secured Party may, in its absolute discretion, apply such proceeds to such part or parts of the Secured Obligations as the Secured Party may see fit or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Secured Obligations or in any way affect this Security Agreement.

8.3 Proof of Loss

The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing herein contained shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.

8.4 Secured Party as Loss Payee

The Debtor hereby irrevocably authorizes and directs the insurer under any policy of insurance required hereunder to include the name of the Secured Party as a loss payee on any cheque or draft which may be issued with respect to a claim under and by virtue of such insurance, and the production by the Secured Party to any insurer of a certified copy of this Security Agreement shall be its full and complete authority for so doing.

8.5 Failure to Maintain Insurance Coverage

If the Debtor fails to maintain insurance as required hereby, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and Section 11 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. INVESTMENT PROPERTY

If Collateral at any time includes Investment Property, the Debtor hereby authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its

nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Investment Property. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

To the extent that Investment Property includes an interest in or unit certificates in a partnership or a limited liability company, the Debtor represents and warrants that the terms of any interest in such partnership or limited liability company provide that such interest is a "security" for the purposes of the STA and in the event that the terms of any interest in a partnership or limited liability company does not so provide, the Debtor agrees to amend the terms with respect to such partnership or limited liability company to expressly provide that such interest is a "security" for the purposes of the STA.

11. COLLECTION OF DEBTS

Before or after default under this Security Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

12. INCOME FROM AND INTEREST ON COLLATERAL

12.1 Income Until Default

Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any such money prior to default, the Secured Party shall either credit the same against the Secured Obligations or pay the same promptly to the Debtor.

12.2 Income After Default

After default, the Debtor will not request or receive any money constituting income from or interest on Collateral and if the Debtor receives any such money in any event, the Debtor will hold such money in trust for the Secured Party and will pay the same promptly to the Secured Party.

13. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

13.1 Receipt by Secured Party

Whether or not default has occurred, the Debtor authorizes the Secured Party:

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of Section 12 hereof and dealt with accordingly; and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

13.2 Receipt by Debtor

If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor will deliver the same promptly to the Secured Party to be held by the Secured Party as herein provided.

14. DISPOSITION OF MONIES

Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Secured Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder, and any surplus shall be accounted for as required by law.

15. PERFORMANCE OF OBLIGATIONS

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

16. DEFAULT

16.1 Events of Default

The occurrence of an Event of Default under any one or more of the Loan Documents shall constitute default hereunder (each a "default") unless remedied by the Debtor in accordance with the provisions of the applicable Loan Document or waived by the Secured Party.

16.2 Floating Charge

For all purposes, including without limitation any application to register a crystallized floating charge under the *Land Title Act* (British Columbia) against any Real Property, the floating charge created by this Security Agreement shall be crystallized and become a fixed charge upon the earliest of:

- (a) the occurrence of an Event of Default; or
- (b) the Secured Party taking any action pursuant to Section 17 hereof to enforce and realize upon any or all of the Security Interest created by this Security Agreement,

and in any event upon the appointment by the Secured Party of a Receiver pursuant to Section 17 hereof.

16.3 Consolidation

In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Security Agreement.

17. ENFORCEMENT

17.1 Rights of Secured Party on Default

Upon any default under this Security Agreement, the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Security Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received;
- (e) exercise all of the rights and remedies of a secured party under the Act; and
- (f) the Secured Party may sell, transfer or use any Investment Property included in the Collateral of which the Secured Party or its agent has "control" within the meaning of the STA.

17.2 Receiver

A Receiver appointed pursuant to this Security Agreement shall be the agent of the Debtor and not of the Secured Party and the Secured Party shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any Receiver, its servants, agents or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose to enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, use Collateral directly or indirectly in carrying on the Debtor's business and from time to time to borrow money either unsecured or secured by a security interest in any of the Collateral.

17.3 Proceeds of Realization

Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Secured Party, in its absolute discretion, may direct or as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Secured Party in connection with or incidental to:
 - (1) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Security Agreement; and
 - (2) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
- (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;
- (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Secured Obligations;
- (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Secured Obligations; and
- (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation or person other than the Secured Party and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

17.4 Immediate Exercise of Rights

The Debtor agrees that the Secured Party may exercise its rights and remedies hereunder immediately upon default, except as may be otherwise provided in the Act, and the Debtor hereby expressly confirms that except as may be otherwise provided herein or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default prior to the Secured Party exercising its rights and remedies hereunder.

18. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Secured Obligations in full, the Debtor will immediately pay to the Secured Party the amount of such deficiency.

19. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

20. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on

realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of Investment Property, Instruments or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

21. APPOINTMENT OF ATTORNEY

The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Security Agreement.

22. ACCOUNTS

Notwithstanding any other provision of this Security Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part V of the Act. All monies or other forms of payment received by the Debtor in payment of any Account will be received and held by the Debtor in trust for the Secured Party.

23. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Secured Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Secured Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

24. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Security Agreement or notice hereof or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

25. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

26. NOTICE

Notice may be given by any party in writing and shall be well and sufficiently given if sent by prepaid registered mail, by delivery, or by facsimile transmission to the party for whom it is intended, at the

address or transmitted to the facsimile number herein provided, or to such other address or to such other facsimile number as may be set forth in any notice given pursuant to these notice provisions from time to time. Any such notice shall be deemed to have been given and received:

- (a) if delivered, when delivered;
- (b) if mailed by prepaid registered mail when there is no known or anticipated disruption of postal services, on the third business day following that on which it was mailed; and
- (c) if sent by facsimile transmission, on the close of business on the day on which it was transmitted.

27. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the Security Interest, and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with the Collateral, the Security Interest and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

28. NO MERGER

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

29. ASSIGNMENT

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

30. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Secured Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Secured Obligations and upon written request by the Debtor and payment to the Secured Party of a discharge fee to be fixed by the Secured Party and payment and of all costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Secured Obligations and such release and discharge.

31. ENUREMENT

This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns.

32. INTERPRETATION

32.1 Defined Terms

In this Security Agreement:

- (a) **"Act"** means the *Personal Property Security Act* of British Columbia and all regulations thereunder as the same may be amended from time to time;
- (b) **"Collateral"** has the meaning set out in Section 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof;
- (c) **"Control Agreement"** means:
 - (1) with respect to any Uncertificated Security included in the Collateral, an agreement between the issuer of such Uncertificated Securities and another Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Security, without the further consent of the Debtor; and
 - (2) with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary in respect of such Securities Accounts or Security Entitlements to comply with any Entitlement Orders with respect to such Securities Accounts or Security Entitlements that are originated by Secured Party, without the further consent of the Debtor;
- (d) **"Debtor"** and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally;
- (e) **"Event of Default"** means an "Event of Default" under the Loan Agreement;
- (f) **"licence"** means any licence or similar right at any time owned or held by the Debtor including but without being limited to a "licence" as defined in the Act;
- (g) **"Loan Agreement"** means the loan agreement dated for reference June 14, 2021 between, among others, the Secured Party and the Borrowers with respect to the loan to be made to the Borrowers, jointly and severally, not at any time exceeding the Loan Amount, as the said loan agreement may be amended, extended, renewed, replaced, restated and in effect from time to time;
- (h) **"Loan Documents"** means, collectively, the Loan Agreement, this Security Agreement, and all other documents and instruments evidencing or securing the payment of the Secured Obligations in whole or in part, whether provided by or on behalf of an Obligant;
- (i) **"Obligant"** or **"Obligants"** means, collectively, the Debtor and all other Persons who are from time to time liable to the Secured Party for the payment of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Secured Party for any loss, costs or damages as a result of the failure of any other Persons to pay the Secured Obligations, in whole or in part;

- (j) "Person" or "Persons" means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof);
- (k) "Secured Obligations" means all indebtedness and liability of all or any one or more of the Obligants to the Secured Party under the Loan Documents, whether such indebtedness and liability is present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re-advances, under or pursuant to any of the Loan Documents;
- (l) "STA" means the *Securities Transfer Act* of the Province of British Columbia, as amended from time to time and all regulations thereunder, which act, including amendments thereto and any act substituted therefor and amendments thereto is herein referred to as the "STA" and "Person" shall have the meaning ascribed to it in the STA; and
- (m) Words with initial capital letters, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement.

32.2 General

Words and expressions used herein that have been defined in the Act or in the STA shall be interpreted in accordance with their respective meanings given in the Act or in the STA as applicable, whether expressed herein with or without initial capital letters and whether in the singular or the plural unless otherwise defined herein or unless the context otherwise requires, and wherever the context so requires in this Security Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

32.3 Severability

Should any provision of this Security Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability will not affect the validity or enforceability of any or all of the remaining provisions of this Security Agreement which will continue in full force and effect and be construed as if this Security Agreement had been executed without the invalid or unenforceable provision.

32.4 Headings

The headings of the sections and clauses of this Security Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

32.5 Governing Law

This Security Agreement shall be governed by the laws of British Columbia.

33. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things as the Secured Party may deem appropriate to perfect on an ongoing basis and continue

the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest.

- (b) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.
- (c) The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (1) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
 - (2) shall secure the "Secured Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Secured Obligations" of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- (d) The Debtor hereby authorizes the Secured Party to provide a copy of this Security Agreement and such other information and documents specified under the Act to any person entitled pursuant to the Act to demand and receive same.

34. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor hereby:

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

35. PARAMOUNTCY

In the event of any inconsistency between the terms of this Security Agreement and the terms of the Loan Agreement with respect to any matter specifically dealt with herein and therein, the provisions of the Loan Agreement will govern, unless as a result thereof (i) the mortgages, charges and security interests created herein or (ii) any of the remedies available to the Secured Party hereunder would be in any way diminished or invalidated, in which case the provisions of this Security Agreement will prevail.

36. DEBTOR AND SECURED PARTY INFORMATION**36.1 Debtor Address**

1205 - 8400 West Road
Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
Email: michael@myiegroup.com

with a copy to:

Pryke Lambert Leathley Russell LLP
5811 Cooney Road, Unit 500
Richmond, BC V6X 3M1

Attention: Tom Russell
Email: trussell@pllr.com

36.2 Secured Party Address

(a) in the case of the Secured Party:

c/o Fox Island Development Ltd.
1800 – 510 West Georgia Street
Vancouver, BC, V6B 0M3

Attention: Gavin Wang
E-mail: www031@gmail.com and wwwvip@163.com

with a copy to:

Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street
Vancouver, BC, V6B 0M3

Attention: Matthew Choi
E-mail: matthew.choi@nortonrosefulbright.com

[Signature Page Follows]

IN WITNESS WHEREOF the Debtor has executed this Security Agreement on the date indicated below.

EXECUTION DATE

Officer Signature(s)


 Name:
 Occupation:
 Address: **THOMAS RUSSELL**
 SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND, B.C. V6X 3M1
 TELEPHONE 604-276-2765

Y	M	D
21	06	17

34083 YUKON INC., by its authorized signatory:



 Mo Yeung Ching
 also known as Michael Ching

EXECUTION DATE

Officer Signature(s)


 Name:
 Occupation:
 Address: **THOMAS RUSSELL**
 SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND, B.C. V6X 3M1
 TELEPHONE 604-276-2765

Y	M	D
21	06	17

KENSINGTON UNION BAY PROPERTIES GP LTD., by its authorized signatory:



 Mo Yeung Ching
 also known as Michael Ching

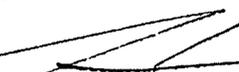
EXECUTION DATE

Officer Signature(s)


 Name:
 Occupation:
 Address: **THOMAS RUSSELL**
 SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND, B.C. V6X 3M1
 TELEPHONE 604-276-2765

Y	M	D
21	06	17

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP by its general partner KENSINGTON UNION BAY PROPERTIES GP LTD., by its authorized signatory:



 Mo Yeung Ching
 also known as Michael Ching

Officer Signature(s)

 Name: _____
 Occupation:
 Address: **THOMAS RUSSELL**
 SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND, B.C. V6X 3M1
 TELEPHONE 604-276-2765

EXECUTION DATE

Y	M	D
19	06	17

INTERNATIONAL TRADE CENTER PROPERTIES LTD., by its authorized signatory:


 Name: _____
 Mo Yeung Ching
 also known as Michael Ching

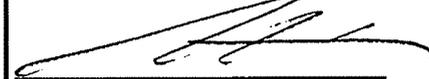
Officer Signature(s)

 Name: _____
 Occupation:
 Address: **THOMAS RUSSELL**
 SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND, B.C. V6X 3M1
 TELEPHONE 604-276-2765

EXECUTION DATE

Y	M	D
21	06	17

HOTEL VERSANTE LTD., by its authorized signatory:


 Name: _____
 Mo Yeung Ching
 also known as Michael Ching

Officer Signature(s)

 Name: _____
 Occupation:
 Address: **THOMAS RUSSELL**
 SOLICITOR
 SUITE 500 NORTH TOWER
 5811 COONEY ROAD
 RICHMOND, B.C. V6X 3M1
 TELEPHONE 604-276-2765

EXECUTION DATE

Y	M	D
21	06	17

SUNWINS ENTERPRISE LTD., by its authorized signatory:


 Name: _____
 Mo Yeung Ching
 also known as Michael Ching

[Signature Page Continues on Next Page]

Officer/Signature(s)

 Name: _____
 Occupation: **THOMAS RUSSELL**
 Address: **SOLICITOR**
SUITE 500 NORTH TOWER
5811 COONEY ROAD
RICHMOND, B.C. V6X 3M1
TELEPHONE 604-276-2765

EXECUTION DATE

Y	M	D
21	06	17

MO YEUNG PROPERTIES LTD., by its authorized signatory:

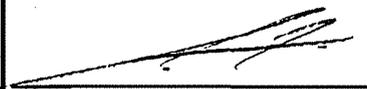

 Name: _____
Mo Yeung Ching
 also known as Michael Ching

Officer/Signature(s)

 Name: _____
 Occupation: **THOMAS RUSSELL**
 Address: **SOLICITOR**
SUITE 500 NORTH TOWER
5811 COONEY ROAD
RICHMOND, B.C. V6X 3M1
TELEPHONE 604-276-2765

EXECUTION DATE

Y	M	D
21	06	17


 Name: _____
MO YEUNG CHING
 also known as Michael Ching

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.

EXHIBIT E

This is **Exhibit "E"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

ASSIGNMENT OF MATERIAL CONTRACTS

THIS ASSIGNMENT dated for reference June 14, 2021.

AMONG:

**34083 YUKON INC.
KENSINGTON UNION BAY PROPERTIES GP LTD.
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP and
INTERNATIONAL TRADE CENTER PROPERTIES LTD. and
HOTEL VERSANTE LTD.**

(collectively, the "Assignors")

AND:

FOX ISLAND DEVELOPMENT LTD. ("Lender A")

In this Assignment, "Lenders" means collectively, Lender A and such other persons who may become a Lender under the Loan Agreement from time to time, for their ratable benefits based on their respective Lender's Proportions (as defined in the Loan Agreement).

WHEREAS the Assignors have agreed to make and deliver to the Lenders this Assignment as collateral security for the Secured Obligations.

NOW THEREFORE IN CONSIDERATION of the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereto hereby agree as follows:

1. DEFINITIONS

Words with initial capital letters, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement (as hereinafter defined).

- (a) "Assignment" means this agreement, together with any amendments;
- (b) "Assignors" include their respective successors and permitted assigns and except where the context or plain meaning may otherwise require, includes any one or more of them separately;
- (c) "Event of Default" has the meaning ascribed to it in the Loan Agreement;
- (d) "Lands" means the lands described in **Schedule A** hereto, and includes all construction and other improvements thereof (or any portion thereof);
- (e) "Loan Agreement" means the loan agreement dated for reference June 14, 2021 between, among others, the Lenders and the Assignors with respect to the loan to be made to the Assignors, not at any time exceeding the Loan Amount, as the said loan agreement may be amended, extended, renewed, replaced, restated and in effect from time to time;

- (f) **"Loan Documents"** means, collectively, the Loan Agreement, this Assignment, and all other documents and instruments evidencing or securing the payment of the Secured Obligations in whole or in part, whether provided by or on behalf of an Obligant, as any of the foregoing may amended, extended, renewed, replaced, restated and be in effect from time to time;
- (g) **"Material Contracts"** means collectively, (i) all architectural plans and specifications, development approvals and permits, licences, construction management agreements, major fixed price sub-trade contracts, contracts, bonds, lease agreements, and (ii) all other material contracts, agreements, permits, licences, approvals or other documents or rights held by or for the benefit of the Assignors (or any of them), all with respect to the Lands or any development thereon, or reasonably required or incidental with respect thereto, including, without limitation, the Material Contracts described in **Schedule B** hereto, as the same may be amended, extended, renewed, restated or replaced and in effect from time to time;
- (h) **"Material Contract Rights"** means all the rights, entitlements, privileges, powers and benefits held at any time and from time to time by or for the benefit of the Assignors (or any of them), under or incidental to any of the Material Contracts, whether arising under contract, statute or otherwise at law or in equity, and including, without limitation, all such rights, entitlements, privileges, power and benefits arising under, deriving from or relating to all security, agreements, rights, permissions, approvals, consents and licences in favour of the Assignors (or any of them), or any Person acting or purportedly acting on the Assignors' behalf under or pursuant to under any of the Material Contracts, whether governmental or otherwise, and of all guarantees, covenants, terms, conditions, representations and warranties made or expressed therein or implied by law in relation thereto and all rights granted to the Assignors (or any of them), under any of the Material Contracts to give consents or approvals, make selections, exercise options, participate in arbitration or other legal proceedings, give notices and declare defaults thereunder or otherwise take action or exercise any power, remedy or recourse, and the foregoing shall include all accretions to, and derivatives of, in respect of same;
- (i) **"Monies"** means all monies and other sums payable to or receivable by or for the benefit of the Assignors (or any of them), to which such Assignors are entitled from time to time under or in respect of any of the Material Contracts and the Material Contract Rights;
- (j) **"Obligant"** or **"Obligants"** means, collectively, the Assignors and all other Persons who are from time to time liable to all or any one or more of the Lenders for the payment of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the all or any one or more of the Lenders for any loss, costs or damages as a result of the failure of any other Persons to pay the Secured Obligations, in whole or in part;
- (k) **"Persons"** or **"Person"** means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof);
- (l) **"Secured Obligations"** means all indebtedness and liability of all or any one or more of the Obligants to all or any one or more of the Lenders under the Loan Documents, whether such indebtedness and liability is present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all advances on current

or running account and all future advances and re advances, under or pursuant to any of the Loan Documents; and

- (m) Words and phrases expressed in the singular include and may be read in the plural, and vice versa, except where the context may otherwise require.

2. REPRESENTATIONS AND WARRANTIES

Each of the Assignors hereby represents, warrants and covenants to and with the Lenders that:

- (a) it has not assigned, transferred, set over, delegated, otherwise alienated, terminated, abolished or suspended whether in whole or in part, any rights or entitlements under any now or hereafter existing Material Contract, any Material Contract Rights or any of the Monies which the Assignor is or may subsequent to the date hereof be entitled;
- (b) it has not performed any act, issued or caused to be issued, any claim, proceeding, instruction or direction or executed any other instrument which might prevent the Lenders from exercising any of their respective rights or remedies under the terms and conditions of this Assignment or which would limit the Lenders in any such exercise;
- (c) it has full legal power and authority to assign in favour of the Lenders all of its right, title and interest to and in each and every existing and after-acquired Material Contract together with all of the Material Contract Rights and the Monies with respect to all such existing and after-acquired Material Contracts, with all such after-acquired rights to have immediate effect (subject to the provisions of this Assignment) as and from when the Assignor enters into or otherwise obtains the benefit of or rights in the applicable Material Contract, Material Contract Rights or Monies, as the case may be;
- (d) the Material Contracts, the Material Contract Rights and the Monies in effect as at the date hereof are fully assignable and that no consent, permission or document giving effect thereto is required that has not been duly obtained in relation to any of the Material Contracts, Material Contract Rights and Monies purportedly assigned hereby;
- (e) the Material Contracts, the Material Contracts Rights and the Monies, to the extent that any of the same are effective as at the date hereof are currently in full force and effect and that there are no defaults or disputes now existing thereunder, and that the Material Contracts, the Material Contract Rights and the Monies as at the date hereof have not been amended nor have the Assignors (or any of them) acquiesced in or gained any knowledge of any deviation from the performance or observance of any term of condition of the Material Contracts and the Material Contract Rights in effect as at the date hereof, by or on behalf of any party to any Material Contract;
- (f) at such time as the Assignors (or any of them), if requested to do so by all or any one of more of the Lenders subsequent to the date hereof, enters into a Material Contract each of the Assignors will obtain or cause to be obtained an acknowledgement from the relevant parties to the Material Contract, acknowledging the terms and conditions of this Assignment as they relate to such Material Contract, Material Contract Rights and Monies pertaining thereto; and
- (g) it has full power authority and legal capacity to assign to the Lenders, all of its right, title and interest in and to the Material Contracts, the Material Contract Rights and Monies, in effect as at the date hereof, and to assign all of its right, title and interest in and to the after-acquired Material Contracts, the Material Contract Rights and Monies, which the Assignor may acquire subsequent to the date hereof.

3. ASSIGNMENT OF MATERIAL CONTRACTS

3.1. Assignment

As continuing collateral security for the prompt payment and performance of the Secured Obligations, the Assignors hereby, jointly and severally, grant, assign, transfer and set over to the Lenders and create in favour of the Lenders a security interest in all right, title and interest of each of them in and to the Material Contracts, the Material Contract Rights and the Monies which are in effect as at the date of this Assignment and in and to any after-acquired Material Contracts, Material Contract Rights and Monies acquired subsequent to the date of this Assignment (to the fullest extent that each of the Assignors is a party to any of the Material Contracts or benefits from or is entitled to any of the Material Contract Rights or the Monies) and all proceeds thereof and therefrom and accretions thereto, from time to time with full power and authority to enforce performance of any or all of the Material Contracts and the Material Contract Rights and to demand, sue for and collect damages in connection therewith at the option of the Lenders in the name of the Assignors, or any of them, or the Lenders, or any combination thereof.

At such time as the Assignors, subsequent to the date hereof, enter into a Material Contract, acquire any Material Contract Right or becomes entitled to any portion of the Monies or any other interest arising from or in respect of any of the foregoing, subject to the occurrence of an Event of Default and at the sole discretion of the Lenders, any or all of the same shall be automatically assigned to the Lenders pursuant to this Assignment without any further action or execution of any further documents on the part of the Assignors, the Lenders or any other Person.

3.2. Agreement for Security Purposes

This Assignment is granted as continuing collateral security for the Secured Obligations and shall not impair or diminish any obligation of the Assignors (or any of them), or of any other party or parties under the Material Contracts and the Material Contract Rights in effect as at the date hereof and in any Material Contracts, Material Contract Rights and Monies, of or acquired by the Assignors (or any of them) subsequent to the date hereof, to the Lenders under the Loan Documents to which each of the Assignors may be a party. No obligation or liability arising under any of the Material Contracts or Material Contract Rights in effect as at the date hereof or under any after-acquired Material Contracts or Material Contract Rights acquired by the Assignors (or any of them) subsequent to the date hereof shall be imposed upon or incurred by the Lenders by virtue of taking this Assignment. The Lenders shall not by virtue of taking this Assignment or receipt of any of the Monies pursuant hereto become or be deemed to be a mortgagee in-possession, or other secured party, in-possession, and the Lenders shall not be under any obligation to take any action or exercise any remedy in collection or recovery of any of the Monies hereunder or to see to or enforce the performance of the obligations (nor shall the Lenders be or become responsible for any of the liabilities) of any party or parties under or in respect of any of the Material Contracts, and Material Contract Rights in effect as of the date hereof and any after-acquired Material Contracts and Material Contract Rights acquired by the Assignors (or any of them) subsequent to the date hereof, and the Lenders shall be liable to account only for such of the Monies as shall actually be received by it, less proper collection charges.

3.3. Termination of Material Contracts

All rights of the Lenders to exercise the rights of an Assignor under any particular Material Contract or with respect to any Material Contract Rights arising thereunder shall cease only upon the earlier of:

- (a) the indefeasible satisfaction in full by any one or more of the Obligants of the Secured Obligations; or
- (b) the termination of a Material Contract (other than by reason of any default, violation or non-compliance therewith by an Obligant or by any other party thereto if any Obligant has

an actionable right or remedy to enforce or a legal right to assert any claim for loss, breach or damages,

and upon such satisfaction or termination the rights and benefits of such Assignor assigned with respect to such Material Contract and its corresponding Material Contract Rights shall automatically be reassigned to such Assignor, as the case may be, provided that all rights and liabilities accruing to the Lenders under this Assignment arising from any breach of or default under any of the Material Contracts will survive the termination or purported termination of any such Material Contract.

3.4. Consents; Restricted Contracts

This Assignment shall become immediately effective with respect to each individual Material Contract and applicable Material Contract Rights and Monies relating thereto when all consents necessary for the validity and effectiveness thereof have been obtained from the relevant party or parties to the relevant Material Contract, or assurance satisfactory to the Lenders that such consents will be forthcoming have been provided. Without in any way limiting the rights of the Lenders under this Section or otherwise hereunder, the Lenders reserve the right in their sole discretion to require that the Assignors upon notice to the Assignors in writing, promptly obtain such acknowledgements and consents from the relevant party or parties to any Material Contract as the Lenders may require in their sole discretion, including with respect to the Material Contract Rights thereto and Monies therefrom, or alternatively the Lenders may require delivery to them by the Assignors of such other assurances satisfactory to the Lenders that such any or all such acknowledgments and consents will be promptly forthcoming.

Notwithstanding any other provisions of this Assignment, to the extent that the assignment and the creation of the security interest pursuant to this Assignment would result in the termination of any Material Contract (each, a "Restricted Contract"), such assignment shall not be effective in respect of such Restricted Contract, but each of the Assignors shall, as applicable, hold its interest in such Restricted Contract, the proceeds thereof and the benefit derived therefrom in trust for the Lenders, and shall assign such Restricted Contract, the proceeds thereof and the benefit derived therefrom to the Lenders or as it may direct immediately upon the necessary consent having been obtained.

4. THE MONIES AND THE RIGHTS OF THE LENDER

4.1. Payment of the Monies

Subject to the provisions of the Loan Documents, each of the Assignors shall have the right to receive all Monies which may be payable to it pursuant to the terms of the respective Material Contracts until an Event of Default has occurred as set out in Section 7.1. Subject to the foregoing, so long as the relevant Material Contract and any Material Contract Right remains in effect and upon the Lenders giving notice of this Assignment to the party obligated to pay the same, all of the Monies which otherwise would be payable to an Assignor or to which such Assignor may be entitled, as the case may be, pursuant to the terms of the relevant Material Contract, shall be remitted directly to the Lenders, which payments shall continue to be made to the Lenders until such time as the Lenders notify the party obligated to make such payments otherwise, or until the rights of the Lenders with respect to such Material Contract and the Material Contract Rights shall terminate pursuant to the express terms hereof. If all or any one or more of the Lenders shall require the Assignors (or any of them) to make payments of Monies to the Lenders under this Section 4.1, then, to the extent that any Person is obligated to make payments to an Assignor or to which an Assignor may be entitled to receive any payments under any of the Material Contracts the obligated party shall pay all such Monies to the Lenders pursuant to this Assignment and such party shall be relieved and released as to all liability to such Assignor arising under any of the Material Contracts and Material Contract Rights with respect to such amount of the Monies so paid. Any Monies received by all or any one or more of the Lenders pursuant to this Assignment shall be applied to the Secured Obligations as the Lenders in their sole discretion deems appropriate.

4.2. Authorization to Exercise the Material Contract Rights

Each of the Assignors for the duration of this Assignment hereby jointly and severally authorize the Lenders to exercise any and all of the Material Contract Rights upon the occurrence Event of Default. The authorization referred to in the immediately preceding sentence shall be coupled with an interest on the part of the Lenders and shall be irrevocable, provided that until the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders each of the Assignors shall have the right to exercise any and all of the Material Contract Rights.

5. COVENANTS, ACKNOWLEDGEMENTS AND CONSENTS

5.1. Covenants

Each of the Assignors, hereby covenants and agrees to and with the Lenders:

- (a) that it will not permit the early termination or suspension of, or any amendment to any of the Material Contracts without the prior written consent of the Lenders whether in whole or in part, and will not subordinate or encumber the Material Contract Rights or make any further assignment by way of security or otherwise or create any mortgage, charge, lien or security interest in any of the Material Contracts;
- (b) to observe and perform all the obligations imposed upon it, by the Material Contracts and the Material Contract Rights, to maintain the Material Contracts in good standing and not to do, permit to be done or omit to do anything that impairs or would impair the security or enforceability of the Material Contracts or the Material Contract Rights; to cause the Lands to be maintained and managed in accordance with sound business practices; and not to execute any other assignment of the interest of each of them in the Material Contracts or the Material Contract Rights;
- (c) that it will not, without the prior written consent of the Lenders, deviate from the performance of or default under any provision of any of the Material Contracts or give any consent, concession or waiver or exercise any option, permitted by such terms, or cancel or terminate any of the Material Contracts;
- (d) that at the request of the Lenders, it will execute and deliver all such further assurances and assignments as the Lenders will from time to time reasonably require and to cause prompt action, including legal proceedings for enforcement of any of the Material Contracts and the Material Contract Rights and all other remedies available to it, thereunder, to be commenced against any delinquent party as soon as reasonably necessary to protect the interests of it therein;
- (e) to at all times, observe and perform all of their respective obligations under the Material Contracts;
- (f) to promptly notify the Lenders in writing of any default by any party to any of the Material Contracts or any dispute which has been submitted for determination by arbitration and will set out details of such default or dispute in such notice;
- (g) if so requested by the Lenders, to enforce all remedies available to it to the extent provided for under the relevant Material Contracts;
- (h) that in the event of enforcement of the Loan Documents such Assignor's interests under the Material Contracts shall, if and to the extent required by the Lenders thereupon vest in and become the absolute property of the Lenders without any further act or assignment by any of them;

- (i) upon request by the Lenders at any time, to transmit to the Lenders copies of all notices, certificates, documents, statements and other communications which each are required or permitted to give or receive pursuant to the Material Contracts contemporaneously with the giving or receipt of same. Where such notices, certificates, documents, statements and communications are related to matters outside of the ordinary course of business of an Assignor, or of its dealings with the other parties to any of the Material Contracts, such Assignor will promptly provide copies thereof to the Lenders without any demand or request therefor from the Lenders;
- (j) from time to time do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lenders may reasonably require so as to:
 - (1) to maintain and preserve the lien and charge of this Assignment to carry out more effectively the purposes hereof;
 - (2) to perfect, publish notice of or protect the validity of this Assignment or any grant made or to be made by or pursuant to this Assignment; and
 - (3) to preserve the rights of the Lenders in this Assignment against the claims and interests of all third parties.

6. EFFECT OF ASSIGNMENT

- (a) None of the rights or remedies of the Lenders under the Loan Documents or pursuant to relevant legislation or common law shall be delayed or in any way prejudiced by this Assignment.
- (b) Notwithstanding any modifications of the terms of any of the Material Contracts the Loan Documents, or any extensions of time for payment thereunder or any release of part or parts of any property encumbered thereby, this Assignment shall continue in effect in accordance with its terms.

7. ENFORCEMENT

7.1. Until an Event of Default

Until the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders each of the Assignors will, except as provided by the Loan Documents or this Assignment, be entitled to receive all amounts payable pursuant to the relevant Material Contracts and to exercise its rights with respect thereto.

7.2. Vesting of Assignment Rights

After the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders, the Material Contracts, and all of the applicable Material Contract Rights and the Monies with respect thereto, shall fully vest in the Lenders and become fully exercisable by each of the Lenders, all at the option of the Lenders, but only to the extent that the Lenders may determine in their sole and absolute discretion.

7.3. Remedies

After the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders, the Lenders, any receiver and any receiver and manager appointed by the Lenders will have, in addition to any other remedy, all the remedies provided herein in respect of the Material Contracts.

7.4. Collection

After the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders, in addition to the rights hereby assigned to the Lenders, the Lenders may, but will not be obligated to, collect the Monies or any proceeds pursuant to the Material Contracts and the Material Contract Rights and secure the payment thereof without regard to the adequacy of the security.

7.5. Forbearance

If the Lenders elect to invoke any of its rights hereunder and if the Lenders thereafter, for any reason, relinquishes to the Assignors (or any of them) any such right, this Assignment will not be terminated but will remain in full force and effect until the Secured Obligations are paid in full, it being the intention of the parties that the Lenders will, after the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders, have all the rights granted hereunder.

7.6. Exercise of Remedies

No delay or omission on the part of the Lenders in the exercise of any remedy will operate as a waiver thereof. The remedies available to the Lenders pursuant to this Assignment will be in addition to, and exercisable in any combination with, any and all remedies available by operation of law or pursuant to the Loan Documents. The remedies will be cumulative and not alternative, may be pursued separately or jointly and successively or together against the Assignors (or any of them) and Material Contracts and the Material Contract Rights or any or all of them at the sole discretion of the Lenders and may be exercised as often as occasion therefor shall arise.

7.7. Application of Proceeds

The Lenders will be entitled to apply all Monies in such order as the Lenders may reasonably determine to reduce or pay the Secured Obligations and to pay any and all sums, monies, costs, charges and expenses incurred by the Lenders in the exercise of any of their rights pursuant to the Loan Documents. The receipt by all or any one or more of the Lenders of any amount pursuant to this Assignment after the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders and the exercise of any remedies provided by the Loan Documents will not cure a default or affect or prejudice the exercise of such remedies.

7.8. Limitation of Lenders' Obligations

The obligation of the Lenders with respect to amounts actually collected will be discharged by the application of such amounts for any of the purposes described in this Assignment. The Lenders will not be liable for uncollected amounts or for any claim for damages or set-off arising from the management by the Lenders of the Lands. The Lenders will not by reason of this Assignment or the exercise of any right granted herein be responsible for any act committed by any of the Assignors, or any breach or failure to perform by such Assignor with respect to any of the Material Contracts. Nothing contained herein will be deemed to have the effect of making any of the Lenders a mortgagee in possession of the Lands or any part thereof.

8. MISCELLANEOUS

8.1. Appointment as Attorney

For the purposes of this Assignment, each of the Assignors hereby constitutes and appoints a senior executive or manager of Lender A the true and lawful attorney of such Assignor irrevocably with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of such Assignor whenever and wherever it may be deemed necessary or expedient.

8.2. Indemnifications and Release

Except to the extent that all or any one or more of the Lenders enforces or elects to become bound by any of the Material Contracts, the Lenders shall not be obligated to exercise any of the Material Contract Rights or to perform or discharge any obligation, duty or liability arising under any of the Material Contracts whether or not an event of default has occurred under the Loan Documents. Each of the Assignors shall indemnify and hold harmless the Lenders of and from and against any and all liability, loss or damage which the Lenders may or might suffer or incur by reason of this Assignment or the exercise of its rights hereunder and which arises prior to such time as the Lenders exercises any of the Material Contract Rights under Section 4.2 hereof, and should the Lenders suffer or incur any such liability, loss or damage by reason of this Assignment or the exercise of its rights hereunder, the amount thereof, including reasonable costs, expenses and legal fees, shall be secured hereby and by the Loan Documents and each of the Assignors shall be obligated to reimburse the Lenders therefor forthwith after the occurrence of an Event of Default which has not been remedied or otherwise waived by the Lenders.

8.3. Severability

If any one or more of the provisions contained in the Assignment is invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained in this Assignment shall not in any way be affected or impaired thereby.

8.4. Amendments

No amendment, modification or waiver of any provisions of this Assignment or consent to any departure from any provision of this Assignment will in any event be effective unless it is in writing, refers to this Assignment and is signed by the Lenders, and each of the Assignors and then the amendment, modification, waiver or consent will be effective only in the specific instance and for the specific purpose for which it is given.

8.5. Cumulative Rights

No remedy herein or in the Loan Documents conferred upon or reserved to the Lenders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute. For greater certainty but without limiting the generality of any other provision or statement contained herein as to the scope and nature of the Lenders' rights, it is understood and agreed by each of the Assignors that the Lenders may exercise any of their rights, benefits, remedies and powers arising hereunder, and any of the terms and conditions hereof, against all of the Assignors or against any one of the Assignors as from time to time each of the Lenders may elect in its sole and absolute discretion, without limiting the rights, benefits, remedies and powers of, or the enforceability of any of the terms or conditions of this Assignment by, the Lenders with respect to the Assignors, or any of them, at any other time(s).

No failure or delay on the part of all or any one or more of the Lenders in exercising any power or right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of such right or power preclude the exercise of any other right or power hereunder. No notice to or demand on the Assignors (or any of them) shall in any case entitle the Assignors (or any of them) to any other or further notice or demand in similar or other circumstances unless specifically provided for in this Assignment.

8.6. Governing Law and Interpretation

This Assignment shall be construed in accordance with and governed by the laws of the Province of British Columbia and of Canada applicable therein, and terms expressed in the plural include the singular, and vice versa, except where the context may otherwise require.

8.7. Notices Procedure

All notices, requests, demands or other communications required or permitted to be given under this assignment shall be given in writing by personal delivery or by facsimile or similar form of communication, addressed to such other party or delivered to such other party as follows:

If to an Assignor:

1205-8400 West Road
Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
E-mail: michael@myiegroupp.com

with a copy to:

Pryke Lambert Leathley Russell LLP
5811 Cooney Road, Unit 500
Richmond, BC V6X 3M1

Attention: Tom Russell
Email: russell@pllr.com

If to Lender A:

c/o Fox Island Development Ltd.
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3

Attention: Gavin Wang
E-mail: wwwy031@gmail.com and wwwvip@163.com

with a copy to:

Norton Rose Fulbright Canada LLP
Barristers and Solicitors
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3

Attention: Matthew Choi
E-mail: matthew.choi@nortonrosefulbright.com

The parties hereto may by notice given in the manner provided herein change their address for notice under this Assignment.

All notices shall be deemed to have been received when delivered or, if sent by facsimile or similar form of communication on the day following sending of the notice provided such day is a business day for the recipient.

8.8. Not Substitute Security

This Assignment is in addition to and not in substitution for any other security or securities which the Lenders now or from time to time may hold or take from the Assignors (or any of them) or from any Person or Persons whomsoever with respect to the Secured Obligations.

8.9. Enurement

The provisions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

8.10. Joint and Several Obligations

Except where the context or plain meaning may otherwise require or as otherwise expressly provided, all warranties, representations, authorizations, acknowledgments, confirmations, covenants and agreements provided herein by the Assignors shall be construed as being given or made jointly and severally and all references to "Assignor" or Assignors", as the case may be, except where the context or plain meaning may otherwise require includes each or any of them separately.

8.11. Paramountcy

In the event of any inconsistency between the terms of this Assignment and the terms of the Loan Agreement with respect to any matter specifically dealt with herein and therein, the provisions of the Loan Agreement will govern, unless as a result thereof (i) the mortgages, charges and security interests created herein or (ii) any of the remedies available to the Lenders hereunder would be in any way diminished or invalidated, in which case the provisions of this Assignment will prevail.

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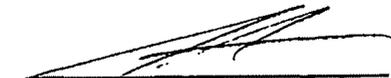
8.12. Counterpart

This Assignment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Assignment. Delivery of an executed counterpart of this Assignment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Assignment. Any party delivering an executed counterpart of this Assignment by telefacsimile or other electronic method of transmission also shall promptly deliver an original executed counterpart of this Assignment but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Assignment. Notwithstanding the date of execution, this Assignment shall be deemed to bear the day and year first above written.

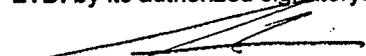
[Signature Page Follows]

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

34083 YUKON INC., by its authorized signatory:


Mo Yeung Ching
also known as Michael Ching

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, by its general partner, **KENSINGTON UNION BAY PROPERTIES GP LTD.** by its authorized signatory:


Mo Yeung Ching
also known as Michael Ching

KENSINGTON UNION BAY PROPERTIES GP LTD. by its authorized signatory:


Mo Yeung Ching
also known as Michael Ching

INTERNATIONAL TRADE CENTER PROPERTIES LTD., by its authorized signatory:


Mo Yeung Ching
also known as Michael Ching

HOTEL VERSANTE LTD., by its authorized signatory:


Mo Yeung Ching
also known as Michael Ching

**SCHEDULE A
LANDS**

The lands having the following legal descriptions:

(ITC Property)

Parcel Identifier	Legal Description
030-795-851	Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985
029-611-598	Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985
030-797-691	Strata Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5802

(UB Property)

Parcel Identifier	Legal Description
028-731-492	Lot 1 District Lot 154 Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931
028-731-565	Lot 2 District Lot 28 Nelson District Plan EPP15507 ("UB Lot 2")
028-731-531	Lot 3 District Lot 154, Nanaimo District, Section 32 Township 1 and District Lot 28 Nelson District Plan EPP15507
028-731-549	Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plan EPP78068
028-330-633	Lot A District Lot 28, Nelson District Plan EPP9011

**SCHEDULE B
MATERIAL CONTRACTS**

1. all construction contracts, planning approvals, permits and licences, development agreements and contracts, project plans and specifications, architects, engineers and land surveyors' contracts,
2. any other contracts and agreements in effect from time to time, relating to the ITC Property and the Hotel, and including without limitation, the following:
 - (a) Hotel Management Agreement dated for reference May 22, 2014 among Hotel Versante Ltd., as Owner, Trilogy Hotel Management (Richmond) Ltd., as Manager, and Opus Hotel Corporation, as the Trademark Licensor;
 - (b) Construction Management Contract – For Services dated April 10, 2017 between International Trade Center Properties Ltd, as Owner, and Scott Construction Management Ltd., as Construction Manager;
 - (c) Trade-Mark License Agreement dated as of May 22, 2014 between Opus Hotel Corporation, as the Licensor and Hotel Versante Ltd., as Licensee; and
3. any and all plans and permits, warranties, licences and other material contracts, relating to any construction and development in respect of the UB Lot 2 Site Servicing Works and the other UB Property and such other contract with a general contractor to construct the site servicing works (the "UB Lot 2 Site Servicing Works"), which consists of the following:
 - (a) to construct site servicing works (including off-site improvements in the form of a new potable water supply station on UB Lot 4, and utilities and road in connection with to the UB Lot 2 Development from Highway 19A; and
 - (b) to contract to construct internal roadways.

EXHIBIT F

This is **Exhibit "F"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

GUARANTEE

THIS GUARANTEE is dated for reference June 14, 2021.

BY:

**HOTEL VERSANTE LTD.
SUNWINS ENTERPRISE LTD.
MO YEUNG PROPERTIES LTD.,
MO YEUNG CHING (also known as Michael Ching);**

(collectively, the "Guarantors" and individually, a "Guarantor")

IN FAVOUR OF:

FOX ISLAND DEVELOPMENT LTD. ("Lender A")

In this Guarantee, "Lenders" means collectively, Lender A and such other persons who may become a Lender under the Loan Agreement from time to time, for their ratable benefits based on their respective Lender's Proportions (as defined in the Senior B Loan Agreement).

WHEREAS:

- A. The Lenders have, severally, made available, or has agreed to make available, to the Borrowers the Loan pursuant to the Senior B Loan Agreement; and
- B. It is a condition to the availability of the Loan pursuant to the Senior B Loan Agreement that the Guarantors, jointly and severally, make, enter into, execute and deliver to the Lenders this Guarantee in respect of the Guaranteed Obligations.

FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which is hereby acknowledged), each of the Guarantors, jointly and severally, covenants, acknowledges, represents and warrants in favour of the Lenders as follows:

1 INTERPRETATION

1.1 Definitions

- (a) "**Applicable Law**" means any federal, provincial, municipal or local statute, law, ordinance, code, rule, regulation or order applicable to and any judgment, order or award in any proceeding to which the Person in question is a party or by which such Person or any of its assets is bound.
- (b) "**Borrowers**" means collectively, 34083 Yukon Inc., Kensington Union Bay Properties Limited Partnership, Kensington Union Bay Properties GP Ltd. and International Trade Center Properties Ltd. and their respective successors and permitted assigns.
- (c) "**Guarantee**" means this guarantee. The terms "this Guarantee", "hereof", "hereunder" and similar expressions refer to this Guarantee and not to any particular Article, Section, Subsection, paragraph, subparagraph, clause or other portion of this Guarantee.
- (d) "**Guaranteed Obligations**" means, all present and future debt, liabilities, obligations, covenants and duties of the Borrowers, or any of them, arising under or in connection with the Loan Documents to which the Borrowers, or any of them, is a party, in each case

whether primary, secondary, direct or indirect, secured or unsecured, fixed, absolute or contingent, joint, several or independent, due or to become due, liquidated or unliquidated, and whether created directly or acquired by assignment or otherwise, including (i) the unpaid principal amount of, and accrued interest at the Interest Rate on, advances made or to be made from time to time by the Lenders to the Borrowers, including, without limitation, any interest which accrues at the Interest Rate after the commencement of any bankruptcy or insolvency proceeding with respect to any of the Borrowers or any Guarantor whether or not allowed or allowable, (ii) the obligations under the Loan Documents to which the Borrowers, or any of them, is a party, and (iii) any and all other indebtedness, obligations and liabilities of the Borrowers, or any of them, to the Lenders.

- (e) **"Insolvency Law"** means the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, the *Winding Up and Restructuring Act (Canada)* or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign.
- (f) **"Insolvency Proceeding"** means, with respect to any Person, any proceeding commenced by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary, under any Insolvency Law seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement, administration or other like or similar relief in respect of any or all of the obligations of such Person, seeking the winding up, liquidation or dissolution of such Person or all or any part of its property, seeking any judgment or order declaring, finding or adjudging such Person insolvent or bankrupt, seeking the appointment (provisional, interim or permanent) of any receiver or resulting, by operation of law, in the bankruptcy of such Person.
- (g) **"Interest Rate"** means the applicable interest rate as provided for in the Senior B Loan Agreement.
- (h) **"Lien"** means (i) any right of set off or combination of accounts intended to secure the payment or performance of an obligation, (ii) any interest in property created by way of mortgage, pledge, charge (whether fixed or floating), lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, title retention, (iii) any statutory deemed trust or lien, (iv) any preference, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property and (v) any agreement to grant any of the foregoing rights or interests described in clauses (i) to (iv) of this definition.
- (i) **"Loan"** has the meaning ascribed to it in the Senior B Loan Agreement.
- (j) **"Loan Amount"** has the meaning ascribed to it in the Senior B Loan Agreement.
- (k) **"Loan Documents"** means, collectively the Senior B Loan Agreement and the Security Documents as defined in the Senior B Loan Agreement and all other documents and instruments evidencing or securing the payment of the obligations of the Borrowers, thereunder, in whole or in part, whether provided by or on behalf of an Obligor;
- (l) **"Obligor"** means, collectively, the Borrowers, each of the Guarantors and all other Persons who are from time to time liable to the Lenders for the payment of the whole or any portion of the Guaranteed Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Lenders for any loss, costs or damages as a result of the failure of any other Persons to pay the Guaranteed Obligations, in whole or in part.

- (m) **"Persons" or "Person"** means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).
- (n) **"Senior B Loan Agreement"** means the loan agreement dated for reference June 14, 2021 between, among others, the Lenders and the Borrowers with respect to the Loan, as the said loan agreement may be amended, extended, renewed, replaced, restated and in effect from time to time.
- (o) Words with initial capital letters, unless otherwise defined herein, shall have the meanings ascribed to them in the Senior B Loan Agreement.

1.2 References to Agreements

Each reference in this Guarantee to any agreement or document (including this Guarantee and any other word or phrase defined herein that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change thereto made at or before the time in question to the extent permitted by the express provisions of this Guarantee and the Loan Documents, as applicable.

1.3 Statutes

Each reference in this Guarantee to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian jurisdiction (including any political subdivision of any thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each change thereto made at or before that time.

1.4 Headings

The Article and Section headings in this Guarantee are included solely for convenience, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee.

1.5 Grammatical Variations

In this Guarantee, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee shall be construed in like manner.

2 GUARANTEE

2.1 Guarantee

Each of the Guarantors, jointly and severally, unconditionally and irrevocably guarantees to the Lenders payment in full and performance in full by the Borrowers of the Guaranteed Obligations as they become due from time to time in accordance with the express provisions of the Loan Documents to which the Borrowers, or any of them, is a party.

2.2 Alternative Obligation

Each of the Guarantors agrees, jointly and severally, to unconditionally and irrevocably pay to the Lenders, all such amounts as shall be required from time to time to ensure that the Lenders are fully indemnified against and saved fully harmless from and against all losses and expenses which the Lenders may at any time suffer or incur by reason of or otherwise in connection with the unenforceability or invalidity of the Guaranteed Obligations for any reason whatsoever, including by operation of any Insolvency Law, any laws affecting creditors' rights generally or general principles of equity. Each Guarantor's indemnity under this Section 2.2 constitutes a separate and independent obligation of that Guarantor from the guarantee set out in Section 2.1 and may be enforced, without duplication of recovery, by the Lenders, in lieu of or in addition to such guarantee.

2.3 Reinstatement

If any payment made by any of the Borrowers or any other Person which is applied to the Guaranteed Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, then, to the extent of such payment, each Guarantor's liability hereunder shall be and remain in full force and effect, as fully as if such payment had never been made.

2.4 Nature of Guarantee

This Guarantee is an unconditional, irrevocable and continuing, joint and several guarantee in respect of all of the Guaranteed Obligations, and the joint and several liability of each Guarantor hereunder in respect of the Guaranteed Obligations is not limited.

2.5 Performance of Borrowers' Obligation

If the Borrowers, or any of them, fails to pay or perform any of the Guaranteed Obligations when due in accordance with the applicable terms and conditions expressed in any applicable Loan Document (whether or not the Borrowers is legally obliged to do so), each Guarantor shall pay or perform the Guaranteed Obligations immediately on notice from the Lenders without any requirement that the Lenders have demanded that any of the Borrowers pays or performs any of the Guaranteed Obligations. Without duplication of interest payable under any of the Loan Documents each of the Guarantors shall pay interest to the Lenders on each amount due and payable under this Guarantee at the Interest Rate, payable on demand, both before and after judgment, commencing from the date due until the Guarantors' obligations are paid in full.

2.6 Guarantors' Obligations Unconditional

This Guarantee is effective irrespective of whether or not the Guaranteed Obligations are valid or enforceable. No circumstance, act or omission which might otherwise limit, lessen or release the Guarantors' obligations or discharge this Guarantee (except for payment or performance in full of the Guaranteed Obligations) shall release or discharge, or wholly or partly exonerate any of the Guarantors from, any of the Guarantors' obligations or prejudice the rights of the Lenders under this Guarantee. The Lenders may at any time vary, compromise, exchange, renew, discharge, release or abandon any of the Guarantors' obligations or any other right it may have as against any other Persons who may have provided a guarantee or any other financial assistance in respect of the Guaranteed Obligations, all without thereby lessening, limiting or releasing any of the other Guarantors' obligations hereunder.

2.7 Guarantee Unaffected by Judgment or Bankruptcy

Without limiting Section 2.6, no Guarantor's obligations shall be limited, lessened or released, nor shall this Guarantee be discharged, by the recovery of any judgment against any of the Borrowers, any of the other Guarantors or any other Person, by any voluntary or involuntary liquidation, dissolution, winding-up, merger, amalgamation or other similar or comparable proceeding in respect of any of the Borrowers, any of the Guarantors or any other Person, by any sale or other disposition of all or substantially all of the assets of any of the Borrowers, any of the Guarantors or any other Person, or by any judicial or extra-judicial receivership, Insolvency Proceeding, or other similar or comparable proceedings affecting any of the Borrowers, any of the Guarantors or any other Person. If the Borrowers, or any of them, becomes subject to any proceedings described in the preceding sentence, the Guaranteed Obligations shall, unless the Lenders notifies the Guarantors to the contrary, be treated as having been accelerated and become immediately due and payable, and in such instance the Guarantors shall be, jointly and severally, obligated to pay the amount of the Guaranteed Obligations to the Lenders forthwith on demand of the Lenders even if the Borrowers, or any of them, is not obliged to so pay the Guaranteed Obligations.

2.8 Independence of Guarantee

Each of the Guarantors' obligations hereunder are in addition to and independent of any other guarantee or security given to the Lenders in connection with the Borrowers or any Guaranteed Obligations. Each of the Guarantors' obligations shall not be lessened or limited, nor shall this Guarantee be discharged, by any direction of application of payment by the Borrowers, any one or more of the Guarantors or any other Person or any payment received on account of the Guaranteed Obligations that the Lenders repay or are obliged to repay pursuant to any Applicable Law or for any other reason.

3 AGREEMENTS AND WAIVERS OF THE GUARANTORS

3.1 Waiver

Each of the Guarantors hereby, jointly and severally, waives both notice of the existence or creation of the Guaranteed Obligations and presentment, demand, dishonour, notice of dishonour, protest, noting of protest and all other notices whatsoever. Each of the Guarantors hereby, jointly and severally, waives all defences to any proceeding brought to enforce this Guarantee (other than payment or performance in full of the Guaranteed Obligations), including any defences of a surety, or a Guarantor or any other obligor on any obligations arising in connection with or in respect of any of the following and hereby agrees that its obligations under this Guarantee are absolute and unconditional and shall not be discharged, impaired, changed or otherwise affected as a result of any of the following:

- (a) any of the matters, actions or inactions referred to in any of Sections 2.6, 2.7, 3.2, 3.6, 3.9, 4.1 and 4.2;
- (b) any agreement or stipulation as to the provision of adequate protection in any Insolvency Proceeding;
- (c) the avoidance of any Lien in favour of the Lenders for any reason;
- (d) any defence, set-off or counterclaim (other than a defence of payment or performance) which may at any time be available to or be asserted by the Guarantors or any other Person against the Lenders;

- (e) any rights under Applicable Law affecting any term or condition of the Guaranteed Obligations; or
- (f) any other circumstance that might otherwise constitute a legal or equitable discharge or defence of a surety or of any of the Guarantors or any other obligor on the Guaranteed Obligations, other than the payment or performance in full of the Guaranteed Obligations.

3.2 No Requirement to Exhaust Recourse

The Lenders shall not be bound to seek or exhaust its recourse against the Borrowers or any other Person nor to enforce, marshal or value any security before being entitled to payment under this Guarantee. Each of the Guarantors renounces the benefits of discussion and division, if applicable.

3.3 Payment of Guarantors' Obligations

Each of the Guarantors, jointly and severally, agrees to, immediately upon demand of the Lenders or forthwith upon the occurrence of an Insolvency Event in relation to any of the Guarantors or any of the Borrowers, pay to the Lenders all amounts (a) then due and payable under any provision of this Guarantee in the case of a demand and (b) payable under this Guarantee, whether or not they are then due, in the case of such an Insolvency Event, in either case in the applicable currencies of the Guaranteed Obligations.

3.4 Insolvency

Upon any Insolvency Proceeding or any winding-up being commenced in respect of any of the Borrowers or any of the Guarantors, any sale or other disposition of all or substantially all of the assets of the Borrowers or the Guarantors, or any judicial or extra-judicial receivership, or other similar or comparable proceedings affecting the Borrowers or the Guarantors the rights of the Lenders under this Guarantee shall not be limited, lessened or released by the omission to prove each of the Lenders' claim or to prove the Lenders' full claim and the Lenders may prove such claim as the Lenders see fit and may refrain from proving any claim and, in the discretion of the Lenders, the Lenders may value as they see fit or refrain from valuing any security held by the Lenders, without in any way lessening, limiting or releasing the liability of each of the Guarantors to the Lenders and until payment in full of the Guaranteed Obligations, the Lenders shall have the right to include in the claim the amount of all sums paid to all of any one or more of the Lenders under this Guarantee and to prove and rank for and receive dividends in respect thereof. Each of the Guarantors irrevocably waives and agrees not to exercise any and all rights to prove and rank for such sums paid by any of the Guarantors to the Lenders or to receive any or all dividends in respect thereto until the Guaranteed Obligations are paid in full.

3.5 Survival of Guarantee

The Guarantors' obligations shall continue unaffected by any change in the name of any of the Borrowers, or any of the Guarantors or by any change whatever in the objects, capital structure or constitution of any of the Borrowers, or any of the Guarantors, or by any of the Borrowers or any of the Guarantors being amalgamated or merged with another Person, becoming subject to a statutory arrangement or any other similar or comparable proceeding or continuing under the laws of another jurisdiction. Where the context so admits, each reference in this Guarantee to the Borrowers or the Guarantors, shall be construed so as to include the respective successors of each of the Borrowers and each of the Guarantors.

3.6 Further Assurances

Each of the Guarantors agrees, jointly and severally, to at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, documents, assignments and assurances as the Lenders may reasonably require in order to give effect to the provisions of this Guarantee.

3.7 Payment of Realization Costs

Each of the Guarantors agrees, jointly and severally, with the other Guarantors to reimburse or pay the Lenders on demand, on a full indemnity basis, the amount of all out-of-pocket fees, costs and expenses incurred and disbursements made after demand (including the fees and out-of-pocket expenses of the Lenders' counsel and those of legal counsel, accountants, experts and consultants retained by the Lenders) in connection with the preservation, protection or enforcement of any of the Guaranteed Obligations, the Guarantors' obligations or any security granted by any of the Guarantors in respect of the Guaranteed Obligations.

3.8 No Termination

This Guarantee and the Guarantors' obligations hereunder are irrevocable. The Guarantors may not terminate their liability in regard to any Guaranteed Obligations, including future Guaranteed Obligations.

3.9 Withholding Taxes Generally

Any and all payments by any of the Guarantors hereunder shall be made free and clear of, and without deduction for, any and all present and or future taxes. If any of the Guarantors is required by law to deduct any taxes from or in respect of any sum payable hereunder to the Lenders, (a) the sum payable shall be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.9) the Lenders will receive an amount equal to the sum it would have received had no such deductions been made; (b) the Guarantors shall make such deductions; and (c) the Guarantors shall pay the full amount deducted to the relevant taxing authority or other governmental authority in accordance with applicable law and promptly forward to the Lenders an official receipt or other documentation acceptable to the Lenders evidencing such payment.

4 RIGHTS OF THE LENDERS

4.1 Appropriations

Upon demand any payments received in respect of the Guaranteed Obligations from time to time, and any monies realized in connection with any enforcement against the assets and personal property of any of the Guarantors, mortgaged and charged pursuant to the Loan Documents to which any Guarantor is a party, shall, notwithstanding any appropriation by any Guarantor, be appropriated by the Lenders against such Guaranteed Obligations as the Lenders deem appropriate and the Lenders shall have the right to change any appropriation at any time.

4.2 Dealing with Guaranteed Obligations and Security

Without limiting Section 2.6, the Lenders may:

- (a) grant or allow any waiver, consent, extension, indulgence or other act or omission in respect of any Loan Document, any other agreement, any of the Guaranteed Obligations or any security;

- (b) enforce or do, or omit to do, anything to enforce any Loan Document, any other agreement, any of the Guaranteed Obligations or any security, with no obligation to marshal any assets, security or guarantee of any of the Guarantors, any of the Borrowers or any other Person;
- (c) subject to the provisions of the Loan Documents, give, refuse, cease or refrain from giving any advance, credit or other financial accommodation to any of the Borrowers;
- (d) vary, compromise, exchange, renew, discharge, release, subordinate, postpone or abandon any Loan Document, any other agreement, any of the Guaranteed Obligations or any security;
- (e) take, refuse or refrain from taking any security;
- (f) apply to the Guaranteed Obligations any payment or recovery from any of the Borrowers, or from any guarantor, maker or endorser of the Guaranteed Obligations or any part of them in such order as provided herein, in each case whether such Guaranteed Obligations are secured or unsecured or guaranteed or not guaranteed by others;
- (g) apply to the Guaranteed Obligations any payment or recovery from any of the Guarantors or any sum realized from security furnished by any of the Guarantors in pursuance of the Senior B Loan Agreement;
- (h) refund at any time any payment received by the Lenders in respect of any Guaranteed Obligation, and payment to the Lenders of the amount so refunded shall be fully guaranteed hereby even though prior thereto this Guarantee shall have been cancelled or surrendered, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of each of the Guarantors hereunder in respect of the amount so refunded (and any collateral so released or terminated shall be reinstated with respect to such obligations);
- (i) refuse or omit to register or otherwise perfect or keep perfected any security; or
- (j) deal with or allow any of the Borrowers, any of the Guarantors or any other Person to deal with goods or property covered by any security,

all when and in such manner and with or without notice as the Lenders may deem expedient. The Lenders may do, or omit or refuse to do, anything enumerated in this Section 4.2 without thereby lessening, limiting or releasing the Guarantors' obligations or the rights of the Lenders under this Guarantee in any way, even if the effect is to deprive any of the Guarantors of any right or opportunity to be reimbursed by any of the Borrowers or any other Person for any sums paid to the Lenders and even if any such action or omission results from inadvertence or negligence, other than gross negligence or wilful misconduct, of any of the Lenders.

4.3 Assignment

This Guarantee and the rights and obligations of the Lenders hereunder may be assigned and transferred by the Lenders to any successor or replacement lender appointed by the Lenders and any such assignee and transferee shall be entitled to all of the rights and bound by all of the obligations of the Lenders hereunder.

4.4 Lenders Accounts to Govern

The amount of the Guaranteed Obligations at any time shall be deemed to be as stated by the Lenders based on its records, absent manifest error. Each of the Guarantors shall be bound by

any account settled between the Lenders and the Borrowers. Any acceleration of any of the Guaranteed Obligations shall be binding on the Guarantors, even if contested by the Borrowers.

4.5 Guarantee in Addition

The rights of the Lenders hereunder are in addition to and not in substitution for any other rights which the Lenders may have at any time against each of the Guarantors respecting the Guaranteed Obligations or under any other guarantee or security.

5 GENERAL

5.1 Notices

Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Guarantee shall be in writing and shall be made or given and made or delivered to the party to which such notice or other communication is required or permitted to be given or made at the address(es) shown on the signature page of this Guarantee or at such other address as shall be designated by such party in a written notice to the other party given in accordance with this paragraph and shall be considered delivered on receipt if telecommunicated or delivered by messenger or courier service or five days after mailing, postage prepaid. All mailed notices shall be by certified or registered mail.

5.2 Time of the Essence

Time is of the essence of this Guarantee and of each of its provisions.

5.3 Governing Law

This Guarantee shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of British Columbia, including the federal laws of Canada applicable therein, but excluding choice of law rules. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lenders under the laws of any other jurisdiction where the Lenders may elect to enforce this Guarantee.

5.4 Severability

If any provision of this Guarantee is determined pursuant to a final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction, each of the Guarantors agrees to the fullest extent it may effectively do so that (a) the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and (b) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby. Each of the Guarantors shall, at the request of the Lenders, negotiate in good faith with the Lenders to replace any invalid, illegal or unenforceable provision contained in this Guarantee with a valid, legal and enforceable provision which has the economic effect as close as possible to that of the invalid, illegal and unenforceable provision, to the extent permitted by law.

5.5 Successors and Assigns

This Guarantee shall enure to the benefit of the Lenders and its successors and assigns permitted under the Loan Documents and shall be binding upon each of the Guarantors and its heirs, administrators, personal representatives, executors, successors and permitted assigns.

5.6 Changes

No agreement purporting to change (other than an agreement purporting to waive performance or compliance with) any provision of this Guarantee shall be binding upon the Guarantors or the Lenders unless that agreement is in writing and signed by the Guarantors and the Lenders. No waiver of performance or compliance with any provision hereof shall be binding upon any party hereto unless such waiver is in writing signed by the parties sought to be bound thereby.

5.7 Waiver of Rights

Any waiver of, or consent to depart from, the requirements of any provision of this Guarantee in respect of the Guarantors shall be effective only in the specific instance and for the specific purpose for which it has been given and only to the extent contained in a written agreement signed by the Guarantors and the Lenders. No failure on the part of the Lenders to exercise, and no delay in exercising, any right under this Guarantee shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

5.8 Jurisdiction

- (a) To the fullest extent permitted under Applicable Law, with respect to any claim arising out of this Guarantee, any other Loan Document or any agreement relating to this Guarantee or any other Loan Document (collectively, the "**Guarantee Documents**"):
 - (i) for the exclusive benefit of the Lenders, each of the Guarantors irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the courts of the Province of British Columbia, Canada located at Vancouver, including any appellate court from any thereof (collectively and any of them, the "**Courts of Primary Jurisdiction**");
 - (ii) each of the Guarantors irrevocably waives:
 - (A) any objection which it may have at any time to the laying of venue of any proceeding arising out of or relating to any of the Guarantee Documents brought in any Court of Primary Jurisdiction;
 - (B) any claim that any such proceeding brought in any Court of Primary Jurisdiction has been brought in an inconvenient forum;
 - (C) the right to object, with respect to any such proceeding brought in any Court of Primary Jurisdiction, that such court does not have jurisdiction over any of the Guarantors; and
 - (D) the right to require the Lenders to post security for costs in any proceeding brought in any Court of Primary Jurisdiction.
- (b) Nothing in this Guarantee will be deemed to preclude the Lenders from bringing any proceeding in respect of any of the Loan Documents in any other jurisdiction.
- (c) Each of the Guarantors agrees that a final and unappealable judgment in any litigation commenced in the Courts of Primary Jurisdiction shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

- (d) Each of the Guarantors irrevocably consents to the service of process out of the Courts of Primary Jurisdiction in accordance with the local rules of civil procedure or by mailing a copy thereof, by registered mail, postage prepaid to that Guarantor at the address of that Guarantor set out beside its signature to this Guarantee, or by sending a copy thereof by facsimile or e-mail in pdf format to that Guarantor at the facsimile number or e-mail address of that Guarantor set out beside its signature to this Guarantee.
- (e) Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Guarantee or any other Loan Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Guarantee and the other Loan Documents by, among other things, the mutual waivers and certifications in this Subsection 5.8(e).

5.9 Currency

Unless otherwise specified, all references to money herein mean the lawful money of Canada.

5.10 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under any other Loan Documents to the Lenders in one currency (the "**Original Currency**") into another currency (the "**Judgment Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures Royal Bank of Canada (or such other Canadian chartered banks as the Lenders may designate in its sole discretion) could purchase the Original Currency with the Judgment Currency on the Business Day preceding that on which the judgment is paid or satisfied in full.

The obligations of each Guarantor in respect of any sum due in the Original Currency from it to the Lenders under any Loan Document shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that, on the Business Day following receipt by the Lenders of any sum adjudged to be so due in such Judgment Currency, the Lenders 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 Lenders in the Original Currency, each such Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lenders against such loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Lenders in the Original Currency, the Lenders agree to remit such excess to the applicable Guarantor.

6 COUNTERPARTS

This Guarantee may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Guarantee. Delivery of an executed counterpart of this Guarantee by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Guarantee. Any party delivering an executed counterpart of this Guarantee by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Guarantee but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Guarantee.

[Execution Page Follows.]

IN WITNESS WHEREOF, the Guarantors have executed this Guarantee as of the day and year first above written.

HOTEL VERSANTE LTD.
by its authorized signatory:



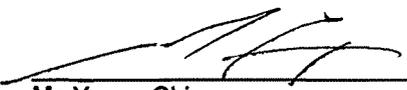
Mo Yeung Ching
also known as Michael Ching

Address for Notice:

1205-8400 West Road
Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
E-mail: michael@myiegroup.com

SUNWINS ENTERPRISE LTD.
by its authorized signatory:



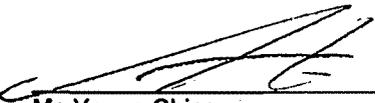
Mo Yeung Ching
also known as Michael Ching

Address for Notice:

1205-8400 West Road
Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
E-mail: michael@myiegroup.com

MO YEUNG PROPERTIES LTD.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

Address for Notice:

1205-8400 West Road
Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
E-mail: michael@myiegroup.com

SIGNED SEALED AND DELIVERED:



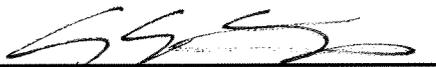
Signature of Witness)
THOMAS RUSSELL)
SOLICITOR)
Name of Witness)
SUITE 500 NORTH TOWER)
5811 COONEY ROAD)
Address)
RICHMOND, B.C. V6X 3M1)
TELEPHONE 604-276-2765)



MO YEUNG CHING
(also known as Michael Ching)
Address for Notice:
1205-8400 West Road
Richmond, BC V6X 0S7
E-mail: michael@myiegroup.com

EXHIBIT G

This is **Exhibit "G"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4876

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS AGREEMENT dated for reference June 14, 2021

BETWEEN:

**FOX ISLAND DEVELOPMENT LTD. ("Lender A") and
such other persons who may become a Lender under the
Loan Agreement from time to time**

(collectively, the "Indemnitees")

AND:

**34083 YUKON INC. (the "UB Nominee")
KENSINGTON UNION BAY PROPERTIES GP LTD. (the "GP") and
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP (the "LP") and
INTERNATIONAL TRADE CENTER PROPERTIES LTD. ("ITC Borrower")**

(collectively, the "Borrowers")

AND:

**HOTEL VERSANTE LTD.
SUNWINS ENTERPRISE LTD.
MO YEUNG PROPERTIES LTD. and
MO YEUNG CHING (also known as Michael Ching)**

(collectively, the "Guarantors"; the Guarantors and the Borrowers, collectively, the
"Indemnitors")

WHEREAS:

- A. The Borrowers have negotiated a loan pursuant to the terms of a loan agreement dated for reference June 14, 2021 between the Indemnitees as the lenders and the Borrowers (as the same may be amended, extended, renewed, replaced, restated and in effect from time to time, the "Loan Agreement");
- B. With reference to the lands described in **Schedule A** hereto (the "Lands"), the Loan is to be secured by the Security Documents, each dated for reference June 14, 2021, including, without limitation,:
- (i) a mortgage granted by ITC Borrower in the aggregate principal amount as set out therein (the "ITC Hotel Mortgage"), charging its interests in the Hotel Property, which includes the terms of an assignment of rents;
 - (ii) a mortgage granted by the UB Nominee in the aggregate principal amount as set out therein (the "UB Mortgage"), charging its interests in the UB Property, which includes the terms of an assignment of rents;
 - (iii) a mortgage granted by MYPCo in the aggregate principal amount as set out therein (the "SpaV Mortgage"), charging its interests in the SpaV-SL1 and the SpaV-SL3, which includes the terms of an assignment of rents;

- (iv) a mortgage granted by Ching in the aggregate principal amount as set out therein (the "**Residence Mortgage**"), charging his interests in the Residence-SL128, which includes the terms of an assignment of rents;
 - (v) a beneficiary authorization and charge agreement granted by the UB Nominee, the LP and the GP, among other things, authorizing the UB Nominee to grant the Mortgage and charging the LP's interest in the UB Property; and
 - (vi) a guarantee (the "**Guarantee**") granted, jointly and severally, by the Guarantors in favour of the Indemnitees, of all debts, liabilities and obligations, both direct and indirect, of the Borrowers to the Indemnitee from time to time pursuant to the Loan Agreement unlimited as to recourse and as to principal sum;
- C. The making of the Loan is subject to a condition precedent that the Indemnitors, jointly and severally, make and deliver this Agreement to the Indemnitees;
 - D. The Indemnitors acknowledge that the Indemnitees, severally, would not make the Loan in the absence of this Agreement;
 - E. The Indemnitors acknowledge that the Indemnitees may sustain Losses (as defined herein) both prior to and following a foreclosure of the Indemnitees' interest in the Lands pursuant to the Security Documents;
 - F. The Indemnitors acknowledge and agree that any amounts owed to the Indemnitees by the Indemnitors pursuant to the provisions of this Agreement are not related in any manner to any amounts owed to the Indemnitees by the Indemnitors pursuant to the Security Documents and that the liability for payment of such amounts shall survive and continue to be in full force and effect notwithstanding a foreclosure conducted pursuant to the Security Documents, the making of a deed in lieu of foreclosure in favor of the Indemnitees or a transfer of any other interest in the Lands, whether by the Indemnitors or the Indemnitees or by any successor or assignee of the Indemnitors or the Indemnitees; and
 - G. Words with initial capital letters, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions

In this Agreement:

- (a) "**Authorities**" means any federal, provincial or municipal government or any political subdivision thereof, or any parliament, legislature, counsel, agency, authority, board, commission, department or instrumentality thereof, or any court, tribunal, grand jury, mediator or arbitrator, either foreign or domestic, in each case having or purporting to have jurisdiction in the relevant circumstances.
- (b) "**Environmental Law**" means collectively, the *Environment and Land Use Act* (British Columbia), *Environmental Management Act* (British Columbia) and *Environmental Assessment Act* (British Columbia), all regulations with respect to the said Acts and all amendments thereto and any and all other public laws, statutes, ordinances, decrees, judgments, codes, standards, acts, orders, by-laws, rules, regulations, permits, binding policies and guidelines and requirements of all Authorities, which now or hereafter may be lawfully applicable to and enforceable against the Lands or any part thereof.

- (c) **"Hazardous Substance"** means any substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health. Without restricting the generality of the foregoing, "Hazardous Substance" includes any pollutant, contaminant, waste, hazardous waste or dangerous good as defined under any Environmental Law (as hereinafter defined) for the protection of the natural environment or human health (including, without limitation, asbestos and poly-chlorinated biphenyls). For greater certainty, Hazardous Substance also includes any substance, material, element, compound, mixture, solution, waste, pollutant or other matter that may give rise to liability under:
- (i) any Environmental Law;
 - (ii) any similar local, provincial or federal laws, rules, ordinances or regulations either in existence as of the date hereof, or enacted or promulgated after the date of this Agreement, that concern the management, control, storage, discharge, treatment, containment, removal, remediation and/or transport of substances or materials that are or may become a threat to public health or the environment; or
 - (iii) any common law theory involving materials or substances which are (or alleged to be) hazardous to human health or the environment, based on nuisance, trespass, negligence, strict liability or other tortious conduct.

2. **Representations and Warranties.** To the best of the Indemnitors' knowledge after due inquiry and investigation, except as may have previously been disclosed to the Indemnitee in writing, the Indemnitors represent and warrant to the Indemnitee as follows:

- (a) the Lands are in material compliance with all applicable Environmental Laws;
- (b) there have been no past, and there are no pending or threatened:
 - (i) claims, complaints, notices or requests for information received by or known to the Indemnitors with respect to any alleged violation of any applicable Environmental Laws;
 - (ii) complaints, notices or inquiries to the Indemnitors regarding potential liability under any applicable Environmental Laws; or
 - (iii) claims, complaints, notices, or requests to the Indemnitors requiring investigation or remediation under any applicable Environmental Laws that, singularly or in the aggregate, have, or may be reasonably expected to have, a material adverse effect upon the Lands or the Indemnitors' business;
- (c) there have been no releases or threatened releases of Hazardous Substances in violation of any applicable Environmental Law at, on, above or under the Lands or in the groundwater beneath the Lands, which singularly or in the aggregate may be reasonably expected to have a material adverse effect on the Lands or the Indemnitors' business;
- (d) the Indemnitors have been issued and are in material compliance with all permits, certificates, approvals, licenses and other authorizations relating to environmental matters that are required pursuant to any Environmental Law and necessary for the Indemnitors' business;
- (e) there are no underground storage tanks, or water, gas or oil wells, active or abandoned, including petroleum storage tanks, on or under the Lands that, singularly or in the

aggregate, may be reasonably expected to have a material adverse effect upon the Lands or the Indemnitors' business; and

- (f) no conditions exist at, on or under the Lands which, with the passage of time or the giving of notice, or both, would give rise to liability under any Environmental Law.
3. **Indemnity.** The Indemnitors hereby agree to indemnify, save, defend (at Indemnitors' sole cost and expense) and hold harmless the Indemnitee and the officers, directors, agents, and employees of the Indemnitees, and the successors and assigns of each of the foregoing (all of such persons or entities being collectively referred to herein as "**Indemnified Persons**"), from and against the full amount of any and all Losses. "**Losses**" shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including, but not limited to, all counsels' fees and all other professional or consultants' expenses incurred in investigating, preparing for, serving as a witness in or defending against any action or proceeding, whether actually commenced or threatened, which may be asserted against any Indemnified Person), arising from, in respect of, as a consequence of, or in connection with any of the following:
- (a) the removal of any Hazardous Substance on or released from the Lands, whether such removal is done or completed by the Indemnitors, or any other person or entity other than the Indemnified Persons and regardless of whether or not such removal is rendered pursuant to a court order or the order of an administrative agency;
 - (b) claims asserted by any person or entity (including, without limitation, any governmental agency or quasi-governmental authority, board, bureau, commission, department, instrumentality or public body, court, or administrative tribunal (each, a "**Governmental Agency**"), in connection with or in any way arising out of the presence, storage, use, disposal, generation, transportation, or treatment of any Hazardous Substance on, in or under the Lands, either prior to or after the date of this Agreement and either prior to, during or after the time that the Indemnitors became owner of the Lands;
 - (c) the violation or claimed violation of any Environmental Laws, whether such violation or claimed violation occurred prior to or after the date of this Agreement and regardless of whether such violation occurred prior to, during or after the time that the Indemnitors became owner of the Lands; or
 - (d) the preparation of an environmental audit or environmental study on or around the Lands, whether conducted or authorized by the Indemnitors, the Indemnitee, or a third party or the implementation of any environmental audit's recommendations.
4. **Payments.** Payments under this Agreement in respect to all Losses shall be due and payable on demand as such Losses are incurred or suffered by the Indemnitee. Within a reasonable time after any such Losses are incurred, the Indemnified Person shall give written notice to the Indemnitors; provided, however, that failure by an Indemnified Person to give such notice shall not relieve the Indemnitors from any liability, duty or obligation hereunder.
5. **Obligation to Defend.**
- (a) **Assumption of Defense.** Upon request of any Indemnified Person, the Indemnitors are bound to defend any and all actions or proceedings that may be brought against such Indemnified Person in connection with or arising out of the matters covered by this Agreement. In the event that the Indemnitors are defending an Indemnified Person, the Indemnitors may settle the claim only with the Indemnified Person's prior written consent, said consent or the denial thereof to be in the Indemnified Person's reasonable discretion.

- (b) **Delivery of Acknowledgment.** Within thirty (30) days from the date of receipt by the Indemnitors from Indemnified Person of a request to defend, the Indemnitors must acknowledge in writing, satisfactory to the Indemnified Person in its sole discretion, its duty to defend, provided that such claim is covered by this Agreement (such writing, the "Acknowledgment"); provided, however, that until the Indemnified Person receives the Acknowledgment, the Indemnified Person shall be entitled to defend such claim and the Indemnitors shall be bound in the manner set forth in subsection 5(d) hereof.
 - (c) **Conduct of Defense; Participation by Indemnified Person.** In the event that the Indemnitors are defending an Indemnified Person, such defense shall be conducted by reputable counsel retained by the Indemnitors, satisfactory to said Indemnified Person in its reasonable discretion, at the Indemnitors' sole cost and expense. In addition, said Indemnified Person shall have the right to participate in such proceedings and to be represented by counsel of its own choosing. The Indemnified Person shall be responsible for the costs of such participation unless the Indemnified Person shall have concluded in its sole discretion that the interests of the Indemnified Person and of the Indemnitors in the action conflict in such a manner and to such an extent as to require, consistent with applicable standards of professional responsibility, retention of separate counsel for the Indemnified Person, then the Indemnitors shall pay for separate counsel chosen by the Indemnified Person. In connection with the conduct of any defense by the Indemnitors, the Indemnitee shall be consulted in the formulation of any strategy for handling such claim, shall be kept informed of all matters relating to the handling of such claim, and shall have the right to approve or disapprove, in the exercise of its reasonable discretion, any settlement or compromise of such claim.
 - (d) **The Indemnitors' Failure to Defend.** If the Indemnitors fail to deliver the Acknowledgment or fail to choose counsel satisfactory to the Indemnified Person, the Indemnitors shall not thereafter be entitled to defend except upon a subsequent request of the Indemnified Person pursuant to subsection 5(a) above, and the Indemnitors shall be bound by and shall be conclusively liable for the results obtained by the Indemnified Person, including without limitation, the amount of any judgment or out of court settlement or compromise and all costs and fees of counsel incurred by the Indemnified Person in connection therewith.
 - (e) **Defense by Indemnified Person.** In the event that any action or proceeding may be brought against an Indemnified Person or to which an Indemnified Person may be a party and such Indemnified Person elects in its sole and absolute discretion to conduct its own defense, then the Indemnitors shall be conclusively liable for the results obtained by the Indemnified Person, including without limitation the amount of any judgment or out of court settlement or compromise. In addition, the Indemnitors shall be liable for any and all costs and expenses, including, but not limited to, all counsels' and other professional fees, that said Indemnified Person incurs.
6. **Notification by the Indemnitors.** The Indemnitors agree promptly upon learning thereof to notify the Indemnitees of the commencement of any litigation or proceedings pending, threatened or commenced (whether or not served) against the Indemnitors or any other party in connection with Hazardous Substances and the Lands and of the receipt of any notice from any Authorities in regard to Hazardous Substances and the Lands. The Indemnitors shall immediately upon receipt provide the Indemnified Person with true, complete and correct copies of all such notices and other documentation related to said notices, litigation or proceedings.
7. **Invalidity.** If any term(s) of this Agreement shall be held invalid, illegal or unenforceable, such provision(s) shall be severable from the rest of this Agreement and the validity, legality, or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8. **Counsel's Fees.** In any action to enforce or interpret this Agreement, the prevailing party shall be entitled to receive from the losing party its counsel's fees and costs incurred in connection therewith.
9. **No Time Limit.** There is no time limitation on the Indemnitors' obligations hereunder, it being understood that the Indemnitors' obligations hereunder shall survive any foreclosure, deed in lieu of foreclosure and payment of the Indebtedness (as defined in the Security Documents) in full, and the Indemnitors waive all present and future statutes of limitations as a defense to any action to enforce the provisions of this Agreement.
10. **Notice.** All notices, requests and other communications to either party hereunder shall be deemed to have been duly given and received shall be effective if in writing and delivered in person and left with, or if telecopied and confirmed by prepaid registered letter addressed to the attention of:
- (a) in the case of the Indemnitees, addressed as follows:
- (i) If to Lender A, addressed as follows:
- c/o Fox Island Development Ltd.
1800 – 510 West Georgia Street, Vancouver, BC V6B 0M3
- Attention: Gavin Wang
Email: wwy031@gmail.com and wwyvip@163.com
- with a copy to:
- Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street, Vancouver, BC V6B 0M3
- Attention: Matthew Choi
Email: matthew.choi@nortonrosefulbright.com
- (b) in the case of the Borrowers and the Guarantors, addressed as follows:
- 1205-8400 West Road
Richmond, BC V6X 0S7
- Attention: Mo Yeung Ching
E-mail: michael@myiegroupp.com
- with a copy to:
- Pryke Lambert Leathley Russell LLP
5811 Cooney Road, Unit 500
Richmond, BC V6X 3M1
- Attention: Tom Russell
Email: trussell@pllr.com

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

11. **Captions, Gender, and Number.** Any section or paragraph, title or caption contained in this Agreement is for convenience only and shall not be deemed a part of this Agreement. As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others whenever the context so allows.
12. **Indemnified Persons' Rights.** The parties hereto expressly acknowledge that this Agreement is made expressly for the benefit of the Indemnified Persons.
13. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the parties named herein and their respective personal representatives, successors and permitted assigns. The Indemnitors' obligations hereunder shall survive and continue to be of full force and effect notwithstanding a foreclosure conducted pursuant to the Security Documents, the making of a deed in lieu of foreclosure by the Indemnitors in favor of the Indemnitee or a transfer of any other interest in the Lands, whether by the Indemnitors or the Indemnitees or by any successor or assignee of the Indemnitors or the Indemnitee.
14. **Failure or Indulgence Not Waiver.** No failure or delay on the part of an Indemnified Person in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power, right or privilege preclude any other or further exercise of any such power, right or privilege. All powers, rights and privileges hereunder are cumulative to, and not exclusive of, any powers, rights or privileges otherwise available.
15. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, without regard to its conflict of laws principles.
16. **Joint and Several Obligation.** If more than one person has executed this Agreement as the Indemnitors or become obligated under this Agreement as the Indemnitors, the obligations and covenants of each such person shall be joint and several. The release by the Indemnitees of any party liable under this Agreement shall not operate to release any other party liable hereunder.
17. **Effect of this Agreement.** This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any of the Indemnitors under the *Bankruptcy and Insolvency Act* (Canada) or under the *Companies Creditors Arrangement Act* (Canada) as the same may be amended, for liquidation or reorganization, or should the Indemnitors become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Indemnitors' assets. This Agreement shall continue to be effective if at any time payment or performance of the Indemnitors' obligations (or any part thereof) under the Security Documents or any other security granted in support of the Loan is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Indemnitee, whether as a "preferential transfer," "voidable preference," "fraudulent conveyance," or otherwise, as if the portion of such payment rescinded, reduced, restored, or returned had never been made.

18. **Counterpart Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall promptly deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement at any time. Notwithstanding the date of execution, this Agreement shall be deemed to bear the day and year first above written.

[Signature Page Follows.]

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

34083 YUKON INC.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP by its general partner
KENSINGTON UNION BAY PROPERTIES GP LTD. by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

KENSINGTON UNION BAY PROPERTIES GP LTD.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

INTERNATIONAL TRADE CENTER PROPERTIES LTD.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

HOTEL VERSANTE LTD.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

[Signature Page Continues on Next Page]

SUNWINS ENTERPRISE LTD.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

MO YEUNG PROPERTIES LTD.
by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

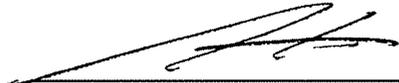
SIGNED SEALED AND DELIVERED:

Signature of Witness

THOMAS RUSSELL

Name of Witness *SOLICITOR*

Address SUITE 500 NORTH TOWER
5811 COONEY ROAD
RICHMOND, B.C. V6X 3M1
TELEPHONE 604-276-2765



MO YEUNG CHING
(also known as Michael Ching)

**SCHEDULE A
LANDS**

The lands and buildings having the following legal descriptions:

Hotel Property

Parcel Identifier	Legal Description
030-795-851	Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985
029-611-598	Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985

UB Property

Parcel Identifier	Legal Description
028-731-492	Lot 1 District Lot 154 Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931
028-731-565	Lot 2 District Lot 28 Nelson District Plan EPP15507
028-731-531	Lot 3, District Lot 154, Nanaimo District, Section 32 Township 1 and District Lot 28 Nelson District Plan EPP15507
028-731-549	Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plan EPP78068
028-330-633	Lot A District Lot 28, Nelson District Plan EPP9011

SpaV-SL1 and SpaV-SL3

Parcel Identifier	Legal Description
027-609-197	Strata Lot 1 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043
027-609-219	Strata Lot 3 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043

Residence SL128

Parcel Identifier	Legal Description
031-058-906	Strata Lot 128 Section 5 Block 4 North Range 6 West New Westminster District Strata Plan EPS5391

EXHIBIT H

This is **Exhibit "H"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

DEBT SERVICE, COMPLETION AND COST OVERRUN AGREEMENT

THIS AGREEMENT dated for reference June 14, 2021

AMONG:

FOX ISLAND DEVELOPMENT LTD. ("Lender A")

AND:

**34083 YUKON INC.
KENSINGTON UNION BAY PROPERTIES GP LTD.
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP and
INTERNATIONAL TRADE CENTER PROPERTIES LTD.**

(collectively, the "Borrowers")

AND:

**HOTEL VERSANTE LTD.
SUNWINS ENTERPRISES LTD.
MO YEUNG PROPERTIES LTD.
MO YEUNG CHING (also known as Michael Ching)**

(collectively, the "Guarantors")

In this Agreement, "Lenders" means, collectively, Lender A and such other persons who may become a Lender under the Loan Agreement from time to time, for their ratable benefits based on their respective Lender's Proportions (as defined in the Loan Agreement).

WHEREAS the Borrowers and the Guarantors have agreed to enter into this Agreement with the Lenders regarding the funding of cost overruns for the Project and of the payment of principal and interest arrears on the Loan.

NOW THEREFORE WITNESSETH that in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereto hereby agree as follows:

1. DEFINITIONS

- (a) "Event of Default" has the meaning ascribed to in the Loan Agreement;
- (b) "Guarantee" means the guarantee dated for reference June 14, 2021 granted, jointly and severally, by the Guarantors in favour of the Lenders, of all debts, liabilities and obligations, both direct and indirect, of the Borrowers to the Lenders from time to time pursuant to the Loan Agreement unlimited as to amount;
- (c) "Loan Agreement" means the loan agreement dated for reference June 14, 2021 between, among others, the Lenders and the Borrowers with respect to the Loan to be made to the Borrowers, not at any time exceeding the Loan Amount, as the said loan agreement may be amended, extended, renewed, replaced, restated and in effect from time to time;
- (d) "Obligants" collectively, the Borrowers and the Guarantors, any "Obligant" means any one of them;

- (e) "Project" means the development of the (i) the ITC Property and the Hotel; and (ii) the UB Property and the UB Lot 2&3 Site Servicing Works;
- (f) Words with initial capital letters, unless otherwise defined herein, shall have the meaning ascribed to them in the Loan Agreement; and words and phrases expressed in the singular include and may be read in the plural, and vice versa, except where the context may otherwise require.

2. DEFICIENCY

2.1 DETERMINATION OF DEFICIENCY

If at any time and from time to time:

- (a) the Lenders determines that the unadvanced portion of the Loan or of the segment thereof applicable to the financing of the construction of the Project (the "Lenders Project Balance") is less than the sum of:
 - (1) the costs of completion of construction of the Project established on the basis of certification or other information provided to the Lenders pursuant to the terms of the Loan Agreement or otherwise established by or to the satisfaction of the Lenders, and
 - (2) the outstanding trade payables and/or material payables then owing in respect of construction of the Project

(the sum of (1) and (2) is herein called the "Actual Project Balance" and the amount, if any, by which the Actual Project Balance at any time exceeds the Lenders Project Balance is herein called the "Capital Deficiency"); or
- (b) any principal, interest, fees or other amounts payable under the Loan is not paid when due (the aggregate amount of unpaid principal or unpaid interest, or both, at any time is herein called the "Loan Deficiency"); or
- (c) a lien pursuant to the Builders Lien Act (British Columbia) or under any other statute or law at any time in force affecting the Property is registered against the title thereto (the aggregate amount of such lien and interest accrued thereon to the date it is or may be reasonably expected to be discharged, vacated or otherwise removed from the Property together with all out-of-pocket costs reasonably ascertainable or estimable in connection with such discharging, vacating or other removal, as all of the foregoing is reasonably determined by the Lenders, the "Dispute Deficiency"),

then the Lenders on each such occasion:

- (d) may give notice to the Obligants of the amount of the Capital Deficiency, the Loan Deficiency or the Dispute Deficiency, or both, as the case may be (any notice given pursuant hereto being herein called the "Notice"), and
- (e) shall have no further obligation to make any advance under the Loan.

2.2 PAYMENT OF DEFICIENCY

The Obligants, jointly and severally, hereby promise to pay to the Lenders forthwith upon receipt of each and every Notice the amount of the Capital Deficiency or the Loan Deficiency, or both, as the case may be, as specified therein, together with (in the case of a Loan Deficiency) interest thereon at the same rate and calculated in the same manner as for interest on the Loan from the date of such Notice.

2.3 APPLICATION OF DEFICIENCY PAYMENT

The Lenders:

- (a) may deposit any payment received from the Obligants on account of any Capital Deficiency into the account of the Borrowers designated by the Lenders or at the option of the Lenders into a separate account controlled by the Lenders (or any one of them) for application in either case as the Lenders see fit toward the cost of completion of construction of the Project;
- (b) in the case of any payment received from the Obligants on account of any Loan Deficiency:
 - (1) subject to clause 2.3(b)(3) hereof, will apply any payment received on account of unpaid interest and any other interest payment toward interest owing under the Loan;
 - (2) subject to clause 2.3(b)(3) hereof, will apply any payment received on account of unpaid principal toward the balance of principal outstanding under the Loan; and
 - (3) in the case of a Loan Deficiency comprising both unpaid principal and unpaid interest, may apply any payment received from any of the Obligants pursuant to any Notice toward the balance of principal outstanding under the Loan or interest owing under the Loan, or both, as each of the Lenders in its absolute discretion may determine; and
 - (4) in the case of a Notice identifying both a Capital Deficiency, a Loan Deficiency and a Dispute Deficiency (or any combination of them), may apply any payment or payments received on account of each such deficiency, in such order and amount as the Lenders in their absolute discretion may determine.

2.4 REMEDYING DISPUTE DEFICIENCIES

The Obligants, jointly and severally, covenant and agree, in the case of a Notice identifying a Dispute Deficiency, to promptly pay into the court or otherwise post adequate security equal to the amount of the lien or liens registered against the Property and thereafter to promptly obtain an order of final disposition from the court to discharge, vacate or otherwise remove the liens from title to the Property. Thereafter the Obligants shall take prompt action to register the court order on title to the Property or to otherwise remove the lien(s) from title thereto.

3. POSTPONEMENT AND INDEMNITY

3.1 POSTPONEMENT

Each of the Obligants hereby acknowledge, agree and confirm to and with the Lenders that its liability with respect to any and all monies paid by that Obligor to the Lenders (or any of them) or other persons for the benefit of the Borrowers, including, without limitation, those monies advanced or paid to the Lenders pursuant to the terms of Sections 2.2 and 2.4 of this Agreement, are deferred and postponed to

the debts and liabilities of the Obligants to the Lenders, and that until all of the debts and liabilities of the Obligants to the Lenders are paid in full no payment shall be made to or received by any of the Obligants on account of any of the debts and liabilities of all or any of the Obligors to one another.

3.2 INDEMNITY

The Obligants jointly and severally hereby promise and agree to indemnify and hold harmless the Lenders from any and all loss, costs, damages, liabilities, debts, demands and expenses (including without limitation solicitor's fees and disbursements on a solicitor and own client basis) due to, arising from or in any manner whatsoever relating to any default hereunder by the Obligants, including, without limitation, any failure of the Obligants to satisfy any payment obligation under Sections 2.2 and 2.4 hereof.

3.3 WAIVER

Each of the Obligants hereby waives and releases all rights to subrogation with respect to any and all payments made hereunder by or on behalf of any Obligor until the Loan is repaid in full.

3.4 DEFAULT

Any breach or default by any of the Obligants hereunder shall constitute an Event of Default under the Loan Agreement.

3.5 COVENANT TO COMPLETE

The Obligants jointly and severally covenant to complete the Project in accordance with all plans, specifications and requirements as most recently approved by the Lenders or their agent or representatives or otherwise pursuant to the Loan Agreement.

3.6 COVENANT TO COMPLETE LIEN FREE

The Obligants jointly and severally covenant and agree:

- (a) to ensure at all times that, except for the Permitted Encumbrances, the title to the Property is free and clear of all liens, including without limitation, liens under the *Builders Lien Act* (British Columbia), as amended or replaced from time to time;
- (b) not to permit any lien to be acquired or registered against the title to the Property or fixtures thereon under the *Builders Lien Act* (British Columbia) or under any other statute, law or authority, at any time in force affecting the Property, provided that upon the registration of any lien against the Property, the Obligants will proceed in the manner set out in Section 2.4 within fifteen (15) days of the date of registration of such lien on title to the Property and promptly and diligently provide to the Lenders evidence of compliance with the provisions of such Section 2.4 satisfactory to the Lenders in their sole and complete discretion.

3.7 ACKNOWLEDGMENT OF GUARANTORS

The Guarantors acknowledge that their obligations under this Agreement are separate and distinct from any obligations under any guarantee or any other Loan Documents made by any of them in respect of the obligations of the Borrowers to the Lenders.

4. GENERAL

4.1 RIGHTS OF LENDERS

The Lenders may from time to time grant time, renewals, extensions, indulgences, releases and discharges to, cease or refrain from giving credit or making loans or advances to, accept compositions from and otherwise deal with, the Obligants and with all security held by the Lenders for the Loan as the Lenders may see fit, and may apply all monies at any time received from the Obligants or others or from security held by the Lenders for the Loan upon such part of the Loan as the Lenders deems best and change any such application in whole or in part from time to time as the Lenders may see fit, the whole without in any way limiting or lessening the obligation or liability of the Obligants to the Lenders under this Agreement.

4.2 NOTICE

All notices, requests and other communications to either party hereunder shall be deemed to have been duly given and received shall be effective if in writing and delivered in person and left with, or if telecopied and confirmed by prepaid registered letter addressed to the attention of:

- (a) If to Lender A, addressed as follows:

c/o Fox Island Development Ltd.
1800 – 510 West Georgia Street, Vancouver, BC V6B 0M3

Attention: Gavin Wang
Email: wwwy031@gmail.com and wwwyvip@163.com

with a copy to:

Norton Rose Fulbright Canada LLP
1800 – 510 West Georgia Street, Vancouver, BC, V6B 0M3

Attention: Matthew Choi
Email: matthew.choi@nortonrosefulbright.com

- (b) If to a Obligant, addressed as follows:

1205-8400 West Road Richmond, BC V6X 0S7

Attention: Mo Yeung Ching
Email: michael@myiegroup.com

with a copy to:

Pryke Lambert Leathley Russell LLP
5811 Cooney Rd Unit 500, Richmond, BC V6X 3M1

Attention: Tom Russell

e-mail: trussell@pllr.com

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

4.3 JOINT AND SEVERAL OBLIGATIONS

All covenants and other obligations of the Obligants hereunder are joint and several covenants and obligations of all of them. All references herein to the Obligants include each of them separately except where the context may otherwise require.

4.4 ENUREMENT

This Agreement shall extend to and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

4.5 GOVERNING LAW

This Agreement shall be construed in accordance with the laws of the Province of British Columbia.

4.6 COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall promptly deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement at any time.

[Signature Page Follows]

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

KENSINGTON UNION BAY PROPERTIES GP LTD.

by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

34083 YUKON INC.

by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

HOTEL VERSANTE LTD.

by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

MO YEUNG PROPERTIES LTD.

by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

SIGNED SEALED AND DELIVERED:

Signature of Witness

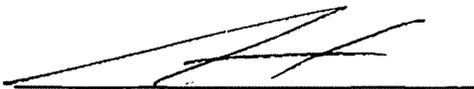
THOMAS RUSSELL
SOLICITOR

Name of Witness **SUITE 500 NORTH TOWER**

5811 COONEY ROAD
RICHMOND, B.C. V6X 3M1

Address **TELEPHONE 804-276-2765**

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP by its general partner
KENSINGTON UNION BAY PROPERTIES GP LTD. by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

INTERNATIONAL TRADE CENTER PROPERTIES LTD. by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

SUNWINS ENTERPRISE LTD.

by its authorized signatory:



Mo Yeung Ching
also known as Michael Ching

MO YEUNG CHING

also known as Michael Ching

EXHIBIT I

This is **Exhibit "I"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.


A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(804) 641-4976



1. Application

Document Fees: \$156.34

Norton Rose Fulbright
1800-510 West Georgia Street
Vancouver BC V6B 0M3

1001088724 Mortgage - Hotel Property
 Tori McKechnie, Paralegal

2. Description of Land

PID/Plan Number	Legal Description
030-795-851	AIR SPACE PARCEL 2 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT AIR SPACE PLAN EPP73985
029-611-598	LOT 1 SECTION 21 BLOCK 5 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN EPP37734 EXCEPT AIR SPACE PLAN EPP73985

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

INTERNATIONAL TRADE CENTER PROPERTIES LTD. BC0909412
 SUITE 500 - NORTH TOWER, 5811 COONEY ROAD
 RICHMOND BC V6X 3M1

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

FOX ISLAND DEVELOPMENT LTD. BC1118527
 SUITE 1800-510 WEST GEORGIA STREET
 VANCOUVER BC V6B 0M3

As to an undivided
2750000/5300000 interest

ADVANCED VENTURE HOLDING CO., LTD. 1407806
 SUITE 1800-510 WEST GEORGIA STREET
 VANCOUVER BC V6B 0M3

As to an undivided
2550000/5300000 interest

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$5,300,000	30% PER ANNUM	N/A
Interest Calculation Period	Payment Dates	First Payment Date
N/A	N/A	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
N/A	N/A % per annum	N/A



Assignment of Rents which the applicant wants registered?

Yes

If yes, page and paragraph number:

Pages 7 to 9, Paragraphs 4(a) to (n)

Place of payment

Postal Address in Item 4

Balance Due Date

On Demand

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No

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

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)

Thomas Russell
Barrister & Solicitor
 Suite 500 North Tower
 5811 Cooney Road
 Richmond BC V6X 3M1

YYYY-MM-DD 2023-09-29

**INTERNATIONAL TRADE CENTER
 PROPERTIES LTD.**
 By their Authorized Signatory

Michael Ching

Telephone 604-276-2765

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.

Shui-Yuen Choi
KXZY39

Digitally signed by
Shui-Yuen Choi KXZY39
Date: 2023-10-11
09:46:41 -07:00

MORTGAGE TERMS - PART 2**EXPRESS MORTGAGE TERMS****1. DEFINITIONS**

In these Express Mortgage Terms and in Form B to which they are annexed:

- (a) **"Amount of Each Periodic Payment"** means the amount set out in Item 5(g) of Form B.
- (b) **"Balance Due Date"** means the date or time set out in Item 5(l) of Form B.
- (c) **"Borrowers"** means, collectively, International Trade Center Properties Ltd., the UB Borrowers and their respective successors and permitted assigns.
- (d) **"business day"** means any day which in Vancouver, British Columbia is a day that:
 - (i) is not a "holiday" as that word is defined in the *Interpretation Act* (British Columbia) as amended or replaced from time to time; and
 - (ii) the Mortgagee is open for business at its Place of Payment.
- (e) **"CAD\$"** means the lawful money of Canada.
- (f) **"Encumbrances"** means all security interests, assignments, mortgages, hypothecs, ledges, liens, claims, charges, (whether fixed or floating), or encumbrances whatsoever.
- (g) **"Event of Default"** means an "Event of Default" (as defined in the Loan Agreement).
- (h) **"Existing Guarantors"** means collectively, Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Properties Ltd., Mo Yeung Ching and their respective personal representatives, successors and permitted assigns.
- (i) **"First Payment Date"** means the date set out in Item 5(f) of Form B.
- (j) **"Fixture(s)" or "fixtures"** means all personal property whatsoever, whether affixed, mobile or stationary, which is now or at any time hereafter owned, held or acquired in whole or in part by the Mortgagor and placed, installed or erected in, on, under or above the Mortgaged Land or any part thereof (including the Improvements or any part thereof), forms part thereof and is at law a fixture, including without limitation, all plant machinery, apparatus, facilities, equipment, goods and other personal property now or hereafter installed, affixed or attached to and forming part of the Improvements forming part of the Mortgaged Land and all present and future additions and attachments thereto and replacements thereof, including without limitation:
 - (i) all pipes, conduits, services and the like installed in or under the Lands for the purposes of providing utilities and other services within the boundaries of the Mortgaged Land or any parcel(s) of land hereafter created out of or forming part of the Mortgaged Land;
 - (ii) all heating, cooling, plumbing, air-conditioning, air-filtering, ventilating, conveyancing, electrical, lighting, telecommunications, security, vacuum, sprinkler, fire-fighting, cooking and refrigeration devices, systems and equipment (including without limitation all furnaces, water heaters, hot water tanks, oil and gas burners, motors, electric fixtures, wiring, escalators, elevators, boilers, pressure vessels,

Loan B Supplemental Agreement - Mortgage (Hotel Property)

- stokers, blowers, tanks, gas pipes, radiators, aerials, television antennae, satellite dishes and built-in furniture) located in, on or under the Improvements or any part thereof;
- (iii) all fixed mirrors, suspended ceiling tiles, doors, windows and window coverings, including without limitation all awnings, shutters, drapes, blinds and valances located in, on or attached to the Improvements or any part thereof; and
 - (iv) all carpeting and other floor coverings, including without limitation all carpets and floor coverings in all rooms, halls and stairways located within the Improvements.
- (k) **"Form B"** means the form identified as "Form B" (Mortgage - Part 1) to which these Express Mortgage Terms are annexed.
- (l) **"Guarantors"** means collectively, the Existing Guarantors and the SFT Guarantors and their respective successors and permitted assigns.
- (m) **"Improvements"** mean each and every building, structure, erection, improvement, fixture and the like now or hereafter erected, placed or installed in, on, under or above the Mortgaged Land or any part thereof and forming part thereof and all additions and attachments thereto and replacements thereof from time to time.
- (n) **"Interest Adjustment Date"** means the date set out in Item 5(c) of Form B.
- (o) **"Interest Calculation Period"** means the interest calculation period set out or referred to in Item 5(d) of Form B.
- (p) **"Interest Rate"** means, subject to the provisions of Section 19 of this Mortgage, the annual interest rate set out or referred to in Item 5(b) of Form B, (or such other rate or rates of interest as may be agreed upon between the Mortgagor and the Mortgagee) calculated and compounded at the end of each Interest Calculation Period not in advance.
- (q) **"Last Payment Date"** means the last payment date, if any, set out or referred to in Item 5(i) of Form B.
- (r) **"Lenders"** means collectively, Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. and their successors and permitted assigns.
- (s) **"Loan Agreement"** means the Senior B Loan Agreement dated for reference June 14, 2021 between the Borrowers and the Mortgagee, as amended by the First Amending Agreement dated for reference March 7, 2022, and the Second Amending Agreement dated for reference September 7, 2022, and as supplemented and amended by the Forbearance and Third Amending Agreement dated for reference February 28, 2023, the Forbearance Extension Agreement dated for reference July 30, 2023 and the Forbearance Extension Supplemental Agreement dated for reference September 30, 2023, each among the same parties, as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time.
- (t) **"Loan Documents"** means, collectively, the Loan Agreement, this Mortgage, Existing Guarantee, SFT Guarantee and all other documents and instruments evidencing or securing the payment of the Secured Obligations in whole or in part, whether provided by or on behalf of an Obligor.
- (u) **"Mortgage"** means the mortgage created by Part 1 and Part 2 together.

- (v) "**Mortgaged Land**" means the lands and premises or the Mortgagor's interest therein described in Part 1 as the lands and premises charged by this Mortgage, together with all benefits, easements, licenses, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all Fixtures and Improvements.
- (w) "**Mortgagee**" means the party or parties described in Part 1 as the "Lender(s) [Mortgagee(s)]" for their ratable benefits based on their respective Lenders' Proportions (as defined in the Loan Agreement).
- (x) "**Mortgagor**" means the party or parties described in Part 1 as the "Borrower(s) [Mortgagor(s)]".
- (y) "**Obligant**" means collectively, the Mortgagor, the Borrowers and the Guarantors and all other Persons who are from time to time liable to the Mortgagee for the payment of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Mortgagee for any loss, costs or damages as a result of the failure of any other Persons to pay the Secured Obligations, in whole or in part.
- (z) "**Part 1**" means all of the terms, conditions and other information contained in Form B and any schedule or attachment to Form B and which does not form a part of Part 2.
- (aa) "**Part 2**" means these Express Mortgage Terms.
- (bb) "**Payment Dates**" means those dates set out in Item 5(e) of Form B.
- (cc) "**Periodic Payment**" means the amount of each payment, if any, set out or referred to in Item 5(g) of Form B.
- (dd) "**Permitted Encumbrances**" means the prior notations, charges, liens or interests, if any, set out or referred to in Item 11 of Form B and as otherwise permitted by the Loan Agreement.
- (ee) "**Persons**" or "**Person**" means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).
- (ff) "**Place of Payment**" means the address set out or referred to in Item 5(k) of Form B or as otherwise designated in writing in accordance with the Loan Agreement.
- (gg) "**Principal Amount**" means the amount set out in Item 5(a) of Form B.
- (hh) "**Rents**" means all rents and other payments due or accruing due or at any time hereafter to become due pursuant the Revenue Leases and the benefit of all guarantees of payment and all covenants to pay therein contained.
- (ii) "**Revenue Leases**" means each and every written or unwritten agreement to lease, lease renewal, tenancy agreement, licence and right of occupancy made or to be made, or granted or to be granted, with respect to the Mortgaged Land or any part thereof, now or in the future.

- (jj) **"Secured Obligations"** means all indebtedness and liability of all or any one or more of the Obligants to the Mortgagee under the Loan Documents, whether such indebtedness and liability is present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re advances, under or pursuant to any of the Loan Documents.
- (kk) **"SFT Guarantee"** means the guarantee granted by the SFT Guarantor, as guarantor, in favour of the Mortgagee in respect of all indebtedness and liability of the Borrowers under the Loan Agreement and otherwise under the Loan Documents.
- (ll) **"SFT Guarantor"** means SFT Digital Holdings 30 Ltd. and its successors and permitted assigns.
- (mm) **"terms"** and **"mortgage terms"** and **"express mortgage terms"** mean, unless the context otherwise requires, all of the covenants, agreements, provisos, terms, conditions and provisions of this Mortgage, and the agreement set out in Item 12 of Form B of the Mortgagor to be bound by the mortgage terms referred to in Item 9 of Form B will constitute the agreement of the Mortgagor to be bound by all of the covenants, **agreements, provisos, terms, conditions and provisions of this Mortgage.**
- (nn) **"UB Borrowers"** means collectively, the UB Mortgagor, Kensington Union Bay Properties Limited Partnership and Kensington Union Bay Properties GP Ltd. and their respective successors and permitted assigns.

2. INTERPRETATION

- (a) **Headings.** The Article and Section headings in this Mortgage are inserted for convenience of reference only and will not affect the construction or interpretation of this Mortgage.
- (b) **Hereof, Etc.** All references in this Mortgage to the words **"hereof"**, **"herein"** or **"hereunder"** will be construed to mean and refer to this Mortgage as a whole and will not be construed to refer only to a specific Article, Section or clause of this Mortgage unless the context clearly requires such construction.
- (c) **Joint and Several Liability.** In the event of any party being comprised of two or more Persons, all covenants and agreements of such party herein contained will be and be deemed to be joint and several covenants or agreements of each such Person, and the heirs, executors, administrators, successors and permitted assigns of each such Person will be jointly and severally bound by the covenants, agreements, stipulations and provisos herein stated in addition to those granted or implied by statute.
- (d) **Severability.** If any of the terms of this Mortgage are or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining terms of this Mortgage.
- (e) **Governing Law.** This Mortgage including any covenants and indemnity of the Covenantor (if any) provided for herein will be governed by and construed in accordance with the laws of the Province of British Columbia, and each party hereby submits to the jurisdiction of the courts of the Province of British Columbia and agrees to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding; provided that the foregoing will in no way limit the right of the Mortgagee to commence suits, actions or proceedings based on this Mortgage in any other jurisdiction. Without limiting the generality of the foregoing, the Mortgagor agrees that the

laws of British Columbia shall govern the application and enforcement of this Mortgage as though this Mortgage were registered under the *Land Title Act*, (British Columbia).

- (f) **Gender.** Wherever the singular or masculine gender is used throughout this Mortgage, the same will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.
- (g) **Capacity.** If the Mortgaged Land or any portion thereof is held by the Mortgagor as a partner of a firm, as a trustee, as an agent, or in any other similar capacity, whether fiduciary or otherwise:
 - (i) each and every warranty, representation, covenant, agreement, term, condition, proviso and stipulation; and
 - (ii) each and every grant, mortgage and other charge constituted hereby,

made by or imposed upon the Mortgagor hereunder will be and be deemed to be jointly and severally made by or imposed upon the Mortgagor and the partnership, the beneficiary (or beneficiaries) of the trust, the principal(s) of the agent, or other entity (or entities), as the case may be, and each grant, mortgage and other charge contained in this Mortgage will be deemed to be a grant, mortgage or charge of the estate, right, title and interest of the partnership, the beneficiary (or beneficiaries), the principal(s), or such entity (or entities), as the case may be, in and to the Mortgaged Land as well as being a grant, mortgage or other charge of the estate, interest and title of the Mortgagor in and to the Mortgaged Land, it being the intention of the parties hereto that this Mortgage will constitute a mortgage and charge against both the legal and beneficial estate, right, title and interest of the partnership, the beneficiary (or beneficiaries) of the trust, the principal(s) of the agent, or other entity (or entities), as the case may be (including, without limitation, the Mortgagor), in and to the Mortgaged Land.

- (h) **Binding Effect.** This Mortgage will be binding on the Mortgagor and the respective successors and permitted assigns of each person comprising the Mortgagor and will enure to the benefit of the Mortgagor and its successors and permitted assigns.
- (i) **Time of the Essence.** Time will be of the essence hereof.
- (j) **Reference Date.** This Mortgage will be dated, for reference purposes only September 30, 2023.

3. GRANT OF MORTGAGE

The following charging provision applies only if a specific mortgage and charge on the Mortgaged Land is not included in Part 1.

THE MORTGAGOR HEREBY grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to Mortgaged Land, as security for the payment to the Mortgagee of the Principal Amount and the payment, performance or fulfilment of all Secured Obligations upon the terms set out in this Mortgage.

4. ASSIGNMENT OF RENTS

THE MORTGAGOR HEREBY assigns to the Mortgagee all Rents to have and to hold until the Secured Obligations have been fully paid and satisfied, upon the following terms and conditions:

Loan B Supplemental Agreement - Mortgage (Hotel Property)

- (a) The Mortgagor will, upon request, promptly deliver to the Mortgagee a true copy of each of the Revenue Leases and give to the Mortgagee full information relating to each of the Revenue Leases;
- (b) The Mortgagor hereby grants to the Mortgagee full power and authority to enter upon the Mortgaged Land to collect the Rents, to serve demands on the holders of the Revenue Leases in respect of payment of the Rents and to demand, collect, sue for, distrain for, recover and give receipts for the Rents, and to enforce payment of the Rents and performance of the said guarantees of payment and covenants to pay, in the Mortgagee's own name or in the name of and as an agent for the Mortgagor, as the Mortgagee may elect, and hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions;
- (c) Although this is a present and absolute assignment, (subject to defeasance on payment of the Secured Obligations), the Mortgagor, as agent for the Mortgagee, will be entitled to collect and retain the Rents as and when they become due and payable according to the terms of the Revenue Leases until there occurs an Event of Default, PROVIDED that this paragraph shall not relieve the Mortgagor from the observance and performance of the Mortgagor's obligations under the Mortgage and the terms of this assignment of rents;
- (d) On the occurrence of an Event of Default, proceedings may, at the option of the Mortgagee, be taken under this Assignment of Rents either independently or in conjunction with the other rights and remedies of the Mortgagee under any of the Security Documents;
- (e) Nothing herein contained shall be deemed to have the effect of making the Mortgagee responsible for the collection of the Rents or for the observance or performance of any of the provisions of the Revenue Leases either by the Mortgagor or by any holders of the Revenue Leases, or of rendering the Mortgagee a mortgagee in possession of the Mortgaged Land or in any way accountable or liable as such, or of imposing any obligation on the Mortgagee to take any action or exercise any remedy in the collection or recovery of the Rents;
- (f) The Mortgagee will be liable to account for only such moneys as it actually receives pursuant to this Assignment of Rents, including such portions thereof as may be expended by the Mortgagee on collection charges, inspection fees, costs as between solicitor and own client, and other expenses to which the Mortgagee may be put in respect thereof, and the balance of such moneys, when so received by the Mortgagee, will be applied on account of the Secured Obligations;
- (g) The giving of this assignment of rents is by way of additional and collateral security for the Secured Obligations and not in substitution for or satisfaction of any other Loan Documents and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under any Loan Documents and will not in any way prejudice or limit the obligations of the Mortgagor or any other Person party to the Loan Documents;
- (h) The Mortgagor will not at any time during the existence of this Mortgage, without the prior written consent of the Mortgagee:
 - (i) assign, pledge, or otherwise encumber the Revenue Leases or the Rents, or any of them, and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with the Revenue Leases;

- (ii) terminate, accept a surrender of, or amend the Revenue Leases in any manner, or permit any assignment or extension of any of the Revenue Leases or any subletting thereunder; or
- (iii) receive or permit any prepayment of the Rents under the Revenue Leases;
- (i) The Mortgagor will execute and deliver such further assurances, assignments, notices or other documents as the Mortgagee may reasonably require from time to time to render this Assignment of Rents effective;
- (j) At the request of the Mortgagee from time to time, the Mortgagor will give any other party to any of the Revenue Leases actual written notice of this Assignment of Rents, and will use the Mortgagor's best efforts to obtain from such party an acknowledgement of any such notice; but nothing in this paragraph shall oblige the Mortgagee to make any such request;
- (k) There are to the knowledge of the Mortgagor no existing or future rights of set-off, assignment, commutation or prepayment with respect to the Rents;
- (l) To the knowledge of the Mortgagor, there have been no defaults under any of the now existing Revenue Leases by the Mortgagor or by any of the holders of the Revenue Leases, and there are no outstanding disputes pursuant to such Revenue Leases;
- (m) The Mortgagor will at all times observe and perform all the Mortgagor's obligations under the Revenue Leases; and
- (n) The Mortgagor now has good and sufficient power, authority and right to assign the Rents and other benefits referred to herein in the manner aforesaid according to the true intent and meaning of this Assignment of Rents.

5. ASSIGNMENT

Without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the payment, observance and performance of its covenants and agreements contained herein and for the consideration aforesaid, the Mortgagor assigns, transfers and sets over to the Mortgagee, as additional security for the payment, observance and performance of the Secured Obligations, all of its right, title, claim, demand and interest whatsoever at law or in equity or otherwise in and to:

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

6. DEFEASANCE

The Mortgagor may redeem this Mortgage (which will be void upon the occurrence of the following events) by:

- (a) payment to the Mortgagee of the Principal Amount in lawful money of Canada, together with interest thereon at the Interest Rate, calculated as well after as before maturity, default and judgment, as follows:
 - (i) interest calculated as aforesaid on the total of all amounts from time to time advanced or secured hereunder as part of the Principal Amount and computed from the respective dates of such advances, or when such sums become secured, will become due and be paid by Periodic Payments on each and every Payment Date commencing on the First Payment Date and continuing on each and every Payment Date thereafter to and including the date the entire balance of the Secured Obligations is fully paid and satisfied; and
 - (ii) the outstanding balance of the Principal Amount will become due and be paid on the Balance Due Date;
- (b) payment to the Mortgagee of all such other moneys as the Mortgagee may be entitled to with respect to the Secured Obligations, as and when such moneys become due and payable; and
- (c) observance and performance of all covenants, agreements, provisos, terms, conditions and provisions herein contained.

AND taxes and performance of statute labour.

THE MORTGAGOR observing and performing the covenants and conditions herein contained on its part to be observed and performed shall have the right set out in the Loan Agreement to repay the whole balance of the Principal Amount remaining unpaid hereunder, subject to the provisions set out in the Loan Agreement.

7. PAYMENT AND OBSERVANCE

(a) Payment of Secured Obligations

The Mortgagor will pay, observe, perform and satisfy or cause to be paid, observed, performed or satisfied, all of the Secured Obligations as and when the same are required to be paid, observed, performed and satisfied.

(b) No Set-off

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

(c) Compound Interest

It is agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, interest shall be payable thereon and the sum in arrears for interest from time to time, as well after as before maturity or judgment, shall itself bear interest at the Interest Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default, a rest shall be made and compound interest at the rate aforesaid shall be payable on the

aggregate amount then due, as well after as before maturity or judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Mortgaged Land.

(d) **Place of Payment**

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

(e) **Taxes**

The Mortgagor will, on the due date thereof, pay and satisfy all taxes, rates, levies, charges, rents, assessments, statute labour and other impositions whatsoever already or hereafter rated, charged, assessed or imposed no matter by whom or by what authority howsoever on the Mortgaged Land, or any part thereof, or the Mortgagor, or the Mortgagee in respect of the Mortgaged Land (collectively, the "taxes"). It is mutually agreed between the parties to this Mortgage that:

- (i) the Mortgagor shall pay all taxes as they fall due and will provide the Mortgagee with receipts confirming payment of the same within thirty (30) days after they become due;
- (ii) the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay the taxes which have become or will become due and payable on or before the date of such advance;
- (iii) the Mortgagor shall, if directed by the Mortgagee, pay to the Mortgagee in monthly installments on the dates on which installments of principal and/or interest are payable under this Mortgage, sums which in the sole opinion of the Mortgagee will be sufficient to enable the Mortgagee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in installments, on or before the due date for payment of the first installment thereof; and the Mortgagor shall also pay to the Mortgagee on demand the amount, if any, by which the annual taxes exceed such estimated amount;
- (iv) The Mortgagee will apply such deduction and payments on the taxes chargeable against the Mortgaged Land so long as no Event of Default has occurred, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly; provided, however, that if, before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by the Mortgagor in respect of any payment of principal, interest or other amount as provided in this Mortgage, the Mortgagee may apply such sum or sums in or towards payment of the principal, interest and/or other amount in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after their receipt by the Mortgagor;
- (v) the Mortgagor will transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Mortgagor.

(f) **Other Charges**

If the Mortgaged Land or any part(s) thereof are now or at any time hereafter subject to any charge, lien or interest, including but not limited to Permitted Encumbrances (each hereinafter called an "other charge"):

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

(g) **Pre-enforcement Costs**

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

(h) **Enforcement Costs**

The Mortgagor will on demand pay all fees, costs, charges and expenses (including without limitation legal fees, costs, charges and expenses on a solicitor and his own client basis), which may be incurred by or on behalf of the Mortgagee whether before or after court proceedings are commenced, or whether otherwise incurred, in recovering, collecting, procuring or enforcing payment of any or all the Secured Obligations or in any way enforcing or protecting the security of this Mortgage or enforcing any of the terms of this Mortgage (including but not limited to all travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of Rent which may be incurred by or on behalf of the Mortgagee in the taking, recovering and keeping possession of the Mortgaged Land or in inspecting the same) and all other amounts generally in any other measure or proceedings taken by or on behalf of the Mortgagee to realize or collect the Secured Obligations, in whole or in part, or to defend or perfect the title of the Mortgaged Land, all of which fees, costs, charges, commissions, expenses and other amounts will be a charge under this Mortgage on the Mortgaged Land in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Interest Rate until paid.

(i) **Other Outlays**

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

(j) **Discharge**

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

8. LAND TRANSFER FORM COVENANTS

The Mortgagor covenants with the Mortgagee as follows:

(a) **Good Title**

The Mortgagor has a good title in fee simple to the Mortgaged Land.

(b) **Power and Authority to Mortgage Mortgaged Land**

The Mortgagor has full and lawful power and authority and right to convey the Mortgaged Land to the Mortgagee upon and subject to the terms and conditions set forth herein.

(c) **Valid and Enforceable against Mortgaged Land**

This Mortgage is lawfully executed and delivered and will remain a valid and enforceable first lien on the Mortgaged Land except for Permitted Encumbrances.

(d) **Pay Moneys Due**

The Mortgagor will pay the mortgage money and interest and observe the provisos herein; and will also pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Mortgaged Land or in respect thereof, no matter by whom or by what authority imposed, which the Mortgagee has paid or has been rendered liable to pay and shall also pay all other sums as the Mortgagee may be entitled to under this Mortgage.

(e) **After an Event of Default**

Upon the occurrence of an Event of Default, the Mortgagee shall have possession of the land free from all encumbrances except for Permitted Encumbrances.

(f) **Further Assurances**

The Mortgagor will execute such further assurances of the Mortgaged Land as may be requisite.

(g) **No Other Encumbrances**

Other than Permitted Encumbrances, the Mortgagor has done nothing to encumber the Mortgaged Land.

(h) **Releases all Claims**

The Mortgagor releases to the Mortgagee all its claims on the Mortgaged Land, and provided that until the occurrence of an Event of Default, the Mortgagor shall have quiet possession of the Mortgaged Land.

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

9. REPRESENTATIONS AND WARRANTIES AND COVENANTS

(a) **Increase to Fee Simple or Greater Interest**

In the event that the interest of the Mortgagor in the Mortgaged Land or any part thereof increases to any greater or a fee simple interest, the mortgage and charge created by this Mortgage shall increase to be a mortgage of such greater or fee simple interest.

(b) **Defend Title**

The Mortgagor will preserve the Mortgaged Land and does hereby and will forever warrant and defend the same to the Mortgagee against the claims of all Persons and parties whomsoever.

(c) **No Further Mortgages**

In the event the Mortgagor grants any further mortgage or charge or otherwise encumbers the Mortgaged Land save and except for this Mortgage and the Permitted Encumbrances, then, at the sole discretion of the Mortgagee and notwithstanding the other provision of this Mortgage, the Mortgagee may declare the Secured Obligations to be immediately due and payable.

(d) **Further Assurances**

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

(e) **No Builders' Liens**

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

10. INSURANCE

(a) **General**

The Mortgagor will forthwith insure (or will cause to keep insured) and during the continuance of this Mortgage will keep insured (or will cause to be kept insured) each and every building, structure, erection, improvement, fixture or replacement thereof (including without limitation all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever) now or hereafter erected on the Mortgaged Land against loss or damage by fire and such other perils and in such amount(s) as the Mortgagee may

reasonably require (including but not limited to boiler insurance, loss of rental income and business interruption insurance).

(b) **Liability Insurance**

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

(c) **Other Insurance**

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

(d) **Payment of Loss**

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

(e) **Premiums**

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

(f) **Assignment**

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

(g) **Proofs of Insurance**

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

(h) **Application of Proceeds**

Unless otherwise agreed to by the Mortgagor and the Mortgagee in writing, any insurance moneys received may, at the option of the Mortgagee, be applied to a suspense account or in or towards rebuilding, reinstating or repairing all or any portion of the Mortgaged Land or be paid to the Mortgagor or any other Person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied or paid partly in one way and partly in another, or such moneys may be applied, in the sole discretion of the Mortgagee, in whole or in part on account of the Secured Obligations, or any part thereof, whether due or not then due.

(i) **Waiver**

To ensure that the Mortgagee may so apply such insurance moneys in the manner herein contemplated, the Mortgagor also assigns and releases to the Mortgagee all rights of the

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

11. USE, ALTERATIONS AND REPAIRS

(a) Use of Mortgaged Land

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

- (i) change the present use of the Mortgaged Land; nor
- (ii) permit the Mortgaged Land to be unoccupied or unused.

(b) Compliance

The Mortgagor covenants and agrees to at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and of all private covenants and restrictions affecting the Mortgaged Land or any portion thereof and the Mortgagor will from time to time upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the Mortgaged Land structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation. The Mortgagee whenever it deems necessary may by its surveyor or agent enter upon and inspect the Mortgaged Land and make such improvements and alterations and take all such other action as the Mortgagee deems necessary to render the Mortgaged Land in compliance with such laws, rules, requirements, orders, directions, by-laws, ordinances, work orders or regulations and the reasonable cost of such inspection, improvements, alterations and other actions with interest at the Interest Rate shall be payable by the Mortgagor forthwith upon demand and be a charge upon the Mortgaged Land.

(c) Repair

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

(d) Demolition, Alterations

Except as may be contemplated by the Loan Agreement, the Mortgagor will not, without the prior written consent of the Mortgagee, demolish the whole or any part of the buildings, structures, erections, improvements and the like now or hereafter existing on the Mortgaged Land and will not proceed with any alteration, remodeling, rebuilding or addition thereto or thereof, in whole or in part.

(e) **Inspection**

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

12. **ADVANCES**

(a) **Payments Due**

Any payments to be made by the Mortgagor will become due and be payable at the times provided herein notwithstanding that at the due date of any payment the full amount of the Principal Amount which this Mortgage is expressed to secure has not been advanced.

(b) **Permitted Deductions**

The Mortgagee may deduct accrued interest and costs, charges, and expenses payable hereunder from any advance of the Principal Amount and the Mortgagee may deduct interest from any advance of the Principal Amount calculated from the date of that advance to the date of the next Payment Date occurring after the date on which that advance was made.

(c) **No Obligation to Advance**

The Mortgagor agrees that neither the preparation, execution or registration of this Mortgage, nor the advance (or re-advance, if applicable) in part of the Principal Amount hereby secured, nor any course of conduct of the Mortgagee or of any of its officers, agents or employees will bind the Mortgagee to advance (or re-advance, if applicable) the Principal Amount or any unadvanced portion thereof to the Mortgagor or to any other Person the obligations of whom are guaranteed by the Mortgagor, it being understood and agreed that the advance (or re-advance, if applicable) of the Principal Amount thereof from time to time will be in the absolute discretion of the Mortgagee and not exercised or deemed exercised unless and until that advance (or re-advance, if applicable) has actually been made to the Mortgagor, but nevertheless the charge of this Mortgage shall take effect forthwith upon the execution of this Mortgage by the Mortgagor and the expenses incurred by the Mortgagee in the examination of the title, valuation of the Mortgaged Land and preparation and registration of this Mortgage are secured by this Mortgage and constitute a charge upon the Mortgaged Land.

(d) **Status Certificate**

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

13. MORTGAGEE'S ELECTION TO MAKE PAYMENTS AND CURE DEFAULTS**(a) Payments by Mortgagee**

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

(b) Performance by Mortgagee

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

- (i) insure the Mortgaged Land in the buildings on the Mortgaged Land in accordance with the provisions hereof if the Mortgagor neglects to insure or to deliver policies and receipts in accordance herewith;
- (ii) repair and reinstate the buildings and improvements on the Mortgaged Land if the Mortgagor fails to repair in accordance herewith or with the Leases or demolishes or alters such buildings or improvements in contravention hereof or thereof;
- (iii) without any order or direction of the Mortgagor, pay to contractors, sub-contractors, material men, labourers, and other Persons supplying or having a claim for work, services, or materials supplied in and about the construction, repairing, altering or replacing of any buildings, structures, erections or improvements and the like now or hereafter constructed on the Mortgaged Land or any part thereof, any moneys due to them for such work, services or materials; and
- (iv) pay common expenses, assessments, contributions or levies required to be paid in connection with any strata lot comprising part of the Mortgaged Land,

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

(c) Entitlement to Equities

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

(d) Repayment

All payments made and all sums of money expended by the Mortgagee under this Article 13, including incidental costs, charges, expenses and outlays incurred in doing anything under this Article 13, will be forthwith payable by the Mortgagor on demand with interest at the Interest Rate from the time or respective times of the payment thereof until paid, and until paid will be a charge on the Mortgaged Land in favour of the Mortgagee prior to all

claims thereon subsequent to this Mortgage and may be added to the principal moneys then comprising the Secured Obligations as if the same had originally formed part thereof.

(e) **No Prejudice**

Nothing done by the Mortgagee in reliance on the provisions of this Article 13 will in any manner prejudice the remedies of the Mortgagee in respect of any default of the Mortgagor or otherwise.

14. DEFAULT AND ACCELERATION

Notwithstanding the Secured Obligations or any part thereof may be payable on demand, and without prejudice thereto, at any time upon the occurrence of an Event of Default then, and in every such case and in the sole discretion of the Mortgagee:

- (a) the Mortgagee may demand payment of the Secured Obligations and any other amounts payable under this Mortgage remaining unpaid and notwithstanding that this Mortgage is declared to be made in part in pursuance of Part 3 of the *Land Transfer Form Act* (British Columbia), it being expressly understood and agreed by the Mortgagor that the reinstatement provisions of the form of words numbered 15 in Column II of Schedule 6 to the *Land Transfer Form Act* will have no force and effect in respect of this Mortgage or any of the Secured Obligations, whether for interest, principal or upon any other account whatsoever and the provisions relating to a default under this Mortgage by the Mortgagor will be as set out herein and the Mortgagor will not be relieved from the consequences of default by payment of the moneys of which default of payment has been made and costs and charges related thereto;
- (b) the Mortgagee will have possession of the Mortgaged Land free and clear from all encumbrances subject only to Permitted Encumbrances; and
- (c) the Mortgagee may exercise any and all remedies to enforce this Mortgage.

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

15. REMEDIES OF MORTGAGEE ON DEFAULT

(a) **Power of Sale**

Upon the occurrence of an Event of Default the Mortgagee may, without notice to or the concurrence of the Mortgagor, enter on and lease or sell the Mortgaged Land; and that the Mortgagee may lease or sell as aforesaid without entering into possession of the Mortgaged Land; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power, or that such power had been improperly or irregularly exercised, or that notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only; and that the Mortgagee may sell the whole or any part or parts of the Mortgaged Land by public auction or private contract, or partly one and partly the other, on such terms as to credit and otherwise as to the Mortgagee shall appear most advantageous and for such prices as can reasonably be obtained therefor; and that 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 title, or evidence, or commencement of title, or otherwise, as the Mortgagee shall deem proper;

and the Mortgagee may buy in or rescind or vary any contract for sale of any of the Mortgaged Land and re-sell, without being answerable for loss occasioned thereby; and in the case of a sale on credit the Mortgagee shall only be bound to pay to the Mortgagor such monies as have been actually received from purchasers after the satisfaction of the Mortgagee's claim; and for any of such purposes the Mortgagee may make and execute all agreements and assurances the Mortgagee deems fit; and that the purchaser at any sale hereunder shall not be bound to see to the propriety or regularity thereof; and that no want of notice or of publication, if any, required hereby, shall invalidate any sale hereunder; and the Mortgagee will not be liable for any loss which may arise by any such leasing or sale as aforesaid; provided that, notwithstanding the power of sale or leasing and other powers and provisions of this clause, the Mortgagee will have and be entitled to its right of foreclosure of the equity of redemption of the Mortgagor in the Mortgaged Land and any and all other remedies available to it as fully as if said powers and provisions had not been contained herein or acted upon.

And it is further agreed between the parties to this Mortgage that until such sale or sales shall be made as aforesaid, the Mortgagee shall and will stand possessed of the rents and profits of the Mortgaged Land in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Mortgaged Land or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, or leases, secondly all costs, charges, damages and expenses of the Mortgagee relating to taxes, prior charges, rents, insurance, repairs, utilities and any other amounts which the Mortgagee may have paid relating to the Mortgaged Land, thirdly in discharge of all interest and costs then due in respect of this Mortgage, fourthly in discharge of the principal money secured by this Mortgage, fifthly in payment of subsequent encumbrances according to their priorities and the residue shall be paid to the Mortgagor as it may direct and shall also in such event, at the request, cost and charge of the Mortgagor transfer, release and assure to the Mortgagor or to such person or persons as it shall direct and appoint, all such parts of the Mortgaged Land as shall remain unsold for the purposes aforesaid, discharged from all this Mortgage, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode.

(b) **Distress**

Upon the occurrence of an Event of Default, it shall be lawful for the Mortgagee, and the Mortgagor hereby grants full power and license to the Mortgagee, to enter, seize and distraint upon any goods upon the Mortgaged Land and by distress warrant to recover by way of rent reserved as in the case of a demise of the Mortgaged Land as much of the said principal, interest or other monies secured by this Mortgage as shall from time to time be or remain in arrears or unpaid, together with all costs, charges and expenses (including without limitation costs as between solicitor and his own client) related to such levy or distress as in like cases of distress for rent; and as a part of the consideration for the advance of the principal sum secured by this Mortgage the Mortgagor hereby waives on the exercise of such power and license, all rights to exemption from seizure and distress under any law whatsoever.

(c) **No Merger**

The obtaining of a judgment or judgments in any action to enforce this Mortgage or any of the covenants herein contained or any covenant contained in any other security for payment of the Secured Obligations including the performance of the obligations herein contained will not operate as a merger of this Mortgage or of the Secured Obligations or any of the said covenants or affect the right of the Mortgagee to interest at the Interest Rate and at the times aforesaid on any moneys owing to the Mortgagee under any covenant

therein or herein set forth. Any judgment will provide that interest will be computed at the Interest Rate and in the same manner as herein provided until the judgment or judgments will have been fully paid and satisfied.

(d) **Rents**

Upon the occurrence of an Event of Default the Mortgagor will refrain from collecting and receiving all Rents accruing as aforesaid and, upon notice from the Mortgagee, all subtenants will thereafter pay all such Rents to the Mortgagee and any payment made otherwise will not discharge the obligations of such subtenant.

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

(e) **Receiver**

Notwithstanding anything contained in this Mortgage it is declared and agreed that upon the occurrence of an Event of Default the Mortgagee may, at such time and from time to time and with or without entry into possession of the Mortgaged Land or any part thereof, by instrument in writing appoint, or by application to a court of competent jurisdiction obtain an order for the appointment of, any person, whether an officer or officers or an employee or employees of the Mortgagee or not, as a receiver (which term as used in this paragraph and elsewhere in this Mortgage includes a receiver-manager and receiver and manager and also includes the plural as well as the singular) of the Mortgaged Land or any part thereof and of the rents and profits thereof, and with or without security, and may, when the appointment of the receiver is by instrument, from time to time by similar writing remove any receiver and appoint another in his stead, and that in making any such appointment or removal, the Mortgagee and any person so appointed shall be deemed to be acting as the agent or attorney for the Mortgagor, but no such appointment shall be revocable by the Mortgagor. Upon the appointment of any receiver from time to time the following provisions shall apply:

- (i) Every receiver shall have unlimited access to the Mortgaged Land as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:
 - (1) collect the rents and profits from tenancies whether created before or after this Mortgage;
 - (2) rent any portion of the Mortgaged Land which may become vacant on such terms and conditions as he considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (3) complete the construction of any building or buildings or other erections or improvements on the Mortgaged Land, with respect to the Mortgaged

Land left by the Mortgagor in an unfinished state or award the same to others to complete;

- (4) purchase, repair and maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the premises operable or rentable and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
- (5) manage, operate, repair, alter or extend the Mortgaged Land or any part thereof and carry on the business of the Mortgagor;
- (6) sell or grant options to purchase the Mortgaged Land, or any part thereof, at public auction, by public or private tender, or by private sale, on terms as to credit or otherwise and with or without security as shall appear most advantageous to the receiver;
- (7) rescind or vary any contract or agreement of sale or lease;
- (8) borrow such sum or sums as will in the opinion of the receiver, be required for the purposes of carrying on the receiver's duties and in so doing the receiver may issue receiver certificates; and
- (9) employ such assistants as the receiver may consider necessary for carrying out the receiver's duties.

The Mortgagor undertakes to ratify and confirm whatever any receiver may do in the premises.

- (ii) The Mortgagee at its discretion may vest the receiver with all or any of the rights and powers of the Mortgagee.
- (iii) The Mortgagee may from time to time during the currency of the appointment of a receiver fix the reasonable remuneration of the receiver and such remuneration together with all costs and expenses of the receiver when paid by the Mortgagee, shall be added to all other monies owing by the Mortgagor to the Mortgagee under this Mortgage, shall be payable by the Mortgagor to the Mortgagee together with interest at the same rate as applies to the principal secured by this Mortgage and shall be a charge on the Mortgaged Land. The receiver shall be entitled to deduct any remuneration, costs and expenses out of the revenue or out of any sale proceeds realized from the Mortgaged. The Mortgagee shall be under no liability to the receiver for his remuneration, costs or expenses.
- (iv) All sum or sums of money borrowed by the receiver and secured by receiver certificates shall be a charge on the Mortgaged Land.
- (v) Every receiver shall be deemed the agent or attorney of the Mortgagor for such purposes as the receiver shall deem necessary, including, without limitation, carrying out any sale of all or any part of the Mortgaged Land and affixing the seal of the Mortgagor to any deeds, transfers, conveyances, assignments, assurances and things which the Mortgagor ought to execute to complete any sale of all or any part of the Mortgaged Land or alternatively executing the same under his own seal by conveying in the name of and on behalf of the Mortgagor and under his own seal, and any deed or other instrument signed by him under his seal pursuant

hereto shall have the same effect as if it were executed under the common seal of the Mortgagor and in no event shall the receiver be the agent of the Mortgagee and the Mortgagee shall not be responsible for the acts and omissions of the receiver.

- (vi) The appointment of any receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Mortgagee a mortgagee in possession of the Mortgaged Land.
- (vii) No receiver shall be liable to the Mortgagor to account for monies other than monies actually received by him in respect of the Mortgaged Land or any part thereof and out of such monies so received every receiver shall pay in the following order the following amounts:
 - (1) claims of all secured and unsecured creditors ranking in priority to this Mortgage;
 - (2) all remuneration, costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authorities hereby conferred, excluding the receiver's borrowings;
 - (3) to the Mortgagee any sum or sums borrowed by the receiver from the Mortgagee and interest thereon as secured by receiver certificates;
 - (4) to the Mortgagee all interest, principal and other monies due hereunder to be paid in such order as the Mortgagee in its sole discretion shall determine;
 - (5) any sum or sums borrowed by the receiver from any financial institution, corporation or other person other than the Mortgagee and interest thereon as secured by receiver certificates;
 - (6) any surplus shall, subject to the rights of other creditors, be paid to the Mortgagor.
- (viii) Save as to its right to obtain from the receiver an accounting under the foregoing sub-paragraph (vii), the Mortgagor hereby releases and discharges any receiver from every claim of every nature whether sounding in damages or not which may arise or be caused to the Mortgagor or any person claiming through or under him by reason or as a result of anything done by the receiver unless such claim is a direct and proximate result of dishonesty or fraud.
- (ix) The Mortgagee may at any time and from time to time terminate any appointment of a receiver by instrument, by notice in writing to the Mortgagor and to any receiver.
- (x) The statutory declaration of an officer of the Mortgagee as to default under the provisions of the Mortgage and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed as regards such person to be valid and effectual notwithstanding any contrary assertion by the Mortgagor.

(xi) The rights and powers conferred herein in respect of the receiver are in addition to and not in substitution for any other rights and powers which the Mortgagee may have.

(f) **Remedies Cumulative**

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

(g) **Enforcement of Remedies**

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

(h) **Realization on Securities**

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

16. **PRESERVATION OF MORTGAGE AND OTHER SECURITY**

(a) **Equity of Redemption**

No extension of time given by the Mortgagee to the Mortgagor, nor anyone claiming under the Mortgagor, nor any other dealing by the Mortgagee with the owner of the equity of redemption of the Mortgaged Land, will in any way affect or prejudice the rights or remedies of the Mortgagee against the Mortgagor or any other Person liable either in whole or in part for the payment of the Secured Obligations.

(b) **No Apportionment**

Every part, lot or strata lot into which the Mortgaged Land are or may hereafter be divided does and will stand as charged with the Secured Obligations and no Person will have any right to require the Secured Obligations to be apportioned upon or in respect of any such part, lot or strata lot.

(c) **Fixtures**

All Fixtures and Improvements are deemed to be part of the Mortgaged Land and shall be security for the Secured Obligations, even though not attached otherwise than by their own weight.

(d) **Partial Release of Mortgage**

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

(e) **Waiver**

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

(f) **Additional Security**

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

(g) **Doctrine of Consolidation**

The doctrine of consolidation will apply to this Mortgage notwithstanding Section 27 of the *Property Law Act* (British Columbia) as amended or replaced from time to time and any subsequent statutory provision of substantially the same effect.

17. SALE OR TRANSFER AND FURTHER ENCUMBRANCES

(a) **Due on Sale**

Save and except as contemplated by the Loan Agreement and by Permitted Encumbrances:

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

then the Mortgagee at its option may declare the Secured Obligations then secured hereby to become immediately due and payable in full and the Mortgagor will pay the same forthwith.

(b) **Further Encumbrances**

If the Mortgagor, without the prior written consent of the Mortgagee, further encumbers the Mortgaged Land or enters into any agreement to do so, then all monies secured by this Mortgage with interest thereon shall, at the option of the Mortgagee, become immediately due and payable. And it is further understood and agreed that the Mortgagor shall not create nor suffer to be created, any mortgage, charge, lien or encumbrance upon the Mortgaged Land ranking or capable of ranking in priority to or *pari passu* with this Mortgage, AND IT IS HEREBY DECLARED that this provision being a term of this Mortgage shall be notice within the meaning of the *Land Title Act* of British Columbia to every person dealing

with the Mortgaged Land that any mortgage, charge, lien or encumbrance upon the Mortgaged Land which is registered subsequently to this Mortgage shall be subject to and rank in priority after this Mortgage in all respects to the same extent as if this Mortgage had been executed, delivered and registered and as if all monies hereby secured (regardless of the date of advances or re-advances by the Mortgagee) had been advanced prior to the execution, delivery and registration of such subsequently registered mortgage, charge, lien or encumbrance and before the advancement of any part of the monies thereby secured and, without limiting the generality of the foregoing, in the event of this Mortgage being security for a guarantee or guarantees given by the Mortgagor to the Mortgagee, any such subsequently registered mortgage, charge, lien or encumbrance shall rank in priority after this Mortgage to the same extent as if demand by the Mortgagee had been made for payment of the aggregate principal amount secured by this Mortgage in accordance with the terms of this Mortgage and the said guarantee or guarantees prior to the execution, delivery and registration of such subsequently registered mortgage, charge, lien or encumbrance and before the advancement of all or any part of the monies thereby secured.

(c) **Meaning of Assigned**

The word "assigned" as used in Section 1717 will include any transfer, sale, assignment, bequest, inheritance, encumbrance or other disposition of shares of any body corporate comprising the Mortgagor, in whole or in part, having the result of changing the identity of the Person(s) who during the currency of this Mortgage exercise the effective voting control of such body corporate.

(d) **Servicing Fee**

The Mortgagee will be entitled to charge a reasonable servicing fee to process each application for approval as contemplated in Section 17(a) or (b) which fee will be payable forthwith upon demand. Failure by the Mortgagor to pay such servicing fee will be deemed to be a default hereunder. It is further understood and agreed that any approval given hereunder will in no way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other mortgagor.

18. STRATA LOT PROVISIONS

(a) **Definitions**

In this Article 18:

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

(b) **Strata Lots**

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

- (i) to observe and perform all the covenants, agreements, conditions and provisos required to be observed and performed under the Act and any by-laws, rules and regulations that may be passed by the strata corporation or any special interest

- section thereof of which the Mortgagor is a member by virtue of the leasing by the Mortgagor of the strata lot(s) hereby charged;
- (ii) to pay on or before the due dates thereof, the share of common expenses and each and every assessment, contribution or levy made by the strata corporation or any special interest section thereof against the strata lot(s) and interest(s) in the Mortgaged Land and the Mortgagor will not permit a situation under which the strata corporation or any special interest section thereof may register a Certificate of Lien in the land title office;
 - (iii) pursuant to Section 115 of the Act, the Mortgagor hereby authorizes any officer of the Mortgagee to from time to time during the term hereof obtain a Certificate of Payment as provided for in the Act certifying that no moneys are owing to the strata corporation by the Mortgagor in respect of any one or more of the strata lots forming part of the Mortgaged Land;
 - (iv) that the Mortgagor will not without the prior written consent of the Mortgagee:
 - (1) assign any of the Mortgagor's rights, powers, duties or obligations under the Act or the by-laws created under the Act; or
 - (2) give possession of any strata lot(s) hereby charged to any Person whether on the basis of an agreement providing for the purchase of the strata lot(s) by the occupier or on the basis of a lease, sublease or assignment of lease;
 - (v) to grant and hereby grants to the Mortgagee all rights and powers to vote conferred on the Mortgagor by the Act, but neither this section nor anything done by virtue thereof will render the Mortgagee a mortgagee in possession;
 - (vi) that this Mortgage constitutes express written notice to the Mortgagor that the Mortgagee intends to exercise the power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for this Mortgage that the Mortgagor is permitted to exercise and no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise any such right and power to vote conferred on the Mortgagor in respect of these matters, and the 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 these matters if the Mortgagee is not by its authorized representative, agent or proxy, present at that meeting;
 - (vii) that the right and power to vote granted in this Mortgage to the Mortgagee does not impose on the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote;
 - (viii) pursuant to Section 59 of the Act, the Mortgagor hereby authorizes any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the strata corporation under section 59 of the Act for an Information Certificate, in respect of each strata lot forming part of the Mortgaged Land, to have the by-laws for the time being in force governing the strata lot(s) and interest in the Mortgaged Land hereby charged made available for inspection by an officer of the Mortgagee;

- (ix) that the Mortgagor will cause the Mortgagee to be named as a loss payee as its interest may appear in respect of the strata lot(s) on the policy or policies of insurance effected by the strata corporation, on the buildings, common facilities and the insurable improvements owned by the strata corporation and will cause mortgage clauses in a form approved by the Mortgagee to be included in such insurance policy or policies and will provide evidence of such insurance to the Mortgagee forthwith upon demand;
- (x) that if the insurance effected by the strata corporation on the buildings and common facilities is inadequate in the opinion of the Mortgagee, then the Mortgagor will upon demand effect insurance of the strata lot(s) and the Mortgagor's interest in the common property against such risks or hazards and in an amount as the Mortgagee may require with an insurance company and by a policy satisfactory to the Mortgagee, which policy or policies will contain loss payable provisions and mortgage clauses as aforesaid, and will provide evidence of such insurance to the Mortgagee; and
- (xi) that the Mortgagee is the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

19. INTEREST RATE ALTERNATIVE AND MAXIMUM RETURN TO MORTGAGEE

(a) Interest Rate Alternative

Subject to the provisions of Section 19(b), if the Interest Rate would, except for this clause, be a criminal rate, or void for uncertainty, or unenforceable for any other reason, or not capable of being ascertained, or is determined by court to be subject to deemed reinvestment of interest then the Interest Rate will be one percent (1%) per annum less than the minimum rate which would be a criminal rate calculated in accordance with generally accepted actuarial practices and principles.

(b) Maximum Return

It is agreed that, notwithstanding any agreement to the contrary, no Interest on the Credit Advanced will be payable in excess of that permitted by the laws of Canada. If the effective annual rate of Interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed 60% on the Credit Advanced, then:

- (i) the amount of any fees payable in connection therewith will be reduced to the extent necessary to eliminate such excess;
- (ii) any remaining excess that has been paid will be credited towards prepayment of the principal amount; and
- (iii) any overpayment that may remain after such crediting will be returned forthwith upon demand.

In this Section the terms "**Interest**" and "**Credit Advanced**" have the meanings ascribed to them in section 347 of the *Criminal Code of Canada*.

20. LOAN AGREEMENT

The provisions of the Loan Agreement will survive the execution and registration of this Mortgage and the collateral or other security documents to be delivered herewith. Accordingly there will be no merger of such

Loan B Supplemental Agreement - Mortgage (Hotel Property)

provisions in this Mortgage or the collateral or other security documents, until the parties thereto, by an appropriate instrument in writing so declare. Furthermore, if any conflict at any time exists between any term of the Loan Agreement (whether restated herein or not) and any term of this Mortgage, then the term of the Loan Agreement will govern and take precedence.

21. MISCELLANEOUS

(a) Estoppel Certificate

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

(b) Modifications to Mortgage

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

(c) Extension, Renewal of Mortgage

Any extension of the term of payment of the Secured Obligations, or any part thereof, and any agreement increasing or decreasing the rate or rates of interest payable on account of the Principal Amount prior to the execution of the discharge of this Mortgage by the Mortgagee need not be registered in a land title office, but will be effectual and binding on the Mortgagor, the Covenantor (if any) and any other Person liable for payment of the Secured Obligations, in whole or in part, and it will not be necessary to register any such agreement in order to retain priority of this Mortgage so altered over any instrument registered as a charge against the Mortgaged Land subsequently to the registration of this Mortgage.

(d) Notice of Demand

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

(e) Address for Notices

Any demand or notice to be made or given under the provisions of this Mortgage may be effectually made or given in accordance with the provisions of the Loan Agreement.

(f) Currency

Unless otherwise specified, all references to money herein and in any other Loan Documents mean the lawful money of Canada.

(g) Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under any other Loan Documents to the Mortgagee in one currency (the "**Original Currency**") into another currency (the "**Judgment Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be

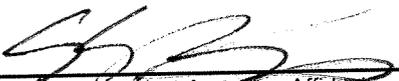
that at which in accordance with normal banking procedures Royal Bank of Canada (or such other Canadian chartered banks as the Mortgagee may designate in its sole discretion) could purchase the Original Currency with the Judgment Currency on the business day preceding that on which the judgment is paid or satisfied in full.

The obligations of the Mortgagor in respect of any sum due in the Original Currency from it to the Mortgagee under any Loan Document shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that, on the business day following receipt by the Mortgagee of any sum adjudged to be so due in such Judgment Currency, the Mortgagee 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 Mortgagee in the Original Currency, the Mortgagor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Mortgagee against such loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Mortgagee in the Original Currency, the Mortgagee agrees to remit such excess to the Mortgagor.

END OF DOCUMENT

EXHIBIT J

This is **Exhibit "J"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

**FORBEARANCE AND THIRD AMENDING AGREEMENT
(SENIOR B LOAN)**

THIS AGREEMENT dated for reference February 28, 2023

AMONG:

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD., (formerly known as
34083 YUKON INC.),
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, and
KENSINGTON UNION BAY PROPERTIES GP LTD.

(collectively, "**UB Borrowers**")

AND

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

("ITC Borrower"; together with UB Borrowers, collectively, the "**Borrowers**")

AND

HOTEL VERSANTE LTD.
AND
SUNWINS ENTERPRISE LTD.
AND
MO YEUNG PROPERTIES LTD.
AND
MO YEUNG CHING

(collectively, the "**Initial Guarantors**")

AND

SFT DIGITAL HOLDINGS 30 LTD. ("**SFT 30**" or the "**Additional Guarantor**"; together with the Initial Guarantors, collectively, the "**Guarantors**")

AND:

FOX ISLAND DEVELOPMENT LTD. ("**Lender A**")
AND
ADVANCED VENTURE HOLDING CO., LTD. ("**Lender B**")

(collectively, the "**Lenders**")

WHEREAS:

- (A) The Borrowers, the Initial Guarantors and the Lenders entered into the Senior B Loan Agreement dated for reference June 14, 2021, as amended by the First Amending Agreement dated for reference March 7, 2022, whereby (among other things) the Lenders agreed to provide a term loan in the aggregate principal amount of not more than CAD\$39,000,000 to the Borrower
- (B) The ITC Borrower has entered into an agreement to transfer its beneficial interest in all or part of the Hotel Property to a separate entity (the "**Hotel Property Holdco**"; such agreement, the "**Hotel**

Property Beneficial Transfer Agreement"), which transfer (the "**Hotel Property Beneficial Transfer**") constitutes a material change in the ownership of the Hotel Property and will require the Lenders' approval;

- (C) The Lenders have not issued any approval for the Hotel Property Beneficial Transfer, nor have they approved the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement in relation to such transfer;
- (D) On the Borrowers' request, the Lenders agreed to (among other things) refrain from exercising their rights under the Existing Loan Agreement and the other Loan Documents in relation to the Hotel Property Beneficial Transfer during a period of forbearance up to March 7, 2023, pursuant to the terms and conditions set forth in the Second Amending Agreement dated for reference September 7, 2022 (the "**Second Amending Agreement**"), among the Borrowers, the Guarantors and the Lenders;
- (E) On the Borrowers' further request, the Lenders have agreed to (among other things) extend the period of forbearance to July 31, 2023 and to continue to refrain from exercising their rights under the Existing Loan Agreement and the Loan Documents in relation to the Hotel Property Beneficial Transfer during the extended period of forbearance, to accept partial payments of the Loan and to further amend the Existing Loan Agreement, all on the terms and conditions set forth herein.

NOW THEREFORE in consideration of the mutual premises, covenants and agreements set forth herein and all other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) Words with initial capital letters which are not otherwise defined in this Agreement have the meanings set out in the Loan Agreement.
- (b) "**Event of Forbearance Default**" has the meaning given to it in Section 10 hereof.
- (c) "**Existing Loan Agreement**" means the Senior B Loan Agreement dated for reference June 14, 2021 between (among others) the Borrowers and the Lenders, as amended by (i) the First Amending Agreement dated for reference March 7, 2022, and (ii) the Second Amending Agreement dated for reference September 7, 2022.
- (d) "**Forbearance Effective Date**" means March 7, 2023.
- (e) "**Forbearance End Date**" means July 31, 2023.
- (f) "**Forbearance Period**" means the period from the Forbearance Effective Date and up to and including the earlier of:
 - (1) the Forbearance End Date; and
 - (2) the date on which an Event of Forbearance Default has occurred.
- (g) "**Loan Agreement**" means the Existing Loan Agreement, as amended and supplemented by this Agreement and as the same may be amended, extended, supplemented, modified, renewed, replaced and restated from time to time.

(h) “**Obligants**” means, collectively, the Borrowers and the Guarantors.

1.2 Amendment Not a Waiver

Except as expressly provided herein, the Lenders reserve all of their rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Loan Document, and whether known or not, and this Agreement shall not be construed as a waiver of any such breach, default or Events of Default.

1.3 Advance Date; Deemed Borrowing

The Obligants and the Lenders acknowledge and agree that all outstanding borrowings under the Existing Loan Agreement shall continue to be outstanding and constitute borrowings under the Loan Agreement as of the Forbearance Effective Date. This Agreement shall not be deemed to evidence or result in a novation of such borrowings or a repayment and reborrowing of such borrowings.

2. ACKNOWLEDGEMENT AND AGREEMENT BY THE OBLIGANTS

2.1 Hotel Property Beneficial Transfer

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) The statements set out in Recitals (B) and (C) are true and correct, and form an operative part of this Agreement.
- (b) The Hotel Property Beneficial Transfer has not been fully consummated, subject to the satisfaction of certain conditions to be fulfilled by the ITC Borrower, including, without limitation, the refinancing of the Loan under the Loan Agreement (together with the Senior A Indebtedness which is secured by a mortgage against the Hotel Property).
- (c) As at the Forbearance Effective Date and the date on which all conditions set out in Section 9 hereof have been satisfied (or otherwise waived by the Lenders), the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property (subject only to its obligation to effect the Hotel Property Beneficial Transfer in favour of Hotel Property Holdco pursuant to the Hotel Property Beneficial Transfer Agreement).
- (d) Notwithstanding that the Hotel Property Beneficial Transfer has not been fully consummated, the Obligants agree that the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement and otherwise agreeing to the Hotel Property Beneficial Transfer constitute an Event of Default under the Loan Agreement (the “**Existing Default**”), and the Lenders are (but for the Second Amending Agreement and this Agreement) entitled to immediately accelerate and demand full payment of the outstanding Loan Amount as a result of the Existing Default pursuant to the terms of the Loan Agreement.
- (e) The Obligants agree to:
 - (1) promptly and from time to time advise the Lenders of the status of the Hotel Property Beneficial Transfer in sufficient details to the satisfaction of the Lenders; and
 - (2) upon the Lenders' request from time to time, (i) provide confirmation (in form and substance satisfactory to the Lenders) that the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property, and (ii) deliver to the Lenders a certified copy of the Hotel Property Beneficial Transfer Agreement.

2.2 Debt; Existing Loan Agreement

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) As at March 7, 2023 (without taking into account the amendment to the Existing Loan Agreement provided herein):
- (1) the Borrowers are indebted to the Lenders, on account of the outstanding balance under each tranche of the Loan (including any accrued and unpaid interest thereon, if applicable, assuming that the applicable interest rate remains at 15.25% per annum for Tranche 2A, Tranche 2B, Tranche 5 and Tranche 6 for the period up to and including March 7, 2023), in the amounts set out below:

Tranche	Principal Amount owing
1	\$7,782,064.84
2a	\$19,189,056.93
2b	\$10,008,045.55
3	\$4,457,020.52
4	\$2,599,243.99
5	\$1,000,858.75
6	\$1,530,000.00
Total:	\$46,566,290.58

plus all other fees, costs, expenses and other charges that are payable by the Borrowers to the Lenders in accordance with the Existing Loan Agreement (collectively, the "Debt");

- (2) there is no balance remaining in any of the Interest Reserves, except for the following:

Tranche	Interest Reserve Balances
1	\$0.00
2a	\$2,628.64
2b	\$1,370.97
3	\$0.00
4	\$0.00
5	\$1,790.25
6	\$1,905.38

- (b) Pursuant to the Existing Loan Agreement (and without taking into account the amendment to the Existing Loan Agreement and the Lenders' forbearance and other agreements, all as provided herein):
- (1) the term of the Loan will mature on March 14, 2023;
 - (2) the Borrowers (i) are not entitled to make any partial prepayment of the Loan (or any tranche thereof), and (ii) may only make full prepayment of the Loan Amount, provided that they have provided not less than 60 days' prior written notice to the Lenders (for greater certainty, no such 60 days' notice was provided to the Lenders);
 - (3) interest on Tranche 1, Tranche 3 and Tranche 4 has been accruing at 30% per annum since December 15, 2021; and
 - (4) interest on Tranche 2, Tranche 5 and Tranche 6 has been accruing at 15.25% per annum since January 26, 2023, and will accrue at 30% per annum from March 8, 2023.
- (c) None of the Obligants has any claim or counterclaims against the Lenders in relation to the Debt, the Loan Amount, the Existing Loan Agreement, the Security Documents and the other Loan Documents.

2.3 Existing Default

Each of the Obligants hereby acknowledges to and agrees with the Lenders as follows:

- (a) The Existing Loan Agreement and the Security Documents are in default pursuant to the terms thereof as a result of the Existing Default and, but for the Second Amending Agreement and this Agreement, the Lenders are entitled to immediately accelerate and demand full payment of the Debt and the Loan Amount, and take immediate steps to enforce its security under the Security Documents.
- (b) The Lenders have entered into this Agreement with the Obligants at their request and with a view to allowing the Obligants additional time to repay the Debt and the Loan Amount in a lawful, efficient and cost-effective manner.
- (c) Except as expressly provided in the Second Amending Agreement and this Agreement, the Lenders have not made any promise, nor has any of them taken any action or omitted to take any action, that would constitute a waiver of their rights to pursue any remedies in respect of the Loan, the Loan Agreement, the Security Documents or the other Loan Documents that would prevent them from so doing.
- (d) The Lenders' forbearance as provided in Section 4 below and otherwise under this Agreement or the Second Amending Agreement is not to be taken as a waiver by the Lenders of any of their rights under any of the Loan Agreement, the Security Documents or any other Loan Documents which may arise from any other default which presently exists or which may in the future occur.
- (e) In the event that the Obligants seek the assistance of a court of competent jurisdiction, or other protection, under any legislation or otherwise to stay the actions or claims of creditors, to the extent permitted by law, the Obligants, in consideration of the forbearance provided to them by the Lenders under the terms of this Agreement, will not seek any assistance

from the court, or other protection, under any legislation, or otherwise, which would in any way stay the actions of the Lenders or otherwise prevent the Lenders from realizing on all or any part of the security under the Security Documents.

2.4 Senior A Indebtedness

Each of the Obligants hereby acknowledges to and agrees with the Lenders as follows:

- (a) The ITC Borrower is indebted to certain Senior A Lenders in respect of the Senior A Indebtedness pursuant to the terms of the Senior A Loan Agreement, which indebtedness is secured by (among other things) the Senior A Security charging the Hotel Property, and supported by an unlimited joint and several guarantee granted by the UB Borrowers (among others), as guarantors.
- (b) Concurrent with entering into this Agreement, the Senior A Lenders, the ITC Borrower and the UB Borrowers (together with others) have agreed to enter into a forbearance agreement (the "**Senior A Forbearance Agreement**") in respect of the Existing Default and the Senior A Indebtedness.
- (c) Pursuant to the Senior A Forbearance Agreement:
 - (1) the ITC Borrower will make certain payments to the Senior A Lenders as follows:
 - (A) on or before February 28, 2023, the sum of \$3,568,240.74 (the "**Senior A 1st Forbearance Payment**"), being (i) the amount of \$3,458,240.74 on account of the Tranche 4 Payment (as defined in the Senior A Forbearance Agreement), plus (ii) \$60,000 towards the Forbearance Fees (as defined in the Senior A Forbearance Agreement) then due; and
 - (B) on or before April 30, 2023, the then outstanding balance of the Senior A Indebtedness in full (the "**Senior A Remaining Forbearance Payment**"),

(collectively, the "**Senior A Forbearance Payments**");
 - (2) the forbearance period (the "**Senior A Forbearance Period**") under the Senior A Forbearance Agreement will expire on April 30, 2023, or at such earlier time if any of the Senior A Forbearance Payments is not made when due, or if there is otherwise any other default under the terms of the Senior A Forbearance Agreement.

2.5 UB Project Indebtedness

Each of the Obligants hereby acknowledges to and agrees with the Lenders as follows:

- (a) The UB Borrowers are indebted to certain UB Project Lenders in respect of the UB Project Indebtedness pursuant to the terms of the UB Project Loan Agreement, which indebtedness is secured by (among other things) the UB Project Security charging the UB Property, and supported by an unlimited guarantee granted by the ITC Borrower (among others), as guarantor.
- (b) Pursuant to the UB Project Loan Agreement, the UB Borrowers must pay 100% of the UB Lot 2 Unit Net Sale Proceeds by wire transfer to the trust account of the Lenders' Solicitors to fund the UB Project Permitted Pay-Down Reserve, until the balance thereof is sufficient to repay in full Tranche 2A, Tranche 2B and Tranche 3A (including the initial aggregate

principal balance of \$7,600,000, plus the accrued and unpaid interest thereon) on account of the UB Indebtedness.

- (c) The total sum of the purchase price under the UB Lot 2 Unit Sale Agreements is not less than \$20,000,000, and the aggregate amount of the UB Lot 2 Unit Net Sale Proceeds is expected to be not less than \$19,000,000 (the "**UB Lot 2 Unit Net Sale Proceed Target Amount**").
- (d) Concurrent with entering into this Agreement, the UB Project Lenders, the ITC Borrower and the UB Borrowers (together with others) have agreed to enter into a forbearance agreement (the "**UB Project Loan Forbearance Agreement**") in respect of the Existing Default and the UB Project Indebtedness.
- (e) Pursuant to the UB Project Loan Forbearance Agreement (among other things):
 - (1) the forbearance period (the "**UB Project Loan Forbearance Period**") under the UB Project Loan Forbearance Agreement will expire on July 15, 2023, or such earlier date if there is any default under the terms of the UB Project Loan Forbearance Agreement.

2.6 Loan Documents

Each of the Obligants hereby agrees, ratifies, acknowledges and confirms to the Lenders that:

- (a) the term "Loan Agreement", as used in each of the Loan Documents, means the Existing Loan Agreement, as amended and supplemented by this Agreement, and as may be further amended, extended, supplemented, modified, renewed, replaced and restated from time to time;
- (b) this Agreement constitutes a "Loan Document";
- (c) each of the Security Documents previously granted by the Obligants prior to the Forbearance Effective Date pursuant to the Existing Loan Agreement, is held and will continue to be held by the Lenders as collateral security for all of the debts, liabilities and obligations, present and future, direct and indirect, of each of the Obligants to the Lenders pursuant to the Loan Agreement and the other Loan Documents;
- (d) each of the Obligants will continue to be bound by all of the terms, conditions, covenants and obligations applicable to such Obligant under or pursuant to this Agreement, the Loan Agreement and the other Loan Documents to the extent such Obligant is a party, and
- (e) each of the Obligants hereby ratifies, acknowledges and confirms all obligations, covenants, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement (as may be amended herein) and the other Loan Documents, all of which shall continue in full force and effect.

3. OBLIGANTS' COVENANTS

Each of the Obligants covenants and agrees with the Lenders as follows:

3.1 February 28, 2023

- (a) The Borrowers will make the Senior A 1st Forbearance Payment on or before February 28, 2023 in accordance with the terms of the Senior A Forbearance Agreement.

- (b) The Borrowers will pay to the Lenders, on or before February 28, 2023, the sum of \$6,481,759.26 (the "1st Forbearance Payment"), on account of the Loan Amount then owing.

Each of the parties hereto acknowledge and agree that:

- (1) Subject to paragraph (2) below, the 1st Forbearance Payment shall be allocated to Tranche 1, Tranche 3 and Tranche 4, exclusively, as follows:

- (A) to Tranche 1, \$3,399,403.65;
- (B) to Tranche 3, \$1,946,939.80;
- (C) to Tranche 4, \$1,135,415.81,

each such amount shall be applied to the outstanding balance of the Loan Amount owing under the applicable tranche then owing as at March 7, 2023, notwithstanding that the payment (or any part thereof) may have been received prior to that date;

- (2) the 1st Forbearance Payment may be made in one or more instalments, provided that:

- (A) unless the Lenders expressly agree otherwise, each such instalment must be by wire transfer to the Lenders' Solicitors, Norton Rose Fulbright Canada LLP, in trust;
- (B) each such instalment shall be held as reserve and (unless the Lenders in their sole discretion agree otherwise) shall only be credited or otherwise applied towards the then outstanding balance of the Loan Amount on the date when the full amount of the 1st Forbearance Payments is received;

- (3) for greater certainty, if the 1st Forbearance Payment is not made in full on or before February 28, 2023, then the Lenders may in their sole discretion (i) withdraw their permission to such partial prepayment or (ii) vary or impose other conditions for their permission to such partial prepayment.

(c) If:

- (1) there is no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise, would constitute an Event of Forbearance Default; and
- (2) the Lenders are satisfied that both (i) the Senior A 1st Forbearance Payment pursuant to the Senior A Forbearance Agreement as contemplated in Section 3.1(a) above, and (ii) the 1st Forbearance Payment pursuant to Section 3.1(b) above, have been made,

then the Lenders agree to partially discharge their mortgage and charge under the Security Documents from UB Lot 3 and ITC Bar.

3.2 April 30, 2023

The Borrowers will make the Senior A Remaining Forbearance Payment on or before April 30, 2023 in accordance with the terms of the Senior A Forbearance Agreement.

3.3 July 31, 2023

- (a) The Borrowers will pay to the Lenders, on or before July 31, 2023, \$30,000,000 (the "2nd Forbearance Payment"), on account of the Loan Amount then owing.

Each of the parties hereto acknowledge and agree that:

- (1) Subject to paragraph (2) below, the 2nd Forbearance Payment shall be allocated to each tranche of the Loan, as follows:
- (A) firstly, in payment of the outstanding interest and principal balance of Tranche 1, Tranche 3 and Tranche 4 then outstanding, pro rata, among all such tranches;
 - (B) secondly, in payment of the outstanding interest and principal balance of Tranche 2A, Tranche 2B and Tranche 5 then outstanding, pro rata, among all such tranches,
 - (C) thirdly, in payment of the outstanding interest and principal balance of Tranche 6; and
 - (D) lastly, in payment of the outstanding interest and principal balance of any other tranches of the Loan.

each such amount shall be applied to the outstanding balance of the Loan Amount owing under the applicable tranche then owing as at July 31, 2023 (or, subject to the conditions for effecting a prepayment under Section 3.6 below have been satisfied, an earlier date when the full amount of the 2nd Forbearance Payment is received), notwithstanding that the payment (or any part thereof) may have been received prior to that date;

- (2) The 2nd Forbearance Payment may be made in one or more instalments, provided that:
- (A) unless the Lenders expressly agree otherwise, each such instalment must be by wire transfer to the Lenders' Solicitors, Norton Rose Fulbright Canada LLP, in trust; and
 - (B) each such instalment shall be held as reserve and (unless the Lenders in their sole discretion agree otherwise) shall only be credited or otherwise applied towards the then outstanding balance of the Loan Amount on the date when the full amount of the 2nd Forbearance Payment is received;
- (3) the remaining outstanding balance of the Loan Amount then owing, after taking into account the reduction as a result of the 2nd Forbearance Agreement may be refinanced by a further term loan as contemplated in Section 8.2 below; and
- (4) for greater certainty, if the 2nd Forbearance Payment is not made in full on or before July 31, 2023, then the Lenders may in their sole discretion (i) withdraw their permission to such partial prepayment or (ii) vary or impose other conditions for their permission to such partial prepayment.

3.4 During Forbearance Period

During the Forbearance Period, interest shall accrue on the daily outstanding balance of each of Tranche 2A, Tranche 2B, Tranche 5 and Tranche 6 as follows:

- (a) from March 7, 2023 up to and including July 31, 2023, 15% per annum, PLUS the then applicable Rate Premium; and
- (b) from August 1, 2023, 30% per annum.

To the extent that the applicable Interest Reserves for Tranche 2A, Tranche 2B, Tranche 5 and Tranche 6 have been exhausted, on each Payment Date, the interest then due pursuant to the foregoing shall be added to the outstanding principal balance of the applicable tranche of the Loan, and the amount so added shall accrue interest at the same rate and in the same manner as on the rest of that tranche of the Loan from the day immediately after the applicable Payment Date in accordance with the terms hereof.

Provided that the Forbearance Period has not expired or otherwise been terminated, the interest amount calculated and capitalized in accordance with the foregoing terms under this Section 3.4 shall be in substitution for (and not in addition to) the interest on the Loan calculated and payable in accordance with Section 2.4 of the Loan Agreement.

For greater certainty, interest shall continue to accrue on the daily outstanding balance of each of Tranche 1, Tranche 3 and Tranche 4 at 30% per annum, during the Forbearance Period.

3.5 Forbearance End Date

In addition to the 1st Forbearance Payment and the 2nd Forbearance Payment (which shall be paid in full in accordance with Sections 3.1(b) and 3.3(a)), the Borrower will pay to the Lenders:

- (a) if no Event of Forbearance Default has occurred, the Loan Amount then owing on the Forbearance End Date in full (which repayment shall be funded by the refinancing as contemplated in Section 8.2 below); and
- (b) if an Event of Forbearance Default has occurred and the Forbearance Period expires as a result pursuant to Section 10.2:
 - (1) the Loan Amount then owing in full on the date on which the Forbearance Period expires; and
 - (2) the amount of interest that would have accrued on the Loan at the prevailing interest rate then applicable for the period from and including the date on which date on which the Forbearance Period expires, up to and including the Forbearance End Date.

3.6 Prepayment

During the Forbearance Period, the Borrowers may prepay:

- (a) the 2nd Forbearance Payment; or
- (b) the entire Loan Amount then owing,

in each case, in full but not in part, at any time, provided that the Borrowers have provided to the Lenders not less than 60 days' prior written notice of its intention to make a prepayment (the "**Prepayment Notice**")

and the notice shall set out the proposed date of prepayment (the "**Proposed Prepayment Date**") and the amount to be prepaid.

The Borrowers agree and acknowledge that:

- (c) each Prepayment Notice, once delivered to the Lenders, is irrevocable;
- (d) the Lenders are entitled to, and will, rely on the Prepayment Notice, including, without limitation, in managing the Loan and all other loans (whether committed or proposed but not yet committed) within their respective portfolios;
- (e) the Lenders may suffer losses (including, without limitation, loss of alternate investment opportunities, loss of profits, increased cost of funds) if the Borrowers do not complete the prepayment in accordance with the Prepayment Notice;
- (f) without limiting the generality of Section 12 under the Loan Agreement, the Borrowers agree to indemnify the Lenders and hold the Lenders harmless against any losses, claims, costs, damages or liabilities incurred or suffered by the Lenders as a result of or in connection with each Prepayment Notice; and
- (g) if the Borrowers do not complete the prepayment in accordance with the Prepayment Notice within 5 days after the Proposed Prepayment Date, they will, at the request of the Lenders in their sole discretion, pay to or to the order of the Lenders an additional administrative fee in the amount equal to 2% of the proposed prepayment amount.

3.7 Redemption Period

The Borrowers and the other Obligants will irrevocably consent to an order nisi, stipulating a shortened redemption period of 60 days in any foreclosure proceedings brought by the Lenders in respect of the Property charged by the mortgages granted pursuant to the Loan Agreement or any other Security Document and an order for conduct of sale in favour of the Lenders effective from the end of the redemption period, such consent order otherwise in form and content acceptable to the Lenders in all other respects. The Borrowers and the other Obligants hereby agree to cooperate with the Lenders in their efforts to achieve a timely sale of the Property (or any part thereof) in any foreclosure proceedings.

4. LENDERS' FORBEARANCE

Subject to Section 9 below, and provided that there is no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise, would constitute an Event of Forbearance Default, the Lenders hereby agree with the Borrowers and the other Obligants as follows:

- (a) the Lenders waive and forgive the difference between the interest that would have accrued on Tranche 2A, Tranche 2B, Tranche 5, Tranche 6 pursuant to Section 2.4 of the Loan Agreement and the interest calculated pursuant to Section 3.4 above, during the Forbearance Period; and
- (b) the Lenders forbear from making demand on the Loan and enforcing their security under the Security Documents, until the Forbearance Period has expired.

5. REPRESENTATIONS AND WARRANTIES

5.1 General Representations

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lenders:

- (a) The UB Nominee, a company incorporated in Yukon with the original name "34083 Yukon Inc.", was continued into British Columbia on March 22, 2023 as a company with the name Kensington Union Bay Properties Nominee Ltd.
- (b) Except as set out in Section 2 above, each of the representations and warranties in Section 5 of the Existing Loan Agreement are true, accurate and complete in all respects on and as of the date hereof and the Forbearance Effective Date, with the same effect as if such representations and warranties had been made on and as of the date hereof and the Forbearance Effective Date (except for those representations and warranties which speak solely as of an earlier date, in which event those representations and warranties must be true, accurate and complete in all respects as of such earlier date);
- (c) the borrowing of the Loan (as amended herein) or the provision of financial assistance (as applicable) by each Obligor and the provision of security therefor, as contemplated by this Agreement and the other Loan Documents to which that Obligor is party, and the execution, delivery and performance by that Obligor of this Agreement and the other Loan Documents:
- (1) have been duly authorized by all necessary proceedings of that Obligor (to the extent it is a corporation or a limited partnership);
 - (2) do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) the constating documents of that Obligor (to the extent it is a corporation or a limited partnership);
 - (B) any law applicable to or binding on or affecting that Obligor or its assets;
 - (C) the Senior A Indebtedness or any Senior A Security;
 - (D) the UB Project Indebtedness or any UB Project Security;
 - (E) the UB-GF Indebtedness or any UB-GF Security; or the UB-VTB Indebtedness or any UB-VTB Security;
 - (F) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security; the SpaV-BDC Indebtedness or any Spa-BDC Security; the SpaV-Jin Indebtedness or any Spa-Jin Security; the SpaV-Kingdom Indebtedness or any Spa-Kingdom Security; or
 - (G) the Hotel Property Beneficial Transfer Agreement; or
 - (H) any agreement or other document to which that Obligor is a party
- and
- (3) do not and will not, result in, or require or permit:
 - (A) the imposition of any encumbrances on or with respect to the Property or any other properties now owned by that Obligor; or
 - (B) the acceleration of the maturity of the Senior A Indebtedness, the UB Project Indebtedness, the UB-GF Indebtedness, the UB-VTB Indebtedness, the Residence-SL128-Morteq Indebtedness, the SpaV-

BDC Indebtedness, the SpaV-Jin Indebtedness, the SpaV-Kingdom Indebtedness or any other debts owing by that Obligor;

- (d) each of the Obligor has obtained all consents, authorizations and approvals required to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement and the other Loan Documents;
- (e) no consent or approval is required from the Hotel Property HoldCo or other entities that are parties to, or have a direct or indirect interest in, the Hotel Property HoldCo or otherwise in relation to the Hotel Property Beneficial Transfer in order for the Borrowers and any other Obligors to enter into and perform its obligations under this Agreement and the other Loan Documents; and
- (f) all information, documents, reports, certificates and records provided by or on behalf of the Obligors to the Lenders in relation to this Agreement or otherwise in connection with the Loan are accurate and complete in all material respects, and do not omit any material fact that would make the content thereof misleading

6. AMENDMENT

Subject to Section 9 below, the Existing Loan Agreement is amended, with effect as of the Forbearance Effective Date, as follows:

- (a) Section 1 of the Existing Loan Agreement is amended by deleting the definitions of "Existing Loan Agreement" and "UB Project Permitted Pay-Down Reserve" and adding the following definitions :

(eeee) "**Existing Loan Agreement**" means the Senior B Loan Agreement dated for reference June 14, 2021 among Lender A, the Borrowers and the Guarantors, as amended by the First Amending Agreement dated for reference March 7, 2022 and the Second Amending Agreement dated for reference September 7, 2022, among the same parties and Lender B.

(tttt) "**UB Project Permitted Pay-Down Reserve**" means the reserve for repayment in full of the outstanding balance of Tranche 1, Tranche 3 and Tranche 4 of the UB Project Indebtedness, to be funded out of the UB Lot 2 Unit Net Sale Proceeds and held in the trust account of the solicitors of the UB Project Lenders, pursuant to the terms of the UB Project Loan Agreement.

(hhhhh) "**Forbearance Agreement**" means the Forbearance and Third Amending Agreement dated for reference February 28, 2023 among the Lenders, the Borrowers and the Guarantors in respect of the Loan.

(iiii) "**Forbearance Effective Date**" means March 7, 2023.

(iiii) "**Tranche**" means each tranche of the Loan made available to the Borrowers pursuant to Section 2.1.

- (b) Sections 2.1 the Existing Loan Agreement is amended by adding the following at the end of that section:

(2.1 Term Loan)

Subject to the terms of this Agreement, the Lenders agree to make available to the Borrowers the following additional tranches of the Loan as follows:

- (h) a tranche ("**Tranche 7**") made available by Lender A in the principal amount of up to \$940,000;
- (i) a tranche ("**Tranche 8**") made available by Lender A in the principal amount of up to \$450,000;
- (j) a tranche ("**Tranche 9**") made available by the Lenders in the principal amount of up to \$14,200,000, PLUS the amount of Tranche 9 Interest Reserve as may be determined by the Lenders pursuant to Section 2.5 below.

Tranche 7 will be (and deemed to be) funded on the Forbearance Effective Date.

Tranche 8 will be (and deemed to be) funded on April 14, 2023.

Subject to the conditions to the advance having been satisfied (or waived by the Lenders in their sole discretion) as provided under Section 8.2 of the Forbearance Agreement, Tranche 9 will be funded on July 31, 2023.

- (c) Section 2.2 of the Existing Loan Agreement is amended by adding the following at the end of that section:

(2.2 Proposes)

Tranche 7 shall be used for the following purpose:

- (q) finance certain fees in connection with the forbearance in respect of the Senior A Indebtedness, and
- (r) finance certain fees and charges in connection with the amendment and forbearance under this Agreement.

Tranche 8 shall be used for the following purpose:

- (s) finance certain fees in connection with the forbearance in respect of the UB Project Indebtedness.

Tranche 9 shall be used for the following purpose:

- (t) refinance the outstanding balance of the Loan owing to the applicable Lenders as at July 31, 2023;
- (u) fund the Interest Reserve for Tranche 9; and
- (v) pay all fees, legal and other costs incurred by the Lenders in connection with Tranche 9 and the Loan.

- (d) Section 2.3 of the Existing Loan Agreement is amended by adding the following at the end of that section:

(2.3 Term)

In addition to the foregoing:

- (a) *Tranche 7 will end on August 7, 2023 (unless extended to a later date pursuant to Section 8.2 of the Forbearance Agreement);*
- (b) *Tranche 8 will end on August 7, 2023 (unless extended to a later date pursuant to Section 8.2 of the Forbearance Agreement);*
- (c) *Tranche 9 will end on August 7, 2024*

The applicable end date of each Tranche is known as the "Maturity Date".

- (e) Section 2.4 of the Existing Loan Agreement is amended by adding the following at the end of that section:

(2.4 Interest)

In addition, interest shall accrue on the daily outstanding balance of the following tranches of the Loan at such per annum rates during such period as follows:

- (f) *in respect of Tranche 7:*
 - (1) *from March 7, 2023 up to and including July 31, 2023, 15% per annum, PLUS the then applicable Rate Premium; and*
 - (2) *from August 1, 2023, 30% per annum,*
- (g) *in respect of Tranche 8:*
 - (1) *from April 14, 2023, 15% per annum, PLUS the then applicable Rate Premium; and*
 - (2) *from August 1, 2023, 30% per annum,*
- (h) *in respect of Tranche 9:*
 - (1) *from August 1, 2023, 15% per annum, PLUS the then applicable Rate Premium; and*
 - (2) *from August 1, 2024, 30% per annum,*

in all cases, calculated daily and compounded monthly, not in advance, from the applicable date on which such tranche is advanced, until and including the date when the Loan Amount in respect of each such tranche is paid in full, both before and after default, demand, maturity and judgment. Interest shall accrue on overdue interest at the same rate and in the same manner.

For greater certainty:

- (d) *in respect of Tranche 7, interest shall accrue thereon as of March 7, 2023 pursuant to the terms hereof; and*
- (e) *in respect of Tranche 8, interest shall accrue thereon as of April 14, 2023 pursuant to the terms hereof.*

- (f) Section 2.5 of the Existing Loan Agreement is amended by adding immediately after its paragraph (g) the following as its paragraph (h).

(2.5 Interest Reserve)

(h) for Tranche 9, in the amount equal to the interest that will accrue on the entire principal amount of Tranche 9 actually advanced, for the period commencing on July 31, 2023 and up to and including July 31, 2024 (the "**Tranche 9 Interest Reserve**"), at the applicable interest rate at the time of the advance.

(g) Section 2.7(a) is deleted and replaced with the following:

(a) **Application of Payments.** Payments made on account of the Loan Amount will be applied when received in the following order:

- (1) firstly, in payment of outstanding fees and costs pursuant hereto or to other Loan Documents which have accrued to the date such payment is received;
- (2) secondly, in payment of outstanding interest and principal balance of Tranche 1, Tranche 3 and Tranche 4 then owing, pro rata, among all such tranches;
- (3) thirdly, in payment of outstanding interest and principal balance of Tranche 2A, Tranche 2B and Tranche 5 then owing, pro rata, among all such tranches;
- (4) fourthly, in payment of outstanding interest and principal balance of Tranche 6 then owing;
- (5) fifthly, in payment of the outstanding interest and principal balance of Tranche 7 then owing; and
- (6) sixthly, in payment of the outstanding interest and principal balance of Tranche 8 then owing; and
- (7) lastly, in payment of the outstanding interest and principal balance of Tranche 9 then owing.

Notwithstanding the foregoing, if there is an Event of Default and the Lenders have issued to the Borrowers a demand for the repayment pursuant to Section 8, then any payment received by any of the Lenders on account of the Loan Amount will be applied when received in the following order:

- (8) firstly, in payment of outstanding fees and costs pursuant hereto or to other Loan Documents which have accrued to the date such payment is received;
- (9) secondly, in payment of outstanding interest and principal balance of Tranche 1, Tranche 2A, Tranche 2B, Tranche 3 and Tranche 4 then owing, pro rata, among all such tranches;
- (10) thirdly, in payment of outstanding interest and principal balance of Tranche 5 then owing;
- (11) fourthly, in payment of outstanding interest and principal balance of Tranche 6 then owing;
- (12) fifthly, in payment of the outstanding interest and principal balance of Tranche 7 then owing;

- (13) *sixthly, in payment of the outstanding interest and principal balance of Tranche 8 then owing;*
- (14) *lastly, in payment of the outstanding interest and principal balance of Tranche 9 then owing,*
- or otherwise in such order and in such manner as the Lenders, in their sole discretion, may unanimously determine.*

- (h) Section 2.8 of the Existing Loan Agreement is amended by adding immediately following at the end of that section.

(2.8 Processing Fee)

*The Borrowers shall pay to Lender A, in respect of Tranche 9, a processing fee (the "**Tranche 9 Processing Fee**") in the sum of \$330,000.*

The Tranche 9 Processing Fee is non-refundable and will be earned by Lender A upon the issuance of the Forbearance Agreement to the Borrowers, and due to Lender A on the earlier of (i) the date on which Tranche 9 is advanced, or (ii) July 31, 2023, and such fee will be deemed to be paid out of the proceeds of Tranche 9 on such earlier date.

For greater certainty, the Tranche 9 Processing Fee is earned and payable as provided above in this Section 2.8, even if any of the conditions to the advance under Tranche 9 is not satisfied (or waived by the applicable Lender) and Tranche 9 is not advanced, or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder.

- (i) Section 2.9 of the Existing Loan Agreement is amended by adding immediately following at the end of that section.

(2.9 Commitment Expiry; Commitment Compensation)

Tranche 9 will be cancelled and the Lenders will not be obligated to advance under that tranche of the Loan, if, unless the Lenders in their sole decision agree otherwise, that tranche has not been advanced to the Borrowers by August 1, 2023.

- (j) Section 3.2 and 3.3 of the Existing Loan Agreement is amended by replacing them entirely with the following.

3.2 UB Lot 2 Units – Repayment Reserve; Partial Discharges

Upon the completion of the sale of a UB Lot 2 Unit pursuant to the applicable UB Lot 2 Unit Sale Agreement:

- (a) *the UB Owner shall deliver to the Lenders a signed copy of the vendor's final statements of adjustments relating to that sale;*
- (b) *subject to the UB Owner having funded the UB Project Permitted Pay-Down Reserve, the UB Owner shall promptly pay 100% of the UB Lot 2 Unit Net Sale Proceeds by wire transfer to the trust account of the Lenders' Solicitors, to be held as Repayment Reserve in accordance with Section 3.5; and*
- (c) *provided that there is no Event of Default and no outstanding event which, with the passing of time, the giving of notice or otherwise, would constitute an Event of Default, the Lenders will execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of the UB Mortgage (as defined in Section 4.1(c) below) and other applicable Security Documents with respect to that UB Lot 2 Unit, subject to the Lenders' Solicitors confirming to the Lenders of their receipt of the amount payable pursuant to Section 3.2(b) above.*

3.3 UB Lot 2 Units – Additional Partial Discharges

Provided that all of the following conditions have been satisfied:

- (a) *the aggregate amount of the UB Lot 2 Unit Net Sale Proceeds paid to the Lenders' Solicitors, in trust, to fund (i) the UB Project Permitted Pay-Down Reserve pursuant to the terms of the UB Project Loan Agreement, and (ii) the Repayment Reserve under this Agreement, has exceeded \$19,000,000; and*
- (b) *there is no Event of Default and no outstanding event which, with the passing of time, the giving of notice or otherwise, would constitute an Event of Default,*

then, upon request of the Borrowers, the Lender will execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of the UB Mortgage and the other applicable Security Documents with respect to all UB Lot 2 Units (to the extent they have not been discharged pursuant to Section 3.2(c) above).

- (a) Section 3.5 of the Existing Loan Agreement is amended by replacing the portion of that section up to the end of its paragraph (b) with the following.

3.5 Repayment Reserve

*To facilitate the repayment in full of the Loan Amount on their applicable Maturity Dates and otherwise in accordance with the terms hereof, the Borrowers will establish a reserve (the "**Repayment Reserve**"), which shall be held in the trust account of the Lenders' Solicitors and funded by the UB Lot 2 Unit Net Sale Proceeds and the UB Lot 3 Net Sale Proceeds which, in both cases, are paid to the Lenders' Solicitors from time to time in accordance with Section 3.2(b) and Section 3.4(b) above.*

The balance of the Repayment Reserve shall be applied as follows:

- (a) *Subject to the Lenders confirming to the Borrowers and the Lenders' Solicitors that there are sufficient funds in the Repayment Reserve to effect the repayment in full of Tranche 1, Tranche 3 and Tranche 4 in accordance with the terms of this Agreement, the funds so held in the Repayment Reserve shall be withdrawn and paid to the Lenders to repay those Tranches then owing pursuant to the terms of this Agreement and the Forbearance Agreement accordingly, which withdrawal is hereby irrevocably authorized and directed by the Borrowers; and*
- (b) *If Tranche 1, Tranche 3 and Tranche 4 have been repaid in full, then the funds held in the Repayment Reserve shall be withdrawn and paid to the Lenders to repay the other tranches of the Loan then owing pursuant to the terms of this Agreement and the Forbearance Agreement accordingly, which withdrawal is hereby irrevocably authorized and directed by the Borrowers.*

- (b) Section 6 of the Existing Loan Agreement is amended by adding immediately after its Section 6.3 with the following as the new Section 6.4.

6.4 Tranche 9

Notwithstanding any other provisions of this Agreement, in addition to the conditions set out in Section 6.1 above, the applicable Lenders shall not be obligated to advance under Tranche 9, unless and until the following conditions have been satisfied to the satisfaction of the Lenders (or waived by them in their sole discretion):

- (a) *Lender A shall have received and reviewed to its satisfaction the following:*
- (1) *the 1st Forbearance Payment and the 2nd Forbearance Payment (as both terms are defined in the Forbearance Agreement) have been made in full pursuant to the terms of the Forbearance Agreement;*
 - (2) *the Senior A Indebtedness has been repaid in full; and*
 - (3) *the Loan Amount owing on account of Tranche 1, Tranche 3 and Tranche 4 have been repaid in full;*
- (b) *title searches for the Property (as at the date of such advance), satisfactory to the Lenders, evidencing that no encumbrances are registered against the Property, except for Permitted Encumbrances; and*
- (c) *there must be no outstanding Event of Default or Event of Forbearance Default (as defined in the Forbearance Agreement) and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Default or an Event of Forbearance Default.*

7. FORBEARANCE FEE AND OTHER CHARGE

The Borrowers shall pay to Lender A in respect of this Agreement as follows:

- (a) a fee in the amount of \$699,000.00 (the "**Forbearance Fee**"); and
- (b) to compensate Lender A's time and enhanced efforts in monitoring the progress of the development on the UB Property, a charge in the amount of \$131,000 (the "**Development Monitoring Charge**").

Each of the Forbearance Fee and the Development Monitoring Charge is non-refundable and will be earned by Lender A upon issuance to the Borrowers of this Agreement, and, subject to Section 9 below, each such amount is deemed to be paid out of the proceeds of Tranche 7 on the Forbearance Effective Date.

For greater certainty, each of the Forbearance Fee and the Development Monitoring Charge is earned and payable as provided above in this Section 7, even if any of the conditions set out in Section 9 is not satisfied (or waived by the Lenders), or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder.

8. REFINANCING

8.1 Partial Discharge

So long there is no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise, would constitute an Event of Forbearance Default, and the following conditions have been satisfied on or before the Forbearance End Date:

- (a) the 1st Forbearance Payment and the 2nd Forbearance Payment have been made in full;
- (b) the Senior A Indebtedness has been repaid in full;
- (c) the Loan Amount owing on account of Tranche 1, Tranche 3 and Tranche 4 have been repaid in full;
- (d) the outstanding balance owing under Tranche 2A, Tranche 2B and Tranche 3A under the UB Project Indebtedness have been repaid in full; and
- (e) the aggregate amount of the UB Lot 2 Unit Net Sale Proceeds from the sales of all UB Lot 2 Units pursuant to all subsisting UB Lot 2 Unit Sale Agreements, which have been paid to the Lenders' Solicitors, Norton Rose Fulbright Canada LLP, in trust, pursuant to the terms of the UB Project Loan Agreement and the Loan Agreement (as amended pursuant to Section 6 above), is not less than the UB Lot 2 Unit Net Sale Proceed Target Amount;

then the Lenders agree to partially discharge their mortgage and charge under the Security Documents from the Hotel Property and UB Lot 2 Units (to the extent not previously discharged).

8.2 Extension of Tranche 7 and 8; Refinancing by Tranche 9

So long there is no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise, would constitute an Event of Forbearance Default, and the following conditions have been satisfied on or before the Forbearance End Date:

- (a) the 1st Forbearance Payment and the 2nd Forbearance Payment have been made in full;
- (b) the Senior A Indebtedness has been repaid in full;
- (c) the Loan Amount owing on account of Tranche 1, Tranche 3 and Tranche 4 have been repaid in full,

the Lenders hereby agree to:

- (d) extend the Maturity Date of Tranche 7 and Tranche 8 to August 7, 2024, and adjust the applicable interest rate for those tranches accordingly; and

- (e) refinance all of the then outstanding balance of Tranche 2A, Tranche 2B, Tranche 5 and Tranche 6 of the Loan with a single advance under Tranche 9 (as established pursuant to the amendment under Section 6 above).

The Lenders and the Borrowers will enter into an amendment and restatement of the Loan Agreement to better reflect the intention and give effect to the foregoing, on substantially the same terms as the Loan Agreement.

9. CONDITIONS PRECEDENT

Notwithstanding any other provisions of this Agreement, the forbearance of the Lenders' pursuant to Section 4 above and the amendment to the Existing Loan Agreement pursuant to Section 6 above shall not become effective unless and until the following conditions have been satisfied to the satisfaction of the Lenders (or waived by the Lenders in their sole discretion):

- (a) the Lenders shall have received the following documents, each in form and substance to their satisfaction:
 - (1) this Agreement, duly executed by the Obligants;
 - (2) the Senior A Forbearance Agreement, duly executed by the Obligants which are parties thereto; and
 - (3) the UB Project Loan Forbearance Agreement, duly executed by the Obligants which are parties thereto; and
- (b) there must be no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Forbearance Default.

10. EVENTS OF FORBEARANCE DEFAULT

10.1 Events

Each of the following constitutes an Event of Forbearance Default:

- (a) if at any time there is a default or a breach by an Obligant of any covenant, agreement, term, condition, stipulation or proviso contained in this Agreement;
- (b) if an Event of Default (other than the Existing Default or any other such Event of Default expressly waived or forborne under this Agreement) has occurred under the Loan Agreement or any other Loan Document;
- (c) if the Borrowers have delivered a Prepayment Notice pursuant to Section 3.6 above, and fails to complete the requested prepayment within the time period provided under Section 3.6(g);
- (d) if the Lenders, in their sole discretion, believe that (i) the Hotel Property Beneficial Transfer has been fully consummated, or (ii) the ITC Borrower no longer has the sole control to the Hotel Property, or (iii) there is any change in the ownership or management of any Borrower, any of the other Obligants, the Hotel Property or any other Property (or any part thereof) that could have a material adverse effect on the validity and enforceability of the Loan Agreement, the Security Documents, the Lenders' rights, benefits and remedies thereunder, or the validity or priority of the Lenders' security interests created thereunder;

- (e) if a default has occurred under the Senior A Loan Agreement or otherwise in respect of the Senior A Indebtedness (except as to default specifically waived or forborne under the Senior A Forbearance Agreement), or if the Senior A Indebtedness has not otherwise been repaid in full on or before April 30, 2023;
- (f) if a default has occurred under the UB Project Loan Agreement or otherwise in respect of the UB Project Indebtedness (except as to default specifically waived or forborne under the UB Project Loan Forbearance Agreement);
- (g) if the Senior A 1st Forbearance Payment is not paid when due, or if there is a default or a breach by an Obligant of any covenant, agreement, term, condition, stipulation or proviso contained in the Senior A Forbearance Agreement, or if the Senior A Forbearance Period has expired or otherwise been terminated in accordance with the terms of the Senior A Forbearance Agreement; or
- (h) if there is a default or a breach by an Obligant of any covenant, agreement, term, condition, stipulation or proviso contained in the UB Project Loan Forbearance Agreement, or if the UB Project Loan Forbearance Period has expired or otherwise been terminated in accordance with the terms of the UB Project Loan Forbearance Agreement.

10.2 Remedies

Upon the occurrence of an Event of Forbearance Default, the Forbearance Period will automatically expire and come to an end (unless expressly waived by the Lenders in their sole discretion), and the Lenders may in their sole discretion exercise any and all of the rights, remedies and powers under the Loan Agreement, the Security Documents, the Loan Documents and this Agreement.

For greater certainty, upon the expiry of the Forbearance Period, interest on Tranche 1, Tranche 3 and Tranche 4 shall resume to be calculated and payable in accordance with Section 2.4 of the Loan Agreement.

It shall constitute an Event of Default under the Loan Agreement, the Security Documents and the other Loan Documents if an Event of Forbearance Default has occurred.

11. GENERAL

11.1 Amendment

This Agreement shall be read and construed along with the Existing Loan Agreement and be treated as a part thereof and, for such purposes and so far as may be necessary to effectuate these presents, the Existing Loan Agreement shall be regarded as being hereby amended (subject to Section 9 above), and the Existing Loan Agreement as so amended together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement shall continue in full force and effect.

11.2 Expenses

The Borrowers shall pay on demand all costs and expenses incurred by or on behalf of the Lenders in carrying out or attempting to carry out the transaction(s) contemplated under this Agreement or in implementing or enforcing the terms of this Agreement.

11.3 Payments

All payments to be made by or on behalf of the Borrowers pursuant to this Agreement shall be made by wire transfer to Norton Rose Fulbright Canada LLP, in trust. Any payment received after 12 p.m. (Vancouver, B.C. local time) on any Business Day will be deemed to be received on the next Business Day.

11.4 Successors and Assigns

This Agreement and the Loan Agreement shall enure to the benefit of and be binding on each of the parties hereto and their respective personal representatives, successors and permitted assigns.

11.5 Applicable Law

This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

11.6 Counterparts

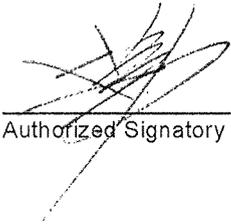
This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument, and all such counterparts may be delivered by way of facsimile transmission or in PDF by e-mail to the other party.

[Signature Pages Follow.]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: 

Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

[Obligants' Signature Page Follows]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per: 
Authorized Signatories for and on the
behalf of Standard Nominees Limited and
Director Services (B.V.I.) Limited

Per: 
Authorized Signatories for and on the
behalf of Standard Nominees Limited and
Director Services (B.V.I.) Limited

[Obligants' Signature Page Follows]

Borrowers:

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, by its general partner, **KENSINGTON UNION BAY PROPERTIES GP LTD.**

Per: 
Mo Yeung Ching
Authorized Signatory

KENSINGTON UNION BAY PROPERTIES GP LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (formerly known as 34083 YUKON INC.)

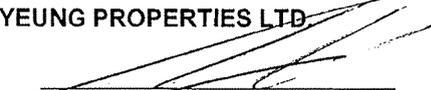
Per: 
Mo Yeung Ching
Authorized Signatory

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

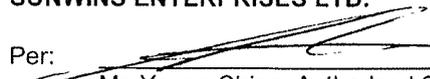
Per: 
Mo Yeung Ching
Authorized Signatory

Guarantors:

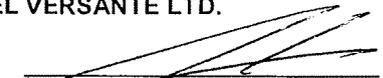
MO YEUNG PROPERTIES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

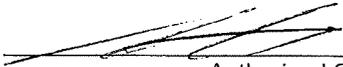
SUNWINS ENTERPRISES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

HOTEL VERSANTE LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SFT DIGITAL HOLDINGS 30 LTD.

Per: 
_____, Authorized Signatory

SIGNED, SEALED AND DELIVERED:)


_____)
Signature of Witness)
Shi Wei)
Name of Witness)
1205-8400 West Rd.)
Address)
Accountant)
Occupation)

 (seal)
_____)
MO YEUNG CHING (also known as
MICHAEL CHING)

EXHIBIT K

This is **Exhibit "K"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

**FORBEARANCE EXTENSION AGREEMENT
(SENIOR B LOAN)**

THIS AGREEMENT dated for reference July 30, 2023

AMONG:

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD., (formerly known as **34083 YUKON INC.**),
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, and
KENSINGTON UNION BAY PROPERTIES GP LTD.

(collectively, "**UB Borrowers**")

AND

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

("ITC Borrower"; together with UB Borrowers, collectively, the "**Borrowers**")

AND

HOTEL VERSANTE LTD.
AND
SUNWINS ENTERPRISE LTD.
AND
MO YEUNG PROPERTIES LTD.
AND
MO YEUNG CHING

(collectively, the "**Initial Guarantors**")

AND

SFT DIGITAL HOLDINGS 30 LTD. ("**SFT 30**" or the "**Additional Guarantor**"; together with the Initial Guarantors, collectively, the "**Guarantors**")

AND:

FOX ISLAND DEVELOPMENT LTD. ("**Lender A**")
AND
ADVANCED VENTURE HOLDING CO., LTD. ("**Lender B**")

(collectively, the "**Lenders**")

WHEREAS:

- (A) The Borrowers, the Initial Guarantors and the Lenders entered into the Senior B Loan Agreement dated for reference June 14, 2021, as amended by the First Amending Agreement dated for reference March 7, 2022, whereby (among other things) the Lenders agreed to provide a term loan in the aggregate principal amount of not more than CAD\$39,000,000 to the Borrower;
- (B) The ITC Borrower has entered into an agreement to transfer its beneficial interest in all or part of the Hotel Property to a separate entity (the "**Hotel Property Holdco**"; such agreement, the "**Hotel**

Property Beneficial Transfer Agreement”), which transfer (the “**Hotel Property Beneficial Transfer**”) constitutes a material change in the ownership of the Hotel Property and requires the Lenders’ approval;

- (C) The Lenders have not issued any approval for the Hotel Property Beneficial Transfer, nor have they approved the ITC Borrower’s entry into the Hotel Property Beneficial Transfer Agreement in relation to such transfer;
- (D) The Lenders agreed to (among other things) refrain from exercising their rights under the Existing Loan Agreement and the other Loan Documents in relation to the Hotel Property Beneficial Transfer during a period of forbearance up to March 7, 2023, pursuant to the terms and conditions set forth in the Second Amending Agreement dated for reference September 7, 2022 (the “**Second Amending Agreement**”), among the Borrowers, the Guarantors and the Lenders;
- (E) The Lenders subsequently agreed to (among other things) extend the period of forbearance to July 31, 2023 and to continue to refrain from exercising their rights under the Existing Loan Agreement and the Loan Documents in relation to the Hotel Property Beneficial Transfer during the extended period of forbearance, to accept the 1st Forbearance Payment (as defined therein) as partial payments under Tranches 1, 3 and 4 of the Loan and to further amend the Existing Loan Agreement, pursuant to the terms and conditions set forth in the Forbearance and Third Amending Agreement dated for reference February 28, 2023 (the “**Previous Forbearance Agreement**”) among the Borrowers, the Guarantors and the Lenders;
- (F) The 1st Forbearance Payment was paid in full on March 29, 2023;
- (G) Concurrent with the parties entering into the Previous Forbearance Agreement, the Senior A Lenders, the ITC Borrower and the UB Borrowers (together with others) entered into a forbearance agreement dated for reference February 28, 2023 (the “**Previous Senior A Forbearance Agreement**”) in respect of the Senior A Indebtedness;
- (H) Under the Previous Forbearance Agreement and with reference to the Previous Senior A Forbearance Agreement, the ITC Borrower is required to make the Senior A 1st Forbearance Payment (as defined in the Previous Forbearance Agreement) on or before February 28, 2023 and the Senior A Remaining Forbearance Payment (as defined in the Previous Forbearance Agreement) on or before April 30, 2023, and thereby repay the Senior A Indebtedness in full;
- (I) The Senior A 1st Forbearance Payment was made and accepted by the Senior A Lenders; however, except for the sum in the aggregate amount of \$3,000,000 (the “**\$3MM Partial Payment**”), which is being held in trust by the Lenders’ Solicitors, the Senior A Remaining Forbearance Payment was not made when due (the “**Existing Senior A Forbearance Default**”);
- (J) The Senior A Lenders issued to ITC Borrower (as borrower under the Senior A Indebtedness) and the UB Borrowers and certain other persons (as guarantors under the Senior A Indebtedness), respectively, demand letters (the “**Senior A Demand Letters**”) and Section 244 Notices (the “**Senior A Section 244 Notices**”), on May 1, 2023, to demand the repayment of the Senior A Indebtedness in full;
- (K) As a result of the Existing Senior A Forbearance Default, an “Event of Forbearance Default” occurred under the Previous Forbearance Agreement (the “**Existing Forbearance Default**”) such that the forbearance period thereunder expired on April 30, 2023, and Tranche 9 under the Existing Loan Agreement is no longer available to be drawn;
- (L) The Lenders issued to the Borrowers and the Guarantors, respectively, demand letters (the “**Existing Demand Letters**”) and Section 244 Notices (the “**Existing Section 244 Notices**”), on May 25, 2023, to demand the repayment of the Loan Amount in full;

- (M) Concurrent with entering into the Previous Forbearance Agreement, the UB Project Lenders, the UB Borrowers (as borrowers under the UB Project Indebtedness) and the ITC Borrower and certain other persons (as guarantors under the UB Project Indebtedness) entered into a forbearance agreement dated for reference April 14, 2023 (the "**Previous UB Project Loan Forbearance Agreement**") in respect of the UB Project Indebtedness;
- (N) As a result of the expiry of the forbearance period under the Previous Forbearance Agreement (as described in Recital (K) above), an "Event of Forbearance Default" occurred under the Previous UB Project Loan Forbearance Agreement (the "**Existing UB Project Loan Forbearance Default**"), and the forbearance period thereunder also expired on April 30, 2023;
- (O) As of the date of this Agreement, each of (i) the Loan Amount under the Existing Agreement, (ii) the Senior A Indebtedness, and (iii) the UB Project Loan Indebtedness, remains unpaid and owing to their respective lenders;
- (P) The Borrowers have informed the Lenders that the Borrowers have been seeking and negotiating with various third parties for certain refinancing and sale proposals in respect of the Hotel Property and the UB Property, including the following:
- (a) A refinancing of UB Lot 2 (the "**New UB Lot 2 Financing**") to be provided by one or more lenders, which is expected to complete on or before August 30, 2023, yielding net loan proceeds in the aggregate amount of not less than \$20,000,000;
 - (b) A first-ranking loan of the Hotel Property (the "**New Senior Hotel Financing**") to be provided by a single lender (the "**New Senior Hotel Lender**"), which is expected to complete on or before October 30, 2023, yielding net loan proceeds in the range of not less than \$30,000,000 and not more than \$35,000,000;
 - (c) A sale of the entire UB Lot 4 (the "**UB Lot 4 Sale**"), which is expected to complete on or before October 30, 2023, generating net sale proceeds in the amount of not less than \$14,500,000; and
 - (d) A refinancing of the indebtedness owing to the UB-GF Lender (the "**UB-GF Refinancing**") whereby the UB-GF Lender will discharge its mortgage and charge from UB Lot 1;
- (Q) The Borrowers have further informed the Lenders that:
- (a) In connection with the Hotel Property Beneficial Transfer (which has not been fully consummated), the ITC Borrower is required to refinance the indebtedness secured by one or more mortgages registered on the Hotel Property so that the total amount of indebtedness so secured must not exceed \$47,000,000;
 - (b) with the successful implementation of the New UB Lot 2 Financing, the New Senior Hotel Financing and the UB Lot 4 Sale, it is expected that there would be sufficient funds raised from those financings to repay in full the Senior A Indebtedness and the UB Project Indebtedness, and pay down in part but not in full the Loan Amount owing under the Existing Loan Agreement; and
 - (c) the Borrowers will need further short-term financing from the Lenders in order to bridge any shortfall in satisfying the Borrowers' indebtedness and obligations in respect of the Loan Amount under the Existing Loan Agreement;
- (R) On the Borrowers' further request, the Lenders have agreed to (among other things) further extend the period of forbearance and to continue to refrain from exercising their rights under the Existing

Loan Agreement and the Loan Documents in relation to the Existing Defaults during such extended period of forbearance, on the terms and conditions set forth herein;

- (S) Concurrent with entering into this Agreement, the UB Project Lenders, the ITC Borrower and the UB Borrowers (together with others) have also agreed to enter into a forbearance extension agreement (the "**UB Project Loan Forbearance Extension Agreement**") in respect of the UB Project Indebtedness;

NOW THEREFORE in consideration of the mutual premises, covenants and agreements set forth herein and all other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) Words with initial capital letters which are not otherwise defined in this Agreement have the meanings set out in the Loan Agreement.
- (b) "**Bridge Refinancing**" means a proposed bridge refinancing to be made available by the Lenders as contemplated in Section 7.2 below.
- (c) "**Event of Forbearance Default**" has the meaning given to it in Section 9 hereof.
- (d) "**Existing Defaults**" means, collectively, the Existing Hotel Property Beneficial Transfer Default (as defined in Section 2.1(d)), the Existing Senior A Forbearance Default (as defined in Recital (I) above), the Existing Forbearance Default (as defined in Recital (K) above) and the Existing UB Project Loan Forbearance Default (as defined in Recital (N) above).
- (e) "**Existing Loan Agreement**" means the Senior B Loan Agreement dated for reference June 14, 2021 between (among others) the Borrowers and the Lenders, as amended by the First Amending Agreement dated for reference March 7, 2022, and the Second Amending Agreement dated for reference September 7, 2022, and as supplemented and amended by the Previous Forbearance Agreement.
- (f) "**Forbearance Extension Effective Date**" means April 30, 2023.
- (g) "**Forbearance Extension End Date**" means October 30, 2023.
- (h) "**Forbearance Extension Period**" means the period from the Forbearance Extension Effective Date and up to and including the earlier of:
 - (1) the Forbearance Extension End Date; and
 - (2) the date on which an Event of Forbearance Default has occurred.
- (i) "**Loan Agreement**" means the Existing Loan Agreement, as supplemented by this Agreement and as the same may be amended, extended, supplemented, modified, renewed, replaced and restated from time to time.
- (j) "**Lenders' Solicitors**" means Norton Rose Fulbright Canada LLP.

- (k) “**Section 244 Notice**” means a notice of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).
- (l) “**Obligants**” means, collectively, the Borrowers and the Guarantors.

2. ACKNOWLEDGEMENT AND AGREEMENT BY THE OBLIGANTS

2.1 Hotel Property Beneficial Transfer

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) The statements set out in Recitals (B) and (C) are true and correct, and form an operative part of this Agreement.
- (b) The Hotel Property Beneficial Transfer has not been fully consummated, subject to the satisfaction of certain conditions to be fulfilled by the ITC Borrower, including, without limitation, the refinancing of the Loan under the Loan Agreement (together with the Senior A Indebtedness which is secured by a mortgage against the Hotel Property).
- (c) As at the Forbearance Extension Effective Date, the date of this Agreement and the date on which all conditions set out in Section 8 hereof have been satisfied (or otherwise waived by the Lenders), the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property (subject only to its obligation to effect the Hotel Property Beneficial Transfer in favour of Hotel Property Holdco pursuant to the Hotel Property Beneficial Transfer Agreement).
- (d) Notwithstanding that the Hotel Property Beneficial Transfer has not been fully consummated, the Obligants agree that the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement and otherwise agreeing to the Hotel Property Beneficial Transfer constitute an Event of Default under the Loan Agreement (the “**Existing Hotel Property Beneficial Transfer Default**”), and the Lenders are (but for the Second Amending Agreement, the Previous Forbearance Agreement and this Agreement) entitled to immediately accelerate and demand full payment of the outstanding Loan Amount as a result of the Existing Hotel Property Beneficial Transfer Default and enforce their remedies pursuant to the terms of the Loan Agreement.
- (e) The Obligants agree to:
 - (1) promptly and from time to time advise the Lenders of the status of the Hotel Property Beneficial Transfer in sufficient details to the satisfaction of the Lenders; and
 - (2) upon the Lenders' request from time to time, (i) provide confirmation (in form and substance satisfactory to the Lenders) that the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property, and (ii) deliver to the Lenders a certified copy of the Hotel Property Beneficial Transfer Agreement.

2.2 Debt

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) As at April 30, 2023, the Borrowers are indebted to the Lenders, on account of the outstanding balance under each tranche of the Loan (including any accrued and unpaid interest thereon), in the amounts set out below:

Tranche	Principal Amount owing
1	\$4,642,981.57
2a	\$19,621,728.05
2b	\$10,233,705.00
3	\$2,659,173.96
4	\$1,550,776.33
5	\$1,021,756.88
6	\$1,562,786.05
7	\$964,136.49
8	\$453,008.22
Total:	\$42,710,052.56

plus all other fees, costs, expenses and other charges that are payable by the Borrowers to the Lenders in accordance with the Existing Loan Agreement (collectively, the "**Debt**").

- (b) There is no balance remaining in any of the Interest Reserves.
- (c) Interest has been accruing on the outstanding balance of each tranche of the Loan at 30% per annum since April 30, 2023.
- (d) None of the Obligants has any claims, counterclaims, damages or other defence on any basis whatsoever against the Lenders in relation to the Debt, the other Loan Amount, the Existing Loan Agreement, the Security Documents and the other Loan Documents. If there are any such claims, counterclaims, damages or other defence, then each Obligant hereby expressly waives and releases them to the fullest extent permitted under applicable law.

2.3 Senior A Indebtedness; UB Indebtedness

Each of the Obligants acknowledges to the Lenders as follows:

- (a) As at August 30, 2023, assuming that the applicable interest rate for the period between July 14, 2023 and August 30, 2023 remains at 10.75% per annum, the ITC Borrower will be indebted to the Senior A Lenders on account of the Senior A Indebtedness (including any accrued and unpaid interest thereon) in the aggregate amount of **\$20,863,748.91**, plus all other fees, costs, expenses and other charges that are payable by the ITC Borrower to the Senior A Lenders in accordance with the Senior A Loan Agreement.
- (b) As at October 30, 2023, the UB Borrowers will be indebted to the UB Project Lenders on account of the UB Project Indebtedness (including any accrued and unpaid interest thereon) in the aggregate amount of **USD\$5,293,785.21** and **\$17,496,680.84**, plus all other fees, costs, expenses and other charges that are payable by the UB Borrowers to the UB Project Lenders in accordance with the UB Project Loan Agreement.

2.4 Existing Defaults

Each of the Obligants hereby acknowledges to and agrees with the Lenders as follows:

- (a) The statements set out in Recitals (F) to (Q) are true and correct, and form an operative part of this Agreement.
- (b) The Existing Defaults have occurred and are continuing.
- (c) The Existing Loan Agreement and the Security Documents are in default pursuant to the terms thereof as a result of the Existing Defaults and, but for the Second Amending Agreement, the Previous Forbearance Agreement and this Agreement, the Lenders are entitled to immediately accelerate and demand full payment of the Debt and the Loan Amount, and take immediate steps to enforce its security under the Security Documents.
- (d) The Lenders have entered into this Agreement with the Obligants at their request and with a view to allowing the Obligants additional time to repay the Debt and the Loan Amount in a lawful, efficient and cost-effective manner.
- (e) Except as expressly provided in the Second Amending Agreement, the Previous Forbearance Agreement and this Agreement, the Lenders have not made any promise, nor has any of them taken any action or omitted to take any action, that would constitute a waiver of their rights to pursue any remedies in respect of the Loan, the Loan Agreement, the Security Documents or the other Loan Documents that would prevent them from so doing.
- (f) The Lenders' forbearance as provided in Section 4 below and otherwise under this Agreement, the Previous Forbearance Agreement or the Second Amending Agreement is not to be taken as a waiver by the Lenders of any of their rights under any of the Loan Agreement, the Security Documents or any other Loan Documents which may arise from any other default (whether the same as or similar to the Existing Defaults or otherwise) which presently exists or which may in the future occur. The Lenders have not waived any of such rights or remedies, and nothing in this Agreement, and no delay on their part in exercising any such rights or remedies, should be construed as a waiver of those rights or remedies.

2.5 Demand and Notice of Intention

Each of the Obligants hereby acknowledges:

- (a) receipt of the Existing Demand Letters, and the Existing Section 244 Notices, on May 25, 2023; and
- (b) all applicable cure periods relating to the Existing Defaults, the Existing Demand Letters and Existing Section 244 Notices have lapsed,

and each of them hereby waives any right or requirement to receive further notice or demand (including, without limitation, any other Section 244 Notices) from the Lenders in respect thereof or the enforcement under the Security Documents.

2.6 Loan Documents

Each of the Obligants hereby agrees, ratifies, acknowledges and confirms to the Lenders that:

- (a) the term "Loan Agreement", as used in each of the Loan Documents, means the Existing Loan Agreement, as supplemented by this Agreement, and as may be further amended, extended, supplemented, modified, renewed, replaced and restated from time to time;
- (b) this Agreement constitutes a "Loan Document";
- (c) each of the Security Documents previously granted by the Obligants prior to the Forbearance Extension Effective Date and the date hereof pursuant to the Existing Loan Agreement and the other Loan Documents, is held and will continue to be held by the Lenders as collateral security for all of the debts, liabilities and obligations, present and future, direct and indirect, of each of the Obligants to the Lenders pursuant to the Loan Agreement and the other Loan Documents;
- (d) each of the Obligants will continue to be bound by all of the terms, conditions, covenants and obligations applicable to such Obligor under or pursuant to this Agreement, the Loan Agreement and the other Loan Documents to the extent such Obligor is a party, and
- (e) each of the Obligants hereby ratifies, acknowledges and confirms all obligations, covenants, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement (as may be supplemented herein) and the other Loan Documents, all of which shall continue in full force and effect.

3. OBLIGANTS' COVENANTS

Each of the Obligants covenants and agrees with the Lenders as follows:

3.1 By August 30, 2023; 20MM Payment; Senior A Indebtedness

- (a) The Borrowers will pay to the Lenders' Solicitors, in trust, a sum in the aggregate amount of not less than \$20,000,000 (the "**\$20MM Payment**") on or before August 30, 2023, which shall be applied as follows:
 - (1) Together with the \$3MM Partial Payment, the \$20MM Payment shall be applied to the outstanding balance of the Senior A Indebtedness then owing, in order to repay the Senior A Indebtedness and satisfy all other obligations owing by the ITC Borrower under the Senior A Loan Agreement in full;
 - (2) Subject to the Senior A Indebtedness having been repaid and satisfied in full, the Lenders' Solicitors shall hold the remaining balance (if any), after the payment under subparagraph (1) above, on behalf of the Borrowers, as a reserve (the "**Combined Repayment Reserve**") for the repayment of (i) the UB Project Indebtedness under the UB Project Loan Agreement and (ii) the Debt and the other Loan Amount under the Loan Agreement.
- (b) Each of the parties hereto acknowledges and agrees that:
 - (1) the \$20MM Payment may be made in one or more instalments, provided that:
 - (A) unless the Lenders expressly agree otherwise, each such instalment must be by wire transfer to the Lenders' Solicitors, in trust. Any other form of payment (whether by way of certified trust cheque, bank draft or similar payment instrument) will be subject to an additional hold period until the funds are cleared to the satisfaction of the Lenders' Solicitors, and each such instalment shall not be treated as received or otherwise available for

application pursuant to Section 3.1(a)(1) above until such hold period has elapsed;

- (B) each such instalment shall be held as reserve and (unless the Lenders in their sole discretion agree otherwise) shall only be credited or otherwise applied in accordance with Section 3.1(a)(1) on the later of (i) the date when the full amount of the \$20MM Payment is received, and (ii) August 30, 2023.

For greater certainty, if the full amount of the \$20MM Payment is received before August 30, 2023, the outstanding balance of the Senior A Indebtedness shall be deemed to include the amount of interest that would have accrued thereon up to and including August 30, 2023, and the Borrowers (as applicable) hereby agree to pay such amount to the applicable lenders thereof;

- (2) for greater certainty, if the \$20MM Payment is not made in full on or before August 30, 2023, then an Event of Forbearance Default (as defined herein) has occurred under this Agreement.

3.2 By October 30, 2023; 35MM Payment

- (a) The Borrowers will pay to the Lenders' Solicitors, in trust, a sum in the aggregate amount of not less than \$35,000,000 (the "**\$35MM Payment**") on or before October 30, 2023, which shall be applied as follows:

- (1) Subject to the Senior A Indebtedness having been repaid and satisfied in full, together with the balance (if any) in the Combined Repayment Reserve, the \$35MM Payment shall be applied to the outstanding balance of the UB Project Indebtedness then owing, in order to repay the UB Project Indebtedness and satisfy all other obligations owing by the UB Borrowers under the UB Project Loan Agreement in full;
- (2) Subject to the Senior A Indebtedness and the UB Project Indebtedness having been repaid and satisfied in full, the Lenders' Solicitors shall add the remaining balance (if any), after the payment under subparagraph (1) above, to the Combined Repayment Reserve, as a reserve for the repayment of the Debt and all other Loan Amount under the Loan Agreement.

- (b) Each of the parties hereto acknowledges and agrees that:

- (1) the \$35MM Payment may be made in one or more instalments, provided that:
- (A) unless the Lenders expressly agree otherwise, each such instalment must be by wire transfer to the Lenders' Solicitors, in trust. Any other form of payment (whether by way of certified trust cheque, bank draft or similar payment instrument) will be subject to an additional hold period until the funds are cleared to the satisfaction of the Lenders' Solicitors, and each such instalment shall not be treated as received or otherwise available for application pursuant to Section 3.2(a) above until such hold period has elapsed;
- (B) each such instalment shall be held as reserve and (unless the Lenders in their sole discretion agree otherwise) shall only be credited or otherwise applied in accordance with Section 3.2(a) on the later of (i) the date when

the full amount of the \$35MM Payment is received, and (ii) October 30, 2023.

For greater certainty, if the full amount of the \$35MM Payment is received before October 30, 2023, the outstanding balance of the UB Project Indebtedness shall be deemed to include the amount of interest that would have accrued thereon up to and including October 30, 2023, and the Borrowers (as applicable) hereby agree to pay such amount to the applicable lenders thereof;

- (2) for greater certainty, if the \$35MM Payment is not made in full on or before October 30, 2023, then an Event of Forbearance Default (as defined herein) has occurred under this Agreement.

3.3 By October 30, 2023; 14.5MM Payment

- (a) The Borrowers will pay to the Lenders' Solicitors, in trust, a sum in the aggregate amount of not less than \$14,500,000 (the "**\$14.5MM Payment**") arising from the UB Lot 4 Sale on or before October 30, 2023, which payment shall be added to the Combined Repayment Reserve.
- (b) Each of the parties hereto acknowledges and agrees that:
- (1) the \$14.5MM Payment may be made in one or more instalments, provided that:
- (A) unless the Lenders expressly agree otherwise, each such instalment must be by wire transfer to the Lenders' Solicitors, in trust. Any other form of payment (whether by way of certified trust cheque, bank draft or similar payment instrument) will be subject to an additional hold period until the funds are cleared to the satisfaction of the Lenders' Solicitors, and each such instalment shall not be treated as received until such hold period has elapsed;
- (B) each such instalment shall be held as reserve and (unless the Lenders in their sole discretion agree otherwise) shall only be credited or otherwise applied in accordance with Section 3.4 on the later of (i) the date when the full amount of the \$14.5MM Payment is received, and (ii) October 30, 2023.
- (2) for greater certainty, if the \$14.5MM Payment is not made in full on or before October 30, 2023, then an Event of Forbearance Default (as defined herein) has occurred under this Agreement.

3.4 On October 30, 2023

- (a) Subject to the Senior A Indebtedness and the UB Project Indebtedness having been repaid and satisfied in full, the balance (if any) in the Combined Repayment Reserve shall be applied on October 30, 2023 as follows:
- (1) firstly, to the Additional Forbearance Fee then owing pursuant to Section 6.1; and
- (2) secondly, to the remaining outstanding balance of the Loan Amount then owing under the Loan Agreement.

- (b) The remaining balance of the Loan Amount then owing, after taking into account the application pursuant to paragraph (a) above may be refinanced under the Bridge Refinancing as contemplated under Section 7.2 below.

3.5 Interest During Forbearance Extension Period; Interest Waiver and Conditions

The Borrowers acknowledge and agree with the Lenders that, during the Forbearance Extension Period:

- (a) interest shall accrue (and continue to accrue) on the then outstanding balance of each tranche of the Loan at 30% per annum; and
- (b) interest due under each tranche of the Loan on each Payment Date shall be added to the outstanding principal balance thereof and the amount so added shall accrue interest at the same rate and in the same manner as on the rest of that tranche of the Loan,

provided that if all of the following conditions (collectively, the "**Interest Waiver Conditions**") are satisfied:

- (c) each of the \$20MM Payment, the \$35MM Payment and the \$14.5MM Payment has been made in full in accordance with Sections 3.1, 3.2 and 3.3, respectively;
- (d) each of the Senior A Indebtedness and the UB Project Indebtedness has been repaid in full on or before the Forbearance Extension End Date; and
- (e) no Event of Forbearance Default has occurred, and the Forbearance Extension Period has not otherwise expired before the Forbearance Extension End Date,

then the amount of interest accrued and capitalized on the Loan during Forbearance Extension Period shall, on the Forbearance Extension End Date, be waived and forgiven by the Lenders.

For greater certainty:

- (f) if any of the Interest Waiver Conditions is not satisfied, then the Borrowers shall continue to be obligated to pay the interest accrued and capitalized on the Loan during Forbearance Extension Period in full;
- (g) regardless of whether the Interest Waiver Conditions have been satisfied or whether interest accrued and capitalized on the Loan during Forbearance Extension Period has been waived by the Lenders in accordance with the foregoing in this Section 3.5 (but in any case, subject to the completion of the Bridge Refinancing pursuant to Section 7.2 below), interest shall accrue (and continue to accrue) on the then outstanding balance of the Loan at 30% per annum as of the Forbearance Extension End Date.

3.6 Forbearance Extension End Date

If no Event of Forbearance Default has occurred and the Forbearance Extension Period has not otherwise expired before the Forbearance Extension End Date, then the Borrower will pay to the Lenders the Loan Amount then owing on the Forbearance Extension End Date in full (subject to the completion of the Bridge Refinancing pursuant to Section 7.2 below).

3.7 Redemption Period; Insolvency Proceedings

Each of the Obligants hereby irrevocably acknowledges and agrees that, in consideration of the forbearance provided to them by the Lenders under the terms of this Agreement:

- (a) it will irrevocably consent to an order nisi, stipulating a shortened redemption period of 10 days in any foreclosure proceedings brought by the Lenders in respect of the Property charged by the mortgages granted pursuant to the Loan Agreement or any other Security Document and an order for conduct of sale in favour of the Lenders effective from the end of the redemption period, such consent order otherwise in form and content acceptable to the Lenders in all other respects; and
- (b) it will cooperate with the Lenders in their efforts to achieve a timely sale of the Property (or any part thereof) in any foreclosure proceedings,

and, except with the prior express written consent of the Lenders:

- (c) it shall not seek any relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Acts* (Canada) or any other comparable insolvency legislation, including by initiating or otherwise becoming subject to any proceedings under any such legislation (each, an "**Insolvency Proceeding**"), which would in any way stay the actions of the Lenders or otherwise prevent the Lenders from realizing on all or any part of the security under the Security Documents;
- (d) in the event any Insolvency Proceeding is commenced in respect of any Obligant, the Lenders shall be treated as "unaffected creditors" in such Insolvency Proceeding and, in particular, none of the rights or remedies of the Lenders shall be stayed or otherwise limited and none of the Debt or any other Loan Amount shall be subject to any compromised or arrangement as part of any such Insolvency Proceeding; and
- (e) in the event any Insolvency Proceeding is commenced in respect of any Obligant, the Lenders shall have the right, in priority to any other person, but not the obligation, to provide interim financing within the meaning of *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Acts* (Canada) ("**Interim Financing**") to each Obligant subject to such Insolvency Proceeding, on the usual terms and conditions, and no actions or steps shall be taken by any Obligant in connection with any Interim Financing.

4. **LENDERS' FORBEARANCE**

Subject to Section 8 below, and provided that no Event of Forbearance Default has occurred and the Forbearance Extension Period has not otherwise expired, the Lenders hereby agree with the Borrowers and the other Obligants as follows:

- (a) subject to the satisfaction of the Interest Waiver Conditions, the Lenders shall waive and forgive the interest accrued and capitalized on the Loan during Forbearance Extension Period in accordance with the terms and conditions pursuant to Section 3.5 above; and
- (b) the Lenders forbear from making demand on the Loan and enforcing their security under the Security Documents, until the Forbearance Period has expired.

5. **REPRESENTATIONS AND WARRANTIES**

5.1 **General Representations**

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lenders:

- (a) The UB Nominee, a company incorporated in Yukon with the original name "34083 Yukon Inc.", was continued into British Columbia on March 22, 2023 as a company with the name Kensington Union Bay Properties Nominee Ltd.

- (b) Except as set out in Section 2 above, each of the representations and warranties in Section 5 of the Existing Loan Agreement and in Section 7 of the Second Amending Agreement are true, accurate and complete in all respects on and as of the date hereof and the Forbearance Extension Effective Date, with the same effect as if such representations and warranties had been made on and as of the date hereof and the Forbearance Extension Effective Date (except for those representations and warranties which speak solely as of an earlier date, in which event those representations and warranties must be true, accurate and complete in all respects as of such earlier date);
- (c) the execution, delivery and performance by that Obligant of this Agreement and the other Loan Documents:
- (1) have been duly authorized by all necessary proceedings of that Obligant (to the extent it is a corporation or a limited partnership);
 - (2) do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (A) the constating documents of that Obligant (to the extent it is a corporation or a limited partnership);
 - (B) any law applicable to or binding on or affecting that Obligant or its assets;
 - (C) the Senior A Indebtedness or any Senior A Security;
 - (D) the UB Project Indebtedness or any UB Project Security;
 - (E) the UB-GF Indebtedness or any UB-GF Security; or the UB-VTB Indebtedness or any UB-VTB Security;
 - (F) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security; the SpaV-BDC Indebtedness or any Spa-BDC Security; the SpaV-Jin Indebtedness or any Spa-Jin Security; the SpaV-Kingdom Indebtedness or any Spa-Kingdom Security; or
 - (G) the Hotel Property Beneficial Transfer Agreement; or
 - (H) any agreement or other document to which that Obligant is a party
- and
- (3) do not and will not, result in, or require or permit:
 - (A) the imposition of any encumbrances on or with respect to the Property or any other properties now owned by that Obligant; or
 - (B) the acceleration of the maturity of the Senior A Indebtedness, the UB Project Indebtedness, the UB-GF Indebtedness, the UB-VTB Indebtedness, the Residence-SL128-Morteq Indebtedness, the SpaV-BDC Indebtedness, the SpaV-Jin Indebtedness, the SpaV-Kingdom Indebtedness or any other debts owing by that Obligant;
- (d) each of the Obligant has obtained all consents, authorizations and approvals required to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement and the other Loan Documents;

- (e) no consent or approval is required from the Hotel Property HoldCo or other entities that are parties to, or have a direct or indirect interest in, the Hotel Property HoldCo or otherwise in relation to the Hotel Property Beneficial Transfer in order for the Borrowers and any other Obligants to enter into and perform its obligations under this Agreement and the other Loan Documents; and
- (f) all information, documents, reports, certificates and records provided by or on behalf of the Obligants to the Lenders in relation to this Agreement or otherwise in connection with the Loan are accurate and complete in all material respects, and do not omit any material fact that would make the content thereof misleading.

6. FEES TO THE LENDER

6.1 Additional Forbearance Fee

To compensate (i) the heightened risk profile of the Borrowers and the Loan as a result of the Existing Defaults which remain uncured, and (ii) the opportunity costs and other economic costs to the Lenders as a result of providing further forbearance to the Borrowers, and in consideration of (X) the Lenders' agreement to waive and forgive interest in accordance with the terms and conditions pursuant to Section 3.5 above, (Y) the time, efforts and costs to the Lenders in relation to this Agreement and the Loan Agreement, and (Z) the Lenders agreeing to making available the Bridge Refinancing on the terms and conditions as contemplated under Section 7.2 below, the Borrowers hereby agree to pay to the Lenders an additional forbearance fee in the amount of \$15,500,000 (the "**Additional Forbearance Fee**").

6.2 Additional Commitment Fee

In further consideration of the Lenders agreeing to making available the Bridge Refinancing as contemplated in Section 7.2 below, the Borrowers hereby agree to pay to the Lenders an additional commitment fee in the amount of \$1,050,000 (the "**Additional Commitment Fee**").

6.3 Fees Non-Refundable

Each of the Additional Forbearance Fee and the Additional Commitment Fee is non-refundable and will be:

- (a) earned by the Lenders upon issuance to the Borrowers of this Agreement;
- (b) immediately payable but in any case no later than the date on which the Forbearance Extension Period expires;
- (c) until paid, added to and form a part of the Loan Amount and secured by the Security Documents.

For greater certainty, each of the Additional Forbearance Fee and the Additional Commitment Fee is earned and payable as provided above in this Section 6, without any reduction or set-off:

- (d) even if any of the conditions set out in Section 8 is not satisfied (or waived by the Lenders), or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;
- (e) in respect of the Additional Forbearance Fee, even if the Interest Waiver Conditions have not been satisfied, and the interest as a result has not been waived and forgiven by the Lenders pursuant to Section 3.5 above; and
- (f) even if the Bridge Refinancing has not been advanced on or before the Forbearance Extension End Date.

7. REFINANCING

7.1 Partial Discharges

Subject to Section 8 below, provided that no Event of Forbearance Default has occurred and the Forbearance Extension Period has not otherwise expired, the Lenders hereby agree with the Borrowers and the other Obligants as follows:

- (a) In order to facilitate the New UB Lot 2 Financing, if the net proceeds from such new financing are sufficient to fund the \$20MM Payment, then, concurrent with the completion of the New UB Lot 2 Financing, the Lenders agree to execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of their mortgage and charge under the Security Documents from UB Lot 2, upon and subject to receipt by the Lenders' Solicitors of the \$20MM Payment in accordance with Section 3.1;
- (b) If the UB-GF Refinancing has been completed and the UB-GF Lender's mortgage and charge has been discharged from UB Lot 1 (the "**UB-GF (UB Lot 1) Discharge**") such that the mortgage and charge of the Lenders against UB Lot 1 shall be subject and subordinate ONLY TO the UB-VTB Lender's mortgage and charge registered against UB Lot 1 in the principal amount of not more than \$9,000,000 and the other mortgages and charges of (i) the UB Project Lenders (in respect of the UB Project Loan Indebtedness), and (ii) the Senior A Lenders (in respect of the Senior A Indebtedness), then:
 - (1) In order to facilitate the New Senior Hotel Financing, concurrent with the completion of such financing, the Lenders agree to execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of their mortgage and charge under the Security Documents from the Hotel Property, upon and subject to the receipt by the Lenders' Solicitors of the \$35MM Payment in accordance with Section 3.2; and
 - (2) In order to facilitate the UB Lot 4 Sale, concurrent with the completion of such sale, the Lenders agree to execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of their mortgage and charge under the Security Documents from UB Lot 4, upon and subject to the receipt by the Lenders' Solicitors of the \$14.5MM Payment in accordance with Section 3.3.

For greater certainty, the Lenders are not obligated to provide any discharge in respect of the Hotel Property or UB Lot 4, unless the UB-GF Refinancing and the UB-GF (UB Lot 1) Discharge have been completed as provided above.

7.2 Bridge Refinancing

Provided that no Event of Forbearance Default has occurred and the Forbearance Extension Period has not otherwise expired, and the following conditions (collectively, the "**Bridge Refinancing General Conditions**") have been satisfied on or before the Forbearance Extension End Date:

- (a) the Senior A Indebtedness has been repaid in full;
- (b) the UB Project Indebtedness has been repaid in full;
- (c) the Loan Amount owing to the Lenders have been reduced pursuant to Section 3.4, such that the remaining outstanding balance of the Loan Amount on the Forbearance Extension End Date (after such reduction) (such remaining balance, the "**Remaining Loan Amount**") is not more than \$30,600,000;

- (d) the UB-GF (UB Lot 1) Discharge has been completed, and the only mortgage and charge registered against UB Lot 1 (other than the one in favour of the Lenders to secure the Loan Amount pursuant to the Loan Agreement) is the one in favour of UB-VTB Lender in the principal amount of not more than \$9,000,000;
- (e) the only mortgage and charge registered against UB Lot 4 and Office SL12 is the one in favour of the Lenders to secure the Loan Amount;
- (f) the only mortgage and charge registered against the Hotel Property (other than the one in favour of the Lenders to secure the Loan Amount pursuant to the Loan Agreement) is the one in favour of the New Senior Hotel Lender to secure the New Senior Hotel Financing in the principal amount of \$30,000,000 plus an additional amount in the multiples of \$1,000,000, but in any case the total principal amount shall not be more than \$35,000,000;
- (g) the Lenders in their full discretion are satisfied with the then current terms and conditions under the New Senior Hotel Financing, the UB-VTB Indebtedness and the UB-GF Refinancing; and
- (h) the Lenders are satisfied with their due diligence regarding the financial condition, ownership, or operation of the Borrowers, any other Obligant, the Hotel Property, the UB Property, Office SL 12 and the other property mortgaged and charged by the Security Documents under the Loan Agreement (to the extent not discharged pursuant to Section 7.1 above), and that there is no material adverse change regarding any such financial condition, ownership, or operation,

then the Lenders hereby agree to refinance the Remaining Loan Amount then owing on the Forbearance Extension End Date by two separate loans (the “**Bridge Refinancing Loans**”) on the terms set out in Sections 7.3 and 7.4, respectively.

7.3 Bridge Refinancing Hotel Loan

Subject to the satisfaction of the Bridge Refinancing General Conditions, the Lenders agree to make available, severally in the proportion based on the then outstanding balance of the Remaining Loan Amount owing to each Lender on the Forbearance Extension End Date, a loan (the “**Bridge Refinancing Hotel Loan**”) on terms and conditions acceptable to the Lenders in their sole discretion, which shall include the following:

- (a) The Bridge Refinancing Hotel Loan (together with the Bridge Refinancing UB Loan) shall be used for the sole purpose to refinance the Remaining Loan Amount, and it shall be (and shall be deemed to be) advanced concurrently when the Bridge Refinancing UB Loan is advanced.
- (b) The New Senior Hotel Lender shall be a single commercial bank or other financial institution, acceptable to the Lenders in their sole discretion, and the New Senior Hotel Financing shall be in the principal amount of \$30,000,000 plus an additional amount in the multiples of \$1,000,000, but in any case the total principal amount shall not be more than \$35,000,000.
- (c) Based on the principal amount of the New Senior Hotel Financing, the principal amount of the Bridge Refinancing Hotel Loan shall be as follows:

<p><u>If Principal amount of the New Senior Hotel Financing</u></p>	<p>then <u>Principal amount of the Bridge Refinancing Hotel Loan</u></p>
--	---

\$30,000,000	\$17,000,000
\$31,000,000	\$16,000,000
\$32,000,000	\$15,000,000
\$33,000,000	\$14,000,000
\$34,000,000	\$13,000,000
\$35,000,000	\$12,000,000

- (d) The ITC Borrower shall be the sole borrower of the Bridge Refinancing Hotel Loan (such borrower, the "**Bridge Refinancing Hotel Borrower**").
- (e) UB Borrowers, the Guarantors and such other affiliates thereof as may be required by the Lenders in their sole discretion shall be the guarantors (collectively, the "**Bridge Refinancing Hotel Guarantors**") of the Bridge Refinancing Hotel Loan, the liability of such guarantors shall be joint and several among themselves, and unlimited in principal amount.
- (f) The obligations of the Bridge Refinancing Hotel Borrower under the Bridge Refinancing Hotel Loan shall be secured by a mortgage (or mortgages) in favour of the Lenders, as follows:
- (1) a second-ranking mortgage in the principal amount not less than principal amount of the Bridge Refinancing UB Loan on the Hotel Property, subordinate and subject only to the mortgage securing the New Senior Hotel Financing in the principal amount of not more than that set out in paragraph (c) above; and
 - (2) a mortgage in the principal amount not less than principal amount of the Bridge Refinancing Hotel Loan (or otherwise in such other amount as the Lenders may determine in their sole discretion) on UB Lot 1;
- (g) Interest on the Bridge Refinancing Hotel Loan shall accrue at the following rates:
- (1) from the Forbearance Extension End Date up to and including April 30, 2024, 0% per annum; and
 - (2) from May 1, 2024, 27% per annum, PLUS the then applicable Rate Premium.
- (h) The term of the Bridge Refinancing Hotel Loan shall expire on May 30, 2024, and no prepayment (in full or in part) shall be permitted.
- (i) The Lenders shall enter into a priority agreement with the New Senior Hotel Lender on terms and conditions to the satisfaction of the Lenders in their sole discretion, which shall include the following terms:
- (1) The priority of the mortgage to be registered on the Hotel Property to secure the New Senior Hotel Financing shall not at any time exceed the principal amount of such financing as provided in Section 7.3(b) above, and shall in any case not be more than \$35,000,000.

- (2) The interest rate on the New Senior Hotel Financing and the calculation and payment of the interest accrued thereon shall be acceptable to the satisfaction of the Lenders, in their sole discretion.
 - (3) The right of the Lenders to initiate any enforcement action under the their mortgage registered on the Hotel Property to secure the Bridge Refinancing Hotel Loan shall not be restricted, subject only to the Lenders delivering to the New Senior Hotel Lender a written 30 days' prior notice of its intention to initiate such action.
- (j) The Lenders, the Bridge Refinancing Hotel Borrower and the Bridge Refinancing Hotel Guarantors will enter into a new loan agreement (or an amendment and restatement of the Loan Agreement) to better reflect the intention and give effect to the foregoing in this Section 7.3.

7.4 Bridge Refinancing UB Loan

Subject to the satisfaction of the Bridge Refinancing General Conditions, the Lenders agree to make available, severally, in the proportion based on the then outstanding balance of the Remaining Loan Amount owing to each Lender on the Forbearance Extension End Date, another loan (the "**Bridge Refinancing UB Loan**") on terms and conditions acceptable to the Lenders in their sole discretion, which shall include the following:

- (a) The Bridge Refinancing UB Loan (together with the Bridge Refinancing Hotel Loan) shall be used for the sole purpose to refinance the Remaining Loan Amount, and it shall be (and shall be deemed to be) advanced concurrently when the Bridge Refinancing Hotel Loan is advanced.
- (b) It shall be in the principal amount equal to the difference between the Remaining Loan Amount and the principal amount of the Bridge Refinancing Hotel Loan as determined in Section 7.3(a) above, provided that the sum of (i) the principal amount of the Bridge Refinancing UB Loan, and (ii) that Bridge Refinancing Hotel Loan, shall not exceed \$30,600,000.
- (c) UB Borrowers shall be the sole borrowers of the Bridge Refinancing UB Loan (such borrower, the "**Bridge Refinancing UB Borrowers**").
- (d) The Guarantors and such other affiliates of the UB Borrowers or the Guarantors as may be required by the Lenders in their sole discretion shall be the guarantors (collectively, the "**Bridge Refinancing UB Guarantors**") of the Bridge Refinancing UB Loan, the liability of such guarantors shall be joint and several among themselves, and unlimited in principal amount. For greater certainty, the ITC Borrower shall not be a guarantor for the Bridge Refinancing UB Loan.
- (e) The obligations of the Bridge Refinancing UB Borrowers under the Bridge Refinancing UB Loan shall be secured by a mortgage (or mortgages) in favour of the Lenders in the principal amount not less than principal amount of the Bridge Refinancing UB Loan, to be registered as follows:
 - (1) a second-ranking mortgage on UB Lot 1, ranking subordinate and subject only to the mortgage securing the UB-VTB Indebtedness in the principal amount of not more than \$9,000,000;
 - (2) a first-ranking mortgage on Office SL 12; and
 - (3) a first-ranking charge on present and after-acquired property of SFT 30,

and all other mortgage, charge and security interest against the same properties charged by the Security Documents and otherwise pursuant to the Loan Agreement and this Agreement (excluding the Hotel Property and such other property discharged pursuant to Section 7.1 above).

- (f) Interest on the Bridge Refinancing UB Loan shall accrue at the following rates:
- (1) from the Forbearance Extension End Date up to and including April 30, 2024, 0% per annum; and
 - (2) from May 1, 2024, 27% per annum, PLUS the then applicable Rate Premium.
- (g) The term of the Bridge Refinancing UB Loan shall expire on May 30, 2024, and no prepayment (in full or in part) shall be permitted.
- (h) The Lenders shall enter into a priority agreement with the UB-VTB Lender on terms and conditions to the satisfaction of the Lenders in their sole discretion, which shall include the following terms:
- (1) The priority of the mortgage on UB Lot 1 to secure the UB-VTB Indebtedness shall not at any time exceed the \$9,000,000.
 - (2) The interest rate on the UB-VTB Indebtedness and the calculation and payment of the interest accrued thereon shall be acceptable to the satisfaction of the Lenders, in their sole discretion.
 - (3) The right of the Lenders to initiate any enforcement action under their mortgage registered on UB Lot 1 to secure the Bridge Refinancing UB Loan shall not be restricted, subject only to the Lenders delivering to the UB-VTB Lender a written 30 days' prior notice of its intention to initiate such action.

8. CONDITIONS PRECEDENT

Notwithstanding any other provisions of this Agreement, the forbearance and the other agreements of the Lenders pursuant to Section 4 above shall not become effective unless and until the following conditions have been satisfied to the satisfaction of the Lenders (or waived by the Lenders in their sole discretion):

- (a) the Lenders shall have received the following documents, each in form and substance to their satisfaction:
- (1) this Agreement, duly executed by the Obligants;
 - (2) a mortgage, including the terms of an assignment of rents, in favour of the Lenders charging UB Lot 1 granted by the UB Nominee (the "**UB Mortgage**") in the principal amount of \$16,600,000;
 - (3) beneficiary authorization and charge agreement relating to UB Lot 1 granted by the UB Nominee and the other UB Borrowers in favour of the Lenders;
 - (4) the UB Project Loan Forbearance Extension Agreement, duly executed by the Obligants which are parties thereto; and
- (b) there must be no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Forbearance Default.

9. EVENTS OF FORBEARANCE DEFAULT

9.1 Events

Each of the following constitutes an Event of Forbearance Default:

- (a) if at any time there is a default or a breach by an Obligant of any covenant, agreement, term, condition, stipulation or proviso contained in this Agreement;
- (b) if an Event of Default (other than the Existing Defaults to the extent they have been expressly forborne under this Agreement) has occurred under the Loan Agreement or any other Loan Document;
- (c) if the Lenders, in their sole discretion, believe that (i) the Hotel Property Beneficial Transfer has been fully consummated, or (ii) the ITC Borrower no longer has the sole control to the Hotel Property, or (iii) there is any change in the ownership or management of any Borrower, any of the other Obligants, the Hotel Property or any other Property (or any part thereof) that could have a material adverse effect on the validity and enforceability of the Loan Agreement, the Security Documents, the Lenders' rights, benefits and remedies thereunder, or the validity or priority of the Lenders' security interests created thereunder;
- (d) if the Senior A Indebtedness has not been repaid in full on or before August 30, 2023;
- (e) if any of the \$20MM Payment, the \$35MM Payment and the \$14.5MM Payment has not been made in full in accordance with Sections 3.1, 3.2 and 3.3, respectively; or
- (f) if there is a default or a breach by an Obligant of any covenant, agreement, term, condition, stipulation or proviso contained in the UB Project Loan Forbearance Extension Agreement, or if the forbearance period under the UB Project Loan Forbearance Extension Agreement has expired or otherwise been terminated in accordance with the terms of the UB Project Loan Forbearance Extension Agreement.

9.2 Remedies

Upon the occurrence of an Event of Forbearance Default, the Forbearance Extension Period will automatically expire and come to an end (unless expressly waived by the Lenders in their sole discretion), and the Lenders may in their sole discretion exercise any and all of the rights, remedies and powers under the Loan Agreement, the Security Documents, the Loan Documents and this Agreement.

It shall constitute an Event of Default under the Loan Agreement, the Security Documents and the other Loan Documents if an Event of Forbearance Default has occurred.

10. TOLLING

The parties hereto further agree that:

- (a) upon the expiration or termination of the Forbearance Extension Period, the agreement of the Lenders to forbear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lenders to exercise their rights and remedies immediately, including, without limitation, the private appointment of a receiver under the Security Documents held by the Lenders from the Borrowers and the Guarantors and the right to apply to court to enforce any private or other remedies available to the Lenders or to seek the appointment of any permanent or interim receiver or receiver and manager or any trustee in bankruptcy of the Borrowers and the Guarantors;

- (b) as of the date hereof and continuing until the termination of the Forbearance Extension Period and thereafter until the termination of the tolling arrangements hereof in the manner provided for under Section 10(c), and whether or not any demand for payment or notice of intention to enforce security pursuant to *Bankruptcy and Insolvency Act* (Canada) has previously been delivered or has subsequently been delivered by the Lenders, the Lenders and the Obligants hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Debt, the other Loan Amount, the Loan Agreement, the Security Documents, and any entitlements arising therefrom and from any other related matters, including but not limited to, any limitation periods contained in the *Limitation Act* (British Columbia); and
- (c) the tolling provisions of this Agreement will terminate upon a party providing the other parties with 60 days written notice of an intention to terminate the tolling provisions hereof (for greater certainty the tolling provisions shall not automatically expire upon the expiry or termination of the Forbearance Extension Period) and upon termination of the tolling provisions, and the time provided for under any statutes of limitations, laches, or any other doctrines related to the passage of time in relation to the Debt, the other Loan Amount, the Loan Agreement, the Security Documents or any entitlements arising therefrom and from any other related matters, will recommence running as of the effective date of the termination of these tolling provisions, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

11. GENERAL

11.1 Release

- (a) In consideration of this Agreement and for other good and valuable consideration, each Obligant, on its own behalf and on behalf of its successors, assigns, personal representatives and other legal representatives, absolutely, unconditionally and irrevocably releases the Lenders, and their present and former affiliates, subsidiaries, predecessors, directors, officers, legal counsel, consultants, employees, agents and other representatives, and their successors and assigns (collectively, the "**Releasees**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities known or unknown, both at law or in equity, that such Obligant or any of its successors, assigns, personal representatives or other legal representatives may now or later have or claim against any of the Releasees by reason of any circumstance, action, cause or thing which arises at any time on or prior to the date of this Agreement, including for or on account of, or in relation to, or in any way in connection with (i) this Agreement, the Loan Agreement or any of the other Loan Documents or any transactions under or related to, this Agreement, the Loan Agreement or any of the other Loan Documents, and (ii) any and all proposed refinancing of any Obligant by the Lenders (past or present), including, without limitation, the Bridge Refinancing and any and all prior proposed offers of finance (whether consummated or not), term sheets, indicative and non-binding term sheets or negotiations for financing, between any of the Lenders and any Obligant.
- (b) Each Obligant understands, acknowledges and agrees that the release set out in Section 11.1(a) may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release.
- (c) Each Obligant agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of the release set out in Section 11.1(a).

11.2 Reviewed by Legal Counsel

Each Obligant confirms to the Lenders that:

- (a) It understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement;
- (b) It has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and any documents executed in connection herewith with, such lawyers and other persons as such Obligant may wish; and
- (c) It has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any person.

The parties hereto acknowledge and agree that neither this Agreement nor the other documents or instruments executed pursuant hereto will be construed more favourably in favour of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents and instruments executed pursuant hereto or in connection herewith.

11.3 Supplement to Existing Loan Agreement

This Agreement shall be read and construed along with the Existing Loan Agreement and be treated as a part thereof and, for such purposes and so far as may be necessary to effectuate these presents, the Existing Loan Agreement shall be regarded as being hereby supplemented (subject to Section 8 above), and the Existing Loan Agreement as so supplemented together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement shall continue in full force and effect.

11.4 Expenses

The Borrowers shall pay on demand all costs and expenses incurred by or on behalf of the Lenders in carrying out or attempting to carry out the transaction(s) contemplated under this Agreement or in implementing or enforcing the terms of this Agreement.

11.5 Payments

All payments to be made by or on behalf of the Borrowers pursuant to this Agreement shall be made by wire transfer to the Lenders' Solicitors, in trust. Any other form of payment (whether by way of certified trust cheque, bank draft or similar payment instrument) will be subject to an additional hold period until the funds are cleared to the satisfaction of the Lenders' Solicitors, and each such instalment shall not be treated as paid or otherwise available for application in connection with this Agreement and the other Loan Documents until such hold period has elapsed. Any payment received after 12 p.m. (Vancouver, B.C. local time) on any Business Day will be deemed to be received on the next Business Day.

11.6 Currency

All references to money herein, unless otherwise stated, mean the lawful money of Canada.

11.7 Successors and Assigns

This Agreement and the Loan Agreement shall enure to the benefit of and be binding on each of the parties hereto and their respective personal representatives, successors and permitted assigns.

11.8 Applicable Law

This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

11.9 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument, and all such counterparts may be delivered by way of facsimile transmission or in PDF by e-mail to the other party.

[Signature Pages Follow.]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per:  _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

[Obligants' Signature Page Follows]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

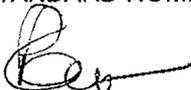
Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per:  _____
Authorized Signatory on behalf of
STANDARD NOMINEES LIMITED

Per:  _____
Authorized Signatory on behalf of
STANDARD NOMINEES LIMITED

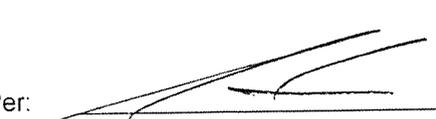
[Obligants' Signature Page Follows]

Borrowers:

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, by its general partner, **KENSINGTON UNION BAY PROPERTIES GP LTD.**

Per: 
Mo Yeung Ching
Authorized Signatory

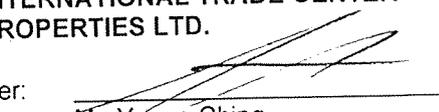
KENSINGTON UNION BAY PROPERTIES GP LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (formerly known as 34083 YUKON INC.)

Per: 
Mo Yeung Ching
Authorized Signatory

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

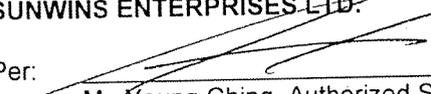
Per: 
Mo Yeung Ching
Authorized Signatory

Guarantors:

MO YEUNG PROPERTIES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

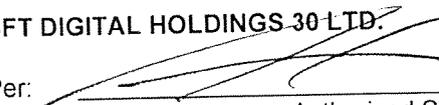
SUNWINS ENTERPRISES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

HOTEL VERSANTE LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SFT DIGITAL HOLDINGS 30 LTD.

Per: 
_____, Authorized Signatory

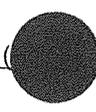
SIGNED, SEALED AND DELIVERED:)

_____)
Signature of Witness

_____)
Name of Witness

_____)
Address **SOLICITOR**
SUITE 500 NORTH TOWER
5811 COONEY ROAD

_____)
Occupation **RICHMOND, B.C. V6X 3M1**
TELEPHONE 604 276-2765


MO YEUNG CHING (also known as
MICHAEL CHING) 

**FORBEARANCE EXTENSION SUPPLEMENTAL AGREEMENT
(SENIOR B LOAN)**

THIS AGREEMENT dated for reference September 30, 2023

AMONG:

**KENSINGTON UNION BAY PROPERTIES NOMINEE LTD.,
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, and
KENSINGTON UNION BAY PROPERTIES GP LTD.**

(collectively, "UB Borrowers")

AND

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

("ITC Borrower"; together with UB Borrowers, collectively, the "Borrowers")

AND

HOTEL VERSANTE LTD.

AND

SUNWINS ENTERPRISE LTD.

AND

MO YEUNG PROPERTIES LTD.

AND

MO YEUNG CHING

(collectively, the "Initial Guarantors")

AND

SFT DIGITAL HOLDINGS 30 LTD. ("SFT 30" or the "Additional Guarantor"; together with the Initial Guarantors, collectively, the "Guarantors")

AND:

FOX ISLAND DEVELOPMENT LTD. ("Lender A")

AND

ADVANCED VENTURE HOLDING CO., LTD. ("Lender B")

(collectively, the "Lenders")

WHEREAS:

- (A) The Borrowers, the Initial Guarantors and the Lenders entered into the Senior B Loan Agreement dated for reference June 14, 2021, as amended by the First Amending Agreement dated for reference March 7, 2022, whereby (among other things) the Lenders agreed to provide a term loan in the aggregate principal amount of not more than CAD\$39,000,000 to the Borrowers;
- (B) The ITC Borrower entered into an agreement to transfer its beneficial interest in all or part of the Hotel Property to a separate entity (the "Hotel Property Holdco"; such agreement, the "Hotel Property Beneficial Transfer Agreement"), which transfer (the "Hotel Property Beneficial

Transfer") constitutes a material change in the ownership of the Hotel Property and requires the Lenders' approval;

- (C) The Lenders have not issued any approval for the Hotel Property Beneficial Transfer, nor have they approved the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement in relation to such transfer;
- (D) The Lenders agreed to (among other things) refrain from exercising their rights under the Existing Loan Agreement and the other Loan Documents in relation to the Hotel Property Beneficial Transfer during a period of forbearance up to March 7, 2023, pursuant to the terms and conditions set forth in the Second Amending Agreement dated for reference September 7, 2022 (the "**Second Amending Agreement**"), among the Borrowers, the Guarantors and the Lenders;
- (E) The Lenders subsequently agreed to (among other things) extend the period of forbearance to July 31, 2023 and to continue to refrain from exercising their rights under the Existing Loan Agreement and the Loan Documents in relation to the Hotel Property Beneficial Transfer during the extended period of forbearance, to accept the 1st Forbearance Payment (as defined therein) as partial payments under Tranches 1, 3 and 4 of the Loan and to further amend the Existing Loan Agreement, pursuant to the terms and conditions set forth in the Forbearance and Third Amending Agreement dated for reference February 28, 2023 (the "**Previous Forbearance Agreement**") among the Borrowers, the Guarantors and the Lenders;
- (F) The 1st Forbearance Payment was paid in full on March 29, 2023;
- (G) Concurrent with the parties entering into the Previous Forbearance Agreement, the Senior A Lenders, the ITC Borrower and the UB Borrowers (together with others) entered into a forbearance agreement dated for reference February 28, 2023 (the "**Previous Senior A Forbearance Agreement**") in respect of the Senior A Indebtedness;
- (H) Under the Previous Forbearance Agreement and with reference to the Previous Senior A Forbearance Agreement, the ITC Borrower was required to make the Senior A 1st Forbearance Payment (as defined in the Previous Forbearance Agreement) on or before February 28, 2023 and the Senior A Remaining Forbearance Payment (as defined in the Previous Forbearance Agreement) on or before April 30, 2023, and thereby repay the Senior A Indebtedness in full;
- (I) The Senior A 1st Forbearance Payment was made and accepted by the Senior A Lenders; however, except for the sum in the aggregate amount of \$3,000,000 (the "**\$3MM Partial Payment**"), which is being held in trust by the Lenders' Solicitors, the Senior A Remaining Forbearance Payment was not made when due and remains unpaid (the "**Existing Senior A Forbearance Default**");
- (J) The Senior A Lenders issued to ITC Borrower (as borrower under the Senior A Indebtedness) and the UB Borrowers and certain other persons (as guarantors under the Senior A Indebtedness), respectively, demand letters (the "**Senior A Demand Letters**") and Section 244 Notices (the "**Senior A Section 244 Notices**"), on May 1, 2023, to demand the repayment of the Senior A Indebtedness in full;
- (K) As a result of the Existing Senior A Forbearance Default, an "Event of Forbearance Default" occurred under the Previous Forbearance Agreement (the "**Existing Forbearance Default**") such that the forbearance period thereunder expired on April 30, 2023, and Tranche 9 under the Existing Loan Agreement is no longer available to be drawn;
- (L) The Lenders issued to the Borrowers and the Guarantors, respectively, demand letters (the "**Existing Demand Letters**") and Section 244 Notices (the "**Existing Section 244 Notices**"), on May 25, 2023, to demand the repayment of the Loan Amount in full;

- (M) Concurrent with entering into the Previous Forbearance Agreement, the UB Project Lenders, the UB Borrowers (as borrowers under the UB Project Indebtedness) and the ITC Borrower and certain other persons (as guarantors under the UB Project Indebtedness) entered into a forbearance agreement dated for reference April 14, 2023 (the "**Previous UB Project Loan Forbearance Agreement**") in respect of the UB Project Indebtedness;
- (N) As a result of the expiry of the forbearance period under the Previous Forbearance Agreement (as described in Recital (K) above), an "Event of Forbearance Default" occurred under the Previous UB Project Loan Forbearance Agreement (the "**Existing UB Project Loan Forbearance Default**"), and the forbearance period thereunder also expired on April 30, 2023;
- (O) The Borrowers previously informed the Lenders that the Borrowers have been seeking and negotiating with various third parties for certain refinancing and sale proposals in respect of the Hotel Property and the UB Property, including the following:
- (a) A refinancing of UB Lot 2 (the "**New UB Lot 2 Financing**") to be provided by one or more lenders, which is expected to complete on or before August 30, 2023, yielding net loan proceeds in the aggregate amount of not less than \$20,000,000;
 - (b) A first-ranking loan of the Hotel Property (the "**New Senior Hotel Financing**") to be provided by a single lender (the "**New Senior Hotel Lender**"), which is expected to complete on or before October 30, 2023, yielding net loan proceeds in the range of not less than \$30,000,000 and not more than \$35,000,000;
 - (c) A sale or refinancing of the entire UB Lot 4 (the "**UB Lot 4 Refinancing**"), which is expected to complete on or before October 30, 2023, generating net proceeds in the amount of not less than \$14,500,000; and
 - (d) A refinancing of the indebtedness owing to the UB-GF Lender (the "**UB-GF Refinancing**") whereby the UB-GF Lender will discharge its mortgage and charge from UB Lot 1;
- (P) The Borrowers further informed the Lenders that:
- (a) In connection with the Hotel Property Beneficial Transfer (which has not been fully consummated), the ITC Borrower is required to refinance the indebtedness secured by one or more mortgages registered on the Hotel Property so that the total amount of indebtedness so secured must not exceed \$47,000,000;
 - (b) with the successful implementation of the New UB Lot 2 Financing, the New Senior Hotel Financing and the UB Lot 4 Sale, it is expected that there would be sufficient funds raised from those financings to repay in full the Senior A Indebtedness and the UB Project Indebtedness, and pay down in part but not in full the Loan Amount owing under the Existing Loan Agreement; and
 - (c) the Borrowers will need further short-term financing from the Lenders in order to bridge any shortfall in satisfying the Borrowers' indebtedness and obligations in respect of the Loan Amount under the Existing Loan Agreement;
- (Q) In reliance of the Borrowers' information and other representations (including those set out in Recitals (O) and (P) above) and other promises made by the Borrowers and other Obligants, the Lenders agreed to (among other things) further extend the period of forbearance to October 30, 2023 and to continue to refrain from exercising their rights under the Existing Loan Agreement and the Loan Documents in relation to the Existing Forbearance Default during such extended period of forbearance, pursuant to the terms and conditions set forth in the Forbearance Extension

Agreement dated for reference July 30, 2023 (the "**Forbearance Extension Agreement**") among the Borrowers, the Guarantors and the Lenders;

- (R) Concurrent with entering into this Agreement, the UB Project Lenders, the ITC Borrower and the UB Borrowers (together with others) also agreed to enter into a forbearance extension agreement (the "**UB Project Loan Forbearance Extension Agreement**") in respect of the UB Project Indebtedness;
- (S) Under the Forbearance Extension Agreement, the Borrowers must make a payment of \$20,000,000 (defined as the "\$20MM Payment" therein) to the Lenders' Solicitors, in trust (which payment was expected to be funded by the New UB Lot 2 Financing), and the Senior A Indebtedness must be repaid in full, in both cases, on or before August 30, 2023;
- (T) As at the date hereof, the 20MM Payment remains unpaid, the New UB Lot 2 Financing has not yet completed, and the Senior A Indebtedness remains due and owing (collectively, the "**Existing Forbearance Extension Default**");
- (U) The Borrowers have since informed the Lenders the following changes in respect of the New UB Lot 2 Financing:
 - (a) the New UB Lot 2 Financing (as defined in the Forbearance Extension Agreement) will be provided by Cameron Stephen Mortgage Capital Ltd. ("**New UB Lot 2 Lender**") in the principal sum of \$13,500,000 pursuant to a commitment letter dated June 7, 2023 (the "**New UB Lot 2 Commitment Letter**"), yielding a net loan proceeds (after deductions for various fees and interest reserve in relation to that financing) in the sum of \$11,870,000;
 - (b) on its own initiative, the Borrowers have paid to the Lenders' Solicitors, in trust, a sum of \$1,000,000, so that a total of \$4,000,000 (the "**\$4MM Reserve Sum**") is now held in trust as a reserve for the purposes of the payments originally contemplated under the Forbearance Extension Agreement;
- (V) The Borrowers have also acknowledged to the Lenders that:
 - (a) the net proceeds from the New UB Lot 2 Financing will in aggregate be less than \$20,000,000; and
 - (b) in any case, such net proceeds, together with the \$4MM Reserve Sum now held in trust, will not be sufficient to repay in full the outstanding balance of the Senior A Indebtedness now owing (the "**New UB Lot 2 Financing Shortfall**");
- (W) The Borrowers have also since informed the Lenders that the New Senior Hotel Financing (as defined in the Forbearance Extension Agreement) continue to be expected to complete on or before October 30, 2023; however, the principal amount of the financing has been increased and as a result, the net loan proceeds are expected to be increased by \$12,000,000, totalling in the sum of not less than \$47,000,000;
- (X) The Borrowers will need a loan in order to address the New UB Lot 2 Financing Shortfall so that the Senior A Indebtedness will be repaid in full concurrent with the completion of the New UB Lot 2 Financing;
- (Y) As at the date of this Agreement, each of (i) the Loan Amount under the Existing Agreement, (ii) the Senior A Indebtedness, and (iii) the UB Project Indebtedness, remains unpaid and owing to their respective lenders;

- (Z) On the Borrowers' further request, the Lenders have agreed to modify and supplement the terms of the Forbearance Extension Agreement on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual premises, covenants and agreements set forth herein and all other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) Words with initial capital letters which are not otherwise defined in this Agreement have the meanings set out in the Loan Agreement.
- (b) "**Bridge Refinancing**" means a proposed bridge refinancing to be made available by the Lenders as contemplated in Section 8.2 below.
- (c) "**Event of Forbearance Default**" has the meaning given to it in Section 10 hereof.
- (d) "**Existing Defaults**" means, collectively, the Existing Hotel Property Beneficial Transfer Default (as defined in Section 2.1(d)), the Existing Senior A Forbearance Default (as defined in Recital (I) above), the Existing Forbearance Default (as defined in Recital (K) above), the Existing UB Project Loan Forbearance Default (as defined in Recital (N)(N) above) and the Existing Forbearance Extension Default (as defined in Recital (S) above).
- (e) "**Existing Loan Agreement**" means the Senior B Loan Agreement dated for reference June 14, 2021 between (among others) the Borrowers and the Lenders, as amended by the First Amending Agreement dated for reference March 7, 2022, and the Second Amending Agreement dated for reference September 7, 2022, and as supplemented and amended by the Previous Forbearance Agreement and the Forbearance Extension Agreement.
- (f) "**Forbearance Extension Effective Date**" means April 30, 2023.
- (g) "**Forbearance Extension End Date**" means October 30, 2023.
- (h) "**Forbearance Extension Period**" means the period from the Forbearance Extension Effective Date and up to and including the earlier of:
 - (1) the Forbearance Extension End Date; and
 - (2) the date on which an Event of Forbearance Default has occurred.
- (i) "**Interim Loan**" means the short-term loan to be made available by Lender A as provided in Section 3 below.
- (j) "**Loan Agreement**" means the Existing Loan Agreement, as supplemented and modified by this Agreement and as the same may be amended, extended, supplemented, modified, renewed, replaced and restated from time to time.
- (k) "**Lenders' Solicitors**" means Norton Rose Fulbright Canada LLP.

- (l) "**Section 244 Notice**" means a notice of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).
- (m) "**Obligants**" means, collectively, the Borrowers and the Guarantors.

2. ACKNOWLEDGEMENT AND AGREEMENT BY THE OBLIGANTS

2.1 Hotel Property Beneficial Transfer

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) The statements set out in Recitals (B) and (C) are true and correct, and form an operative part of this Agreement.
- (b) The Hotel Property Beneficial Transfer has not been fully consummated, subject to the satisfaction of certain conditions to be fulfilled by the ITC Borrower, including, without limitation, the refinancing of the Loan under the Loan Agreement (together with the Senior A Indebtedness which is secured by a mortgage against the Hotel Property).
- (c) As at the date of this Agreement and the date on which all conditions set out in Section 9 hereof have been satisfied (or otherwise waived by the Lenders), the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property (subject only to its obligation to effect the Hotel Property Beneficial Transfer in favour of Hotel Property Holdco pursuant to the Hotel Property Beneficial Transfer Agreement).
- (d) Notwithstanding that the Hotel Property Beneficial Transfer has not been fully consummated, the Obligants agree that the ITC Borrower's entry into the Hotel Property Beneficial Transfer Agreement and otherwise agreeing to the Hotel Property Beneficial Transfer constitute an Event of Default under the Loan Agreement (the "**Existing Hotel Property Beneficial Transfer Default**"), and the Lenders are (but for the Second Amending Agreement, the Previous Forbearance Agreement, the Forbearance Extension Agreement and this Agreement) entitled to immediately accelerate and demand full payment of the outstanding Loan Amount as a result of the Existing Hotel Property Beneficial Transfer Default and enforce their remedies pursuant to the terms of the Loan Agreement.
- (e) The Obligants agree to:
 - (1) promptly and from time to time advise the Lenders of the status of the Hotel Property Beneficial Transfer in sufficient details to the satisfaction of the Lenders; and
 - (2) upon the Lenders' request from time to time, (i) provide confirmation (in form and substance satisfactory to the Lenders) that the ITC Borrower remains the sole owner of all of the beneficial interest in the Hotel Property, and (ii) deliver to the Lenders a certified copy of the Hotel Property Beneficial Transfer Agreement.

2.2 Debt

Each of the Obligants acknowledges to and agrees with the Lenders as follows:

- (a) As at April 30, 2023, the Borrowers are indebted to the Lenders, on account of the outstanding balance under each tranche of the Loan (including any accrued and unpaid interest thereon), in the amounts set out below:

<u>Tranche</u>	<u>Principal Amount owing</u>
1	\$4,642,981.57
2a	\$19,621,728.05
2b	\$10,233,705.00
3	\$2,659,173.96
4	\$1,550,776.33
5	\$1,021,756.88
6	\$1,562,786.05
7	\$964,136.49
8	\$453,008.22
Total:	\$42,710,052.56

plus all other fees, costs, expenses and other charges that are payable by the Borrowers to the Lenders in accordance with the Existing Loan Agreement (collectively, the "Debt").

- (b) There is no balance remaining in any of the Interest Reserves.
- (c) Interest has been accruing on the outstanding balance of each tranche of the Loan at 30% per annum since April 30, 2023.
- (d) None of the Obligants has any claims, counterclaims, damages or other defence on any basis whatsoever against the Lenders in relation to the Debt, the other Loan Amount, the Existing Loan Agreement, the Security Documents and the other Loan Documents. If there are any such claims, counterclaims, damages or other defence, then each Obligant hereby expressly waives and releases them to the fullest extent permitted under applicable law.

2.3 Senior A Indebtedness; UB Indebtedness

Each of the Obligants acknowledges to the Lenders as follows:

- (a) As at September 30, 2023, the ITC Borrower will be indebted to the Senior A Lenders on account of the Senior A Indebtedness (including any accrued and unpaid interest thereon) in the aggregate amount of \$21,103,065.46, plus all other fees, costs, expenses and other charges that are payable by the ITC Borrower to the Senior A Lenders in accordance with the Senior A Loan Agreement.
- (b) As at October 30, 2023, the UB Borrowers will be indebted to the UB Project Lenders on account of the UB Project Indebtedness (including any accrued and unpaid interest thereon) in the aggregate amount of USD\$5,293,785.21 and \$17,496,680.84, plus all other fees, costs, expenses and other charges that are payable by the UB Borrowers to the UB Project Lenders in accordance with the UB Project Loan Agreement.

2.4 Combined Repayment Reserve

Notwithstanding the terms of Section 4.1 of the Forbearance Extension Agreement, each of the Obligants hereby acknowledges to and agrees with the Lenders that:

- (a) the \$4MM Reserve Sum is (and shall continue to be) held by the Lenders; Solicitors in the Combined Repayment Reserve for the repayment of (i) the Senior A Indebtedness under the Senior A Loan Agreement, (ii) the UB Project Indebtedness under the UB Project Loan Agreement and (iii) the Debt and the other Loan Amount under the Loan Agreement; and
- (b) as of the date hereof, the balance in the Combined Repayment Reserve is \$4,000,000.

2.5 Existing Defaults

Each of the Obligants hereby acknowledges to and agrees with the Lenders as follows:

- (a) The statements set out in Recitals (F)(F) to (Y) are true and correct, and form an operative part of this Agreement.
- (b) The Existing Defaults have occurred and are continuing.
- (c) The Existing Loan Agreement and the Security Documents are in default pursuant to the terms thereof as a result of the Existing Defaults and, but for the Second Amending Agreement, the Previous Forbearance Agreement, the Forbearance Extension Agreement and this Agreement, the Lenders are entitled to take immediate steps to enforce its security under the Security Documents.
- (d) The Lenders have entered into this Agreement with the Obligants at their request and with a view to allowing the Obligants additional time to repay the Debt and the Loan Amount in a lawful, efficient and cost-effective manner.
- (e) Except as expressly provided in the Second Amending Agreement, the Previous Forbearance Agreement, the Forbearance Extension Agreement and this Agreement, the Lenders have not made any promise, nor has any of them taken any action or omitted to take any action, that would constitute a waiver of their rights to pursue any remedies in respect of the Loan, the Loan Agreement, the Security Documents or the other Loan Documents that would prevent them from so doing.
- (f) The Lenders' forbearance as provided in Section 5 below and otherwise under this Agreement, the Forbearance Extension Agreement, the Previous Forbearance Agreement or the Second Amending Agreement is not to be taken as a waiver by the Lenders of any of their rights under any of the Loan Agreement, the Security Documents or any other Loan Documents which may arise from any other default (whether the same as or similar to the Existing Defaults or otherwise) which presently exists or which may in the future occur. Except as expressly provided in Section 4.3(b)4.3(b) below, the Lenders have not waived any of such rights or remedies, and nothing in this Agreement, and no delay on their part in exercising any such rights or remedies, should be construed as a waiver of those rights or remedies.

2.6 Demand and Notice of Intention

Each of the Obligants hereby acknowledges:

- (a) receipt of the Existing Demand Letters, and the Existing Section 244 Notices, on May 25, 2023; and

- (b) all applicable cure periods relating to the Existing Defaults, the Existing Demand Letters and Existing Section 244 Notices have lapsed,

and each of them hereby waives any right or requirement to receive further notice or demand (including, without limitation, any other Section 244 Notices) from the Lenders in respect thereof or the enforcement under the Security Documents.

2.7 Loan Documents

Each of the Obligants hereby agrees, ratifies, acknowledges and confirms to the Lenders that:

- (a) the term "Loan Agreement", as used in each of the Loan Documents, means the Existing Loan Agreement, as supplemented by this Agreement, and as may be further amended, extended, supplemented, modified, renewed, replaced and restated from time to time;
- (b) this Agreement constitutes a "Loan Document" (as defined in the Loan Agreement);
- (c) each of the Security Documents previously granted by the Obligants prior to the date hereof pursuant to the Existing Loan Agreement and the other Loan Documents, is held and will continue to be held by the Lenders as collateral security for all of the debts, liabilities and obligations, present and future, direct and indirect, of each of the Obligants to the Lenders pursuant to the Loan Agreement and the other Loan Documents;
- (d) each of the Obligants will continue to be bound by all of the terms, conditions, covenants and obligations applicable to such Obligant under or pursuant to this Agreement, the Loan Agreement and the other Loan Documents to the extent such Obligant is a party, and
- (e) each of the Obligants hereby ratifies, acknowledges and confirms all obligations, covenants, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement (as may be supplemented herein) and the other Loan Documents, all of which shall continue in full force and effect.

3. INTERIM LOAN

3.1 Loan Terms

Each Lender, on a severally basis with the other, agrees to made available to the Borrowers a further non-revolving short-term loan (the "**Interim Loan**"), on terms and conditions set out below:

- (a) The Interim Loan shall be used for the sole purpose to finance the repayment of the Senior A Indebtedness, and it shall be (and shall be deemed to be) advanced concurrently when the net proceeds from the New UB Lot 2 Financing have been advanced and paid to the Lenders' Solicitors, in trust (as provided in Section 4.1 below).
- (b) The Interim Loan shall be in the principal amount equal to (i) the amount of the Senior A Indebtedness then owing, less (ii) the net proceeds from the New UB Lot 2 Financing paid to the Lenders' Solicitors, in trust (as provided in Section 4.1 below), and (iii) the \$4MM Reserve Sum held in the Combined Repayment Reserve, of which Lender A will fund not more than \$2,750,000 in principal amount, and Lender B will fund not more than the remaining balance of its principal amount (the proportion that the principal amount of Interim Loan funded and owing to each Lender bears to the aggregate principal amount of the Interim Loan is herein known as the "**Lender's Interim Loan Proportion**").
- (c) The Interim Loan shall consist of a single advance and shall be deemed to be advanced by each Lender based on the applicable Lender's Interim Loan Proportion upon application

of the applicable principal amount of the Interim Loan to repay the amount then owing to that Lender under the Senior A Indebtedness, and such application is hereby irrevocably authorized and directed by the Borrowers.

- (d) The indebtedness of the Borrowers under the Interim Loan shall form a part of the Loan Amount under the Loan Agreement and secured by the Security Documents and the following:
- (1) a mortgage, including the terms of an assignment rents, in favour of the Lenders charging the Hotel Property, granted by the ITC Borrower, in the principal amount of \$5,300,000 (collectively, the "**Interim Loan Hotel Property Mortgage**"), which shall rank subordinate only to the Lenders' existing mortgage securing the Loan Amount and the indebtedness under the Loan Agreement;
 - (2) a mortgage, including the terms of an assignment rents, in favour of the Lenders charging UB Lot 1, granted by the UB Nominee, in the principal amount of \$5,250,000, which shall rank subordinate only to the Lenders' existing mortgages securing the Loan Amount and the indebtedness under the Loan Agreement and such other mortgages and charges previously permitted by the Lenders in connection with the Loan Agreement; and
 - (3) a beneficiary authorization and charge agreement relating to UB Lot 1 granted by the UB Nominee and the other UB Borrowers in favour of the Lenders,

(all of which shall be in form and substance to the satisfaction of the Lenders, collectively, the "**Additional Interim Loan Security Documents**").

Each Additional Interim Loan Security Document shall constitute a "Security Document" and a "Loan Document" (as each term is defined in the Loan Agreement).

- (e) Interest on the Interim Loan shall accrue at the following rates:
- (1) from the date of advance up to and including October 30, 2023, 0% per annum; and
 - (2) from October 31, 2023, 27% per annum, PLUS the then applicable Rate Premium, until the Interim Loan and the interest thereon have been repaid in full.

Interest on the Interim Loan shall otherwise be calculated and compounded in the same manner as that on the rest of the Loan in accordance with the terms of the Loan Agreement.

- (f) The Interim Loan, and the interest accrued thereon, shall be due in full on the date when the net proceeds from the New Senior Hotel Financing and from the UB Lot 2 Sales have been paid to the Lenders' Solicitors, in trust, in accordance with Section 4.2(a)4.2(a) below, but in any case no later than November 7, 2023 (the "**Interim Loan Outside Due Date**"), and no prepayment (in full or in part) shall be permitted.
- (g) In consideration of the Lenders making available the Interim Loan, the Borrowers hereby agree to pay to the Lenders:
- (1) an additional commitment fee in the amount of \$131,000 (the "**Interim Loan Commitment Fee**"); and
 - (2) an usage fee in the amount of \$59,000 (the "**Interim Loan Usage Fee**").

3.2 Conditions Precedent

The advance of the Interim Loan pursuant to Section 3.1(c) above shall be subject to the following conditions having been fulfilled to the satisfaction of the Lenders (or waived by the Lenders in their sole discretion):

- (a) the New UB Lot 2 Financing shall have been (or concurrently with the completion of the Interim Loan, will be) completed and advanced, and their respective net proceeds shall not be less than the amounts provided in Section 4.1 below; and
- (b) together with the aggregate net proceeds from the New UB Lot 2 Financing and the \$4MM Reserve Sum held in the Combined Repayment Reserve, the advance under the Interim Loan shall be in sufficient amount in order to repay the Senior A Indebtedness in full.

4. OBLIGANTS' COVENANTS

Each of the Obligants covenants and agrees with the Lenders as follows:

4.1 October 16, 2023

- (a) On or before October 16, 2023, the Borrowers will pay (and will cause to be paid) to the Lenders' Solicitors, in trust, the net loan proceeds from the New UB Lot 2 Refinancing in the sum of not less than \$11,870,000, which payment shall be added to the Combined Repayment Reserve.
- (b) On October 16, 2023, the balance in the Combined Repayment Reserve, together with the advance under the Interim Loan, shall be applied to the outstanding balance of the Senior A Indebtedness then owing, in order to repay the Senior A Indebtedness and satisfy all other obligations owing by the ITC Borrower under the Senior A Loan Agreement in full.

4.2 October 30, 2023

- (a) On or before October 30, 2023, the Borrowers will pay (and will cause to be paid) to the Lenders' Solicitors, in trust, (i) the net loan proceeds from the New Senior Hotel Financing in the sum of not less than \$47,000,000, and (ii) the proceeds from the UB Lot 4 Sale in the sum of \$17,000,000, which payments shall be added to the Combined Repayment Reserve.
- (b) On October 30, 2023:
 - (1) subject to (i) the Senior A Indebtedness having been repaid and satisfied in full, and (ii) there are sufficient funds in the Combined Repayment Reserve to do so, the balance in the Combined Repayment Reserve shall be applied to the outstanding balance of the UB Project Indebtedness then owing, in order to repay the UB Project Indebtedness and satisfy all other obligations owing by the UB Borrowers under the UB Project Loan Agreement in full; and
 - (2) subject to the UB Project Indebtedness having been repaid and satisfied in full, the balance (if any) in the Combined Repayment Reserve shall be applied on October 30, 2023 as follows:
 - (A) firstly, to the Additional Forbearance Fee (pursuant to the Forbearance Extension Agreement, and as acknowledged in Section 7.2 below); and
 - (B) secondly, to the Equivalent Interest Payment pursuant to Section 4.3(b);

- (C) thirdly, to the outstanding principal balance of the Interim Loan (excluding the Interim Loan Commitment Fee and the Interim Loan Usage Fee);
 - (D) fourthly, to the Additional Commitment Fee (pursuant to the Forbearance Extension Agreement, and as acknowledged in Section 7.2 below); and
 - (E) fifthly, to the remaining outstanding balance of the Loan Amount then owing under the Loan Agreement.
- (c) The remaining balance of the Loan Amount then owing, after taking into account the application pursuant to Section 4.2(b)(2)(E) above may be refinanced under the Bridge Refinancing as contemplated under Section 8.2 below.
 - (d) On or before the date when the outstanding principal balance of the Interim Loan is repaid pursuant to Section 4.2(b)(2)(C), but in any case no later than the Interim Loan Outside Due Date, the Borrowers shall pay out of its own resource (for greater certainty, such payment shall not be funded out of the Combined Repayment Reserve or any contribution that would have been paid into the Combined Repayment Reserve) the Interim Loan Commitment Fee and the Interim Loan Usage Fee.

4.3 Payment In Lieu of Interest During Forbearance Extension Period

- (a) The Borrowers acknowledge to the Lenders that, as a result of the Existing Forbearance Extension Default, the Interest Waiver Conditions (as defined in the Forbearance Extension Agreement) are not satisfied, and that, but for the Lenders' agreement under Section 4.3(b) below, interest that has continued to accrue during the Forbearance Extension Period on the Loan pursuant to the terms of the Existing Loan Agreement, will not be waived by the Lenders.
- (b) Subject to Section 9 above, as a further accommodation to the Borrowers, the Lenders agree to accept the sum of \$6,400,000 (the "**Equivalent Interest Payment**") on or before the Forbearance Extension End Date and otherwise in accordance with Section 4.2(b)(2) above, in lieu of the interest that has accrued and would have continued to accrue on the Loan up to the Forbearance Extension End Date.

For greater certainty, subject to the completion of the Bridge Refinancing pursuant to Section 8.2 below, interest shall accrue (and continue to accrue) on the then outstanding balance of the Loan at 30% per annum as of the Forbearance Extension End Date.

4.4 Forbearance Extension End Date

If no Event of Forbearance Default (except for the Existing Forbearance Extension Default) has occurred and the Forbearance Extension Period has not otherwise expired before the Forbearance Extension End Date, then the Borrower will pay to the Lenders the Loan Amount then owing on the Forbearance Extension End Date in full (subject to the completion of the Bridge Refinancing pursuant to Section 8.2 below).

4.5 Redemption Period; Insolvency Proceedings

Each of the Obligants hereby irrevocably acknowledges and agrees that, in consideration of continuing the forbearance provided to them by the Lenders under the terms of this Agreement:

- (a) it will irrevocably consent to an order nisi, stipulating a shortened redemption period of 10 days in any foreclosure proceedings brought by the Lenders in respect of the property charged by the mortgages granted pursuant to the Loan Agreement or any other Security Document and an order for conduct of sale in favour of the Lenders effective from the end

of the redemption period, such consent order otherwise in form and content acceptable to the Lenders in all other respects; and

- (b) it will cooperate with the Lenders in their efforts to achieve a timely sale of such property (or any part thereof) in any foreclosure proceedings,

and, except with the prior express written consent of the Lenders:

- (c) it shall not seek any relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Acts* (Canada) or any other comparable insolvency legislation, including by initiating or otherwise becoming subject to any proceedings under any such legislation (each, an "**Insolvency Proceeding**"), which would in any way stay the actions of the Lenders or otherwise prevent the Lenders from realizing on all or any part of the security under the Security Documents;
- (d) in the event any Insolvency Proceeding is commenced in respect of any Obligant, the Lenders shall be treated as "unaffected creditors" in such Insolvency Proceeding and, in particular, none of the rights or remedies of the Lenders shall be stayed or otherwise limited and none of the Debt or any other Loan Amount shall be subject to any compromised or arrangement as part of any such Insolvency Proceeding; and
- (e) in the event any Insolvency Proceeding is commenced in respect of any Obligant, the Lenders shall have the right, in priority to any other person, but not the obligation, to provide interim financing within the meaning of *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Acts* (Canada) to each Obligant subject to such Insolvency Proceeding, on the usual terms and conditions, and no actions or steps shall be taken by any Obligant in connection with any such financing.

5. LENDERS' FORBEARANCE

Subject to Section 9 below, and provided that no Event of Forbearance Default has occurred and the Forbearance Extension Period has not otherwise expired, the Lenders hereby agree with the Borrowers and the other Obligants as follows:

- (a) subject to the receipt of the Equivalent Interest Payment, the Lenders shall accept such payment in lieu of the interest that has accrued and would have continued to accrue on the Loan up to the Forbearance Extension End Date in accordance with Section 4.3 above; and
- (b) the Lenders continue to forbear from enforcing their security under the Security Documents, until the Forbearance Extension Period has expired.

6. REPRESENTATIONS AND WARRANTIES

6.1 General Representations

Each of the Obligants, jointly and severally, represents and warrants as follows to the Lenders:

- (a) The UB Nominee, a company incorporated in Yukon with the original name "34083 Yukon Inc.", was continued into British Columbia on March 22, 2023 as a company with the name Kensington Union Bay Properties Nominee Ltd.
- (b) Except as set out in Section 2 above, each of the representations and warranties in Section 5 of the Existing Loan Agreement and in Section 7 of the Second Amending Agreement are true, accurate and complete in all respects on and as of the date hereof, with the same

effect as if such representations and warranties had been made on and as of the date hereof (except for those representations and warranties which speak solely as of an earlier date, in which event those representations and warranties must be true, accurate and complete in all respects as of such earlier date);

(c) the execution, delivery and performance by that Obligor of this Agreement and the other Loan Documents:

(1) have been duly authorized by all necessary proceedings of that Obligor (to the extent it is a corporation or a limited partnership);

(2) do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of:

(A) the constating documents of that Obligor (to the extent it is a corporation or a limited partnership);

(B) any law applicable to or binding on or affecting that Obligor or its assets;

(C) the Senior A Indebtedness or any Senior A Security;

(D) the UB Project Indebtedness or any UB Project Security;

(E) the UB-GF Indebtedness or any UB-GF Security; or the UB-VTB Indebtedness or any UB-VTB Security;

(F) the Residence-SL128-Morteq Indebtedness or any Residence-SL128-Morteq Security; the SpaV-BDC Indebtedness or any Spa-BDC Security; the SpaV-Jin Indebtedness or any Spa-Jin Security; the SpaV-Kingdom Indebtedness or any Spa-Kingdom Security; or

(G) the Hotel Property Beneficial Transfer Agreement; or

(H) any agreement or other document to which that Obligor is a party

and

(3) do not and will not, result in, or require or permit:

(A) the imposition of any encumbrances on or with respect to the Property or any other properties now owned by that Obligor; or

(B) the acceleration of the maturity of the Senior A Indebtedness, the UB Project Indebtedness, the UB-GF Indebtedness, the UB-VTB Indebtedness, the Residence-SL128-Morteq Indebtedness, the SpaV-BDC Indebtedness, the SpaV-Jin Indebtedness, the SpaV-Kingdom Indebtedness or any other debts owing by that Obligor;

(d) each of the Obligor has obtained all consents, authorizations and approvals required to carry on its business as now being conducted and to enter into and perform its obligations under this Agreement and the other Loan Documents;

(e) no consent or approval is required from the Hotel Property HoldCo or other entities that are parties to, or have a direct or indirect interest in, the Hotel Property HoldCo or otherwise in relation to the Hotel Property Beneficial Transfer in order for the Borrowers and any other

Obligants to enter into and perform its obligations under this Agreement and the other Loan Documents; and

- (f) all information, documents, reports, certificates and records provided by or on behalf of the Obligants to the Lenders in relation to this Agreement or otherwise in connection with the Loan are accurate and complete in all material respects, and do not omit any material fact that would make the content thereof misleading.

7. FEES TO THE LENDER

7.1 Fee Non-Refundable

Each of the Interim Loan Commitment Fee and the Interim Loan Usage Fee (pursuant to Section 3.1(h) above) is non-refundable and will be:

- (a) earned by the Lenders upon issuance to the Borrowers of this Agreement; and
- (b) until paid, added to and form a part of the Loan Amount and secured by the Security Documents.

For greater certainty, each such fee is earned and payable in accordance with the terms hereof, without any reduction or set-off:

- (c) even if any of the conditions set out in Section 9 is not satisfied (or waived by the Lenders), or if any of the Obligants is otherwise unwilling or unable to complete the transactions contemplated hereunder;
- (d) even if the conditions to the advance of the Interim Loan have not been satisfied (or waived by the Lender) pursuant to Section 3.2 above; and
- (e) even if the Interim Loan is repaid prior to the Interim Loan Outside Due Date.

7.2 Acknowledgement

For greater certainty, each of the Additional Forbearance Fee and the Additional Commitment Fee (as each is defined in Section 7.1 and 7.2 of the Forbearance Extension Agreement) has been earned by the Lenders, and each shall continue to be due and payable to the Lenders in accordance with the terms thereof.

8. REFINANCING

8.1 Partial Discharges

Subject to Section 9 below, provided that no Event of Forbearance Default (except for the Existing Forbearance Extension Default) has occurred and the Forbearance Extension Period has not otherwise expired, the Lenders hereby agree with the Borrowers and the other Obligants as follows:

- (a) In order to facilitate the New UB Lot 2 Financing, upon and subject to receipt by the Lenders' Solicitors, in trust, of the net proceeds from the New UB Lot 2 Financing in accordance with Section 4.1, the Lenders agree to grant a priority agreement (the "**New UB Lot 2 Priority Agreement**") to subordinate their mortgage and charge under the Security Documents in respect of UB Lot 2 to the mortgage and charge in favour of New UB Lot 2 Lender under the New UB Lot 2 Financing, on terms and conditions set out below and such other terms and conditions acceptable to the Lenders in their sole discretion:

- (1) the Lenders' right to receive any payments on account of the Loan Amount (including the Interim Loan) from the Combined Repayment Reserve, and any other sources whatsoever (other than proceeds from any sale of UB Lot 2 or recovery from any enforcement actions against UB Lot 2) shall not be restricted, whether before or after an Event of Default, Event of Forbearance Default or a demand under the Loan Agreement;
 - (2) the priority of the New UB Lot 2 Financing shall not exceed \$13,500,000 in principal amount plus interest at the rate of the greater of 9.95% per annum and RBC Prime Rate plus 3.00%; and
 - (3) the Lenders' right to initiate any enforcement action under the Security Documents against any property shall not be restricted in any way, provided any enforcement action against UB Lot 2 shall be subject to the Lenders delivering to the New UB Lot 2 Lenders 30 days' prior notice of the Lenders' intention to initiate any such action against UB Lot 2.
- (b) If the UB-GF Refinancing has been completed and the UB-GF Lender's mortgage and charge has been discharged from UB Lot 1 (the "**UB-GF (UB Lot 1) Discharge**") such that the mortgage and charge of the Lenders against UB Lot 1 shall be subject and subordinate **ONLY TO** the UB-VTB Lender's mortgage and charge registered against UB Lot 1 in the principal amount of not more than \$9,000,000 and, if applicable, the other mortgages and charges of (i) the UB Project Lenders (in respect of the UB Project Indebtedness), and (ii) the Senior A Lenders (in respect of the Senior A Indebtedness), then:
- (1) In order to facilitate the New Senior Hotel Financing, concurrent with the completion of such financing, the Lenders agree to execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of their mortgage and charge under the Security Documents from the Hotel Property (including the Interim Loan Hotel Property Mortgage), upon and subject to the receipt by the Lenders' Solicitors of the net loan proceeds from the New Senior Hotel Financing in the sum of not less than \$47,000,000 in accordance with Section 4.2(a), provided that:
 - (A) The Senior A Indebtedness has been repaid in full in accordance with Section 4.1 above; and
 - (B) the UB Project Indebtedness has been (or will be, as a result of the receipt by the Lenders' Solicitors of such net loan proceeds) repaid in full in accordance with Section 4.2(b)(1); and
 - (2) In order to facilitate the UB Lot 4 Sale, concurrent with the completion of such sale, the Lenders agree to execute and deliver a partial discharge (prepared by and at the expense of the Borrowers) of their mortgage and charge under the Security Documents from UB Lot 4, upon and subject to the receipt by the Lenders' Solicitors of the proceeds from the UB Lot 4 Sale in the sum of \$17,000,000 in accordance with Section 4.2(a).

For greater certainty, the Lenders are not obligated to provide any discharge in respect of the Hotel Property or UB Lot 4, unless the UB-GF Refinancing and the UB-GF (UB Lot 1) Discharge have been completed as provided above.

8.2 Bridge Refinancing

Provided that no Event of Forbearance Default (except for the Existing Forbearance Extension Default) has occurred and the Forbearance Extension Period has not otherwise expired, and the following conditions (collectively, the "**Bridge Refinancing General Conditions**") have been satisfied on or before the Forbearance Extension End Date:

- (a) the Senior A Indebtedness has been repaid in full;
- (b) the UB Project Indebtedness has been repaid in full;
- (c) the Loan Amount owing to the Lenders have been reduced pursuant to Section 4.2(b)(2)(E), such that the remaining outstanding balance of the Loan Amount on the Forbearance Extension End Date (after such reduction) is not more than \$30,930,000 (such remaining balance, the "**Remaining Loan Amount**");
- (d) the UB-GF (UB Lot 1) Discharge has been completed, and the only mortgage and charge registered against UB Lot 1 (other than the one in favour of the Lenders to secure the Loan Amount pursuant to the Loan Agreement) is the one in favour of UB-VTB Lender in the principal amount of not more than \$9,000,000;
- (e) the only mortgage and charge registered against Office SL12 is the one in favour of the Lenders to secure the Loan Amount;
- (f) the Lenders in their full discretion are satisfied with the then current terms and conditions under the New Senior Hotel Financing, the UB-VTB Indebtedness and the UB-GF Refinancing; and
- (g) the Lenders are satisfied with their due diligence regarding the financial condition, ownership, or operation of the Borrowers, any other Obligor, UB Lot 1, UB Lot 2, Office SL 12 and the other property mortgaged and charged by the Security Documents under the Loan Agreement (to the extent not discharged pursuant to Section 8.1 above), and that there is no material adverse change regarding any such financial condition, ownership, or operation,

then the Lenders hereby agree to refinance the Remaining Loan Amount then owing on the Forbearance Extension End Date by a bridge loan on the terms set out in Section 8.3.

8.3 Bridge Refinancing Loan

Subject to the satisfaction of the Bridge Refinancing General Conditions, the Lenders agree to made available, severally, in the proportion based on the then outstanding balance of the Remaining Loan Amount owing to each Lender on the Forbearance Extension End Date, a loan (the "**Bridge Refinancing Loan**") on terms and conditions acceptable to the Lenders in their sole discretion, which shall include the following:

- (a) The Bridge Refinancing Loan shall be used for the sole purpose to refinance the Remaining Loan Amount.
- (b) It shall be in the principal amount equal to the Remaining Loan Amount, provided that it shall not exceed \$30,930,000.
- (c) UB Borrowers shall be the sole borrowers of the Bridge Refinancing Loan (such borrower, the "**Bridge Refinancing Borrowers**").

- (d) The Guarantors and such other affiliates of the UB Borrowers or the Guarantors as may be required by the Lenders in their sole discretion shall be the guarantors (collectively, the "**Bridge Refinancing Guarantors**") of the Bridge Refinancing Loan, the liability of such guarantors shall be joint and several among themselves, and unlimited in principal amount. For greater certainty, the ITC Borrower shall not be a guarantor for the Bridge Refinancing Loan.
- (e) The obligations of the Bridge Refinancing Borrowers under the Bridge Refinancing Loan shall be secured by a mortgage (or mortgages) in favour of the Lenders, to be registered as follows:
- (1) a second-ranking mortgage in the principal amount of \$30,930,000 on UB Lot 1, ranking subordinate and subject only to the mortgage securing the UB-VTB Indebtedness in the principal amount of not more than \$9,000,000;
 - (2) a second-ranking mortgage in the principal amount of \$30,930,000 on UB Lot 2, ranking subordinate and subject only to the mortgage securing the New UB Lot 2 Financing in the principal amount of not more than \$13,500,000;
 - (3) a first-ranking mortgage in such principal amount as may be acceptable to the Lenders in their sole discretion on Office SL 12; and
 - (4) a first-ranking charge on present and after-acquired property of SFT 30,
- and all other mortgage, charge and security interest against the same properties charged by the Security Documents and otherwise pursuant to the Loan Agreement and this Agreement (excluding the Hotel Property and such other property discharged pursuant to Section 8.1 above).
- (f) Interest on the Bridge Refinancing Loan shall accrue at the following rates:
- (1) from the Forbearance Extension End Date up to and including April 30, 2024, 0% per annum; and
 - (2) from May 1, 2024, 27% per annum, PLUS the then applicable Rate Premium, until the Bridge Refinancing Loan and the interest thereon have been repaid in full.
- (g) The term of the Bridge Refinancing Loan shall expire on May 30, 2024, and no prepayment (in full or in part) shall be permitted.
- (h) The Lenders shall have entered into a priority agreement with the UB-VTB Lender on terms and conditions to the satisfaction of the Lenders in their sole discretion, which shall include the following terms:
- (1) The priority of the mortgage on UB Lot 1 to secure the UB-VTB Indebtedness shall not at any time exceed the \$9,000,000.
 - (2) The interest rate on the UB-VTB Indebtedness and the calculation and payment of the interest accrued thereon shall be acceptable to the satisfaction of the Lenders, in their sole discretion.
 - (3) The right of the Lenders to initiate any enforcement action under their mortgage registered on UB Lot 1 to secure the Bridge Refinancing Loan shall not be restricted, subject only to the Lenders delivering to the UB-VTB Lender a written 30 days' prior notice of its intention to initiate such action.

- (i) The Lenders shall have entered into the New UB Lot 2 Priority Agreement pursuant to Section 8.1(a) above.

9. CONDITIONS PRECEDENT

Notwithstanding any other provisions of this Agreement, the acceptance of the Equivalent Interest Payment in lieu pursuant to Section 4.3(b) above, the forbearance and the other agreements of the Lenders pursuant to Section 5 above and the terms of Section 12.3(a) below shall not become effective unless and until the following conditions have been satisfied to the satisfaction of the Lenders (or waived by the Lenders in their sole discretion):

- (a) the Lenders shall have received this Agreement and the Additional Interim Loan Security Documents, duly executed by the Obligants;
- (b) except for the Existing Forbearance Extension Default, there must be no outstanding Event of Forbearance Default and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute an Event of Forbearance Default.

10. EVENTS OF FORBEARANCE DEFAULT

10.1 Events

Each of the following constitutes an Event of Forbearance Default:

- (a) if at any time there is a default or a breach by an Obligor of any covenant, agreement, term, condition, stipulation or proviso contained in this Agreement;
- (b) if an Event of Default (other than the Existing Defaults to the extent they have been expressly forborne under this Agreement) has occurred under the Loan Agreement or any other Loan Document;
- (c) if the Lenders, in their sole discretion, believe that (i) the Hotel Property Beneficial Transfer has been fully consummated, or (ii) the ITC Borrower no longer has the sole control to the Hotel Property, or (iii) there is any change in the ownership or management of any Borrower, any of the other Obligants, the Hotel Property or any other Property (or any part thereof) that could have a material adverse effect on the validity and enforceability of the Loan Agreement, the Security Documents, the Lenders' rights, benefits and remedies thereunder, or the validity or priority of the Lenders' security interests created thereunder;
- (d) if the New UB Lot 2 Financing has not been completed on or before October 16, 2023, or its net proceeds are less than the amounts provided in Section 4.1 above;
- (e) if the Senior A Indebtedness has not been repaid in full on or before October 16, 2023;
- (f) if any of the New Senior Hotel Financing or the UB Lot 4 Sale has not been completed on or before October 30, 2023, or their respective net proceeds therefrom are less than the amounts provided in Section 4.2 above; or
- (g) if the UB Project Indebtedness has not been repaid in full on or before October 30, 2023;
- (h) if there is a default or a breach by an Obligor of any covenant, agreement, term, condition, stipulation or proviso contained in the UB Project Loan Forbearance Extension Agreement, or if the forbearance period under the UB Project Loan Forbearance Extension Agreement has expired or otherwise been terminated in accordance with the terms of the UB Project Loan Forbearance Extension Agreement.

10.2 Remedies

Upon the occurrence of an Event of Forbearance Default, the Forbearance Extension Period will automatically expire and come to an end (unless expressly waived by the Lenders in their sole discretion), and the Lenders may in their sole discretion exercise any and all of the rights, remedies and powers under the Loan Agreement, the Security Documents, the Loan Documents and this Agreement.

It shall constitute an Event of Default under the Loan Agreement, the Security Documents and the other Loan Documents if an Event of Forbearance Default has occurred.

11. TOLLING

The parties hereto further agree that:

- (a) upon the expiration or termination of the Forbearance Extension Period, the agreement of the Lenders to forbear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lenders to exercise their rights and remedies immediately, including, without limitation, the private appointment of a receiver under the Security Documents held by the Lenders from the Borrowers and the Guarantors and the right to apply to court to enforce any private or other remedies available to the Lenders or to seek the appointment of any permanent or interim receiver or receiver and manager or any trustee in bankruptcy of the Borrowers and the Guarantors;
- (b) as of the date hereof and continuing until the termination of the Forbearance Extension Period and thereafter until the termination of the tolling arrangements hereof in the manner provided for under Section 11(c), and whether or not any demand for payment or notice of intention to enforce security pursuant to *Bankruptcy and Insolvency Act* (Canada) has previously been delivered or has subsequently been delivered by the Lenders, the Lenders and the Obligants hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Debt, the other Loan Amount, the Loan Agreement, the Security Documents, and any entitlements arising therefrom and from any other related matters, including but not limited to, any limitation periods contained in the *Limitation Act* (British Columbia); and
- (c) the tolling provisions of this Agreement will terminate upon a party providing the other parties with 60 days written notice of an intention to terminate the tolling provisions hereof (for greater certainty the tolling provisions shall not automatically expire upon the expiry or termination of the Forbearance Extension Period) and upon termination of the tolling provisions, and the time provided for under any statutes of limitations, laches, or any other doctrines related to the passage of time in relation to the Debt, the other Loan Amount, the Loan Agreement, the Security Documents or any entitlements arising therefrom and from any other related matters, will recommence running as of the effective date of the termination of these tolling provisions, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

12. GENERAL

12.1 Release

- (a) In consideration of this Agreement and for other good and valuable consideration, each Obligant, on its own behalf and on behalf of its successors, assigns, personal representatives and other legal representatives, absolutely, unconditionally and irrevocably releases the Lenders, and their present and former affiliates, subsidiaries, predecessors,

directors, officers, legal counsel, consultants, employees, agents and other representatives, and their successors and assigns (collectively, the "**Releasees**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities known or unknown, both at law or in equity, that such Obligor or any of its successors, assigns, personal representatives or other legal representatives may now or later have or claim against any of the Releasees by reason of any circumstance, action, cause or thing which arises at any time on or prior to the date of this Agreement, including for or on account of, or in relation to, or in any way in connection with (i) this Agreement, the Loan Agreement or any of the other Loan Documents or any transactions under or related to, this Agreement, the Loan Agreement or any of the other Loan Documents, and (ii) any and all proposed refinancing of any Obligor by the Lenders (past or present), including, without limitation, the Bridge Refinancing and any and all prior proposed offers of finance (whether consummated or not), term sheets, indicative and non-binding term sheets or negotiations for financing, between any of the Lenders and any Obligor.

- (b) Each Obligor understands, acknowledges and agrees that the release set out in Section 12.1(a) may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release.
- (c) Each Obligor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of the release set out in Section 12.1(a).

12.2 Reviewed by Legal Counsel

Each Obligor confirms to the Lenders that:

- (a) It understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement;
- (b) It has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and any documents executed in connection herewith with, such lawyers and other persons as such Obligor may wish; and
- (c) It has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any person.

The parties hereto acknowledge and agree that neither this Agreement nor the other documents or instruments executed pursuant hereto will be construed more favourably in favour of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents and instruments executed pursuant hereto or in connection herewith.

12.3 Supplement to Forbearance Extension Agreement and Existing Loan Agreement

- (a) Subject to Section 9 above, Sections 3.2, 3.3 and 3.4 and Section 7 of the Forbearance Extension Agreement shall be of no further force or effect, and shall be superseded and replaced, respectively, by Sections 4.1 and 4.2 and Section 8 of this Agreement.
- (b) This Agreement shall be read and construed along with the Forbearance Extension Agreement and the Existing Loan Agreement and be treated as a part thereof and, for such

purposes and so far as may be necessary to effectuate these presents, the Forbearance Extension Agreement and the Existing Loan Agreement shall be regarded as being hereby supplemented (subject to Section 9 above), and the Forbearance Extension Agreement and the Existing Loan Agreement as so supplemented together with all of the covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters and things whatsoever contained in the Existing Loan Agreement shall (except as expressly provided in Section 12.3(a) above) continue in full force and effect.

12.4 Expenses

The Borrowers shall pay on demand all costs and expenses incurred by or on behalf of the Lenders in carrying out or attempting to carry out the transaction(s) contemplated under this Agreement or in implementing or enforcing the terms of this Agreement.

12.5 Payments

All payments to be made by or on behalf of the Borrowers pursuant to this Agreement shall be made by wire transfer to the Lenders' Solicitors, in trust. Any other form of payment (whether by way of certified trust cheque, bank draft or similar payment instrument) will be subject to an additional hold period until the funds are cleared to the satisfaction of the Lenders' Solicitors, and each such instalment (once received) shall not be treated as paid or otherwise available for application in connection with this Agreement and the other Loan Documents until such hold period has elapsed. Any payment received after 12 p.m. (Vancouver, B.C. local time) on any Business Day will be deemed to be received on the next Business Day.

12.6 Currency

All references to money herein, unless otherwise stated, mean the lawful money of Canada.

12.7 Successors and Assigns

This Agreement and the Loan Agreement shall enure to the benefit of and be binding on each of the parties hereto and their respective personal representatives, successors and permitted assigns.

12.8 Applicable Law

This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

12.9 Counterparts

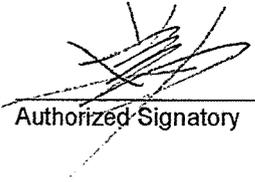
This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument, and all such counterparts may be delivered by way of facsimile transmission or in PDF by e-mail to the other party.

[Signature Pages Follow.]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: 

Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

[Obligants' Signature Page Follows]

IN WITNESS WHEREOF the parties hereto execute this Agreement on the date first above written.

Lenders:

FOX ISLAND DEVELOPMENT LTD.

Per: _____
Authorized Signatory

ADVANCED VENTURE HOLDING CO., LTD.

Per:  _____
Authorized Signatory

Per:  _____
Authorized Signatory

[Obligants' Signature Page Follows]

Borrowers:

KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, by its general partner, **KENSINGTON UNION BAY PROPERTIES GP LTD.**

Per: 
Mo Yeung Ching
Authorized Signatory

KENSINGTON UNION BAY PROPERTIES GP LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (formerly known as 34083 YUKON INC.)

Per: 
Mo Yeung Ching
Authorized Signatory

INTERNATIONAL TRADE CENTER PROPERTIES LTD.

Per: 
Mo Yeung Ching
Authorized Signatory

Guarantors:

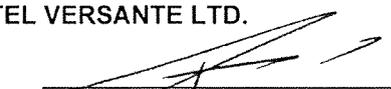
MO YEUNG PROPERTIES LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

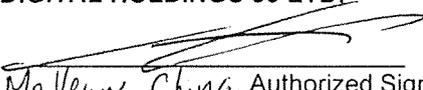
SUNWINS ENTERPRISES LTD.

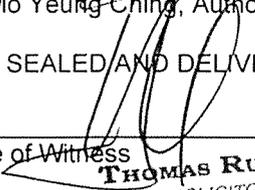
Per: 
Mo Yeung Ching, Authorized Signatory

HOTEL VERSANTE LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SFT DIGITAL HOLDINGS 30 LTD.

Per: 
Mo Yeung Ching, Authorized Signatory

SIGNED, SEALED AND DELIVERED:)
)
)
Signature of Witness )
Name of Witness **THOMAS RUSSELL**)
SOLICITOR)
Address Suite 500 North Tower)
5811 COONEY ROAD)
RICHMOND, B.C. V6X 3M1)
TELEPHONE 604-276-2765)
Occupation)


MO YEUNG CHING (also known as MICHAEL CHING)

EXHIBIT L

This is **Exhibit "L"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.


A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4976

NORTON ROSE FULBRIGHT

Forbearance Agreement and the Forbearance Extension Agreement, during the Forbearance Extension Period (as defined therein).

The security held by our client in connection with the Loan Agreement, the Forbearance Agreement, the Forbearance Extension Agreement and the Forbearance Extension Supplemental Agreement (collectively, the "**Principal Agreements**") includes the following:

1. A mortgage in the principal amount of \$43,500,000 and an assignment of rents (the "**43.5MM Mortgage**") granted by the ITC Borrower and the UB Nominee, charging the following lands:

Parcel Identifier	Legal Description
-------------------	-------------------

By ITC Borrower

030-795-851	Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985 (" ITC ASP2 ")
029-611-598	Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985 (" ITC Remainder "; together with ITC ASP2, the " ITC Property ")

By UB Nominee

028-731-492	Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931 (" UB Lot 1 ")
028-731-549	Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plan EPP78068 (" UB Lot 4 ")

2. Beneficiary authorization and charge agreements in respect of 43.5MM Mortgage and the subsequent modifications thereto, made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
3. Mortgage in the principal amount of \$16,600,000 and an assignment of rents (the "**UB Lot 1-16.6MM Mortgage**") granted by the UB Nominee charging UB Lot 1;
4. Beneficiary authorization and charge agreements in respect of UB Lot 1-16.6MM Mortgage, made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
5. Mortgage in the principal amount of \$5,300,000 and an assignment of rents (the "**UB Lot 1-5.3MM Mortgage**") granted by the UB Nominee charging UB Lot 1;
6. Beneficiary authorization and charge agreements in respect of UB Lot 1-5.3MM Mortgage, made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
7. Mortgage in the principal amount of \$5,300,000 and an assignment of rents (the "**Hotel Property-5.3MM Mortgage**") granted by the ITC Borrower charging the Hotel Property;

8. A mortgage in the principal amount of \$12,000,000 and an assignment rents (the "**UB Lot 2-12MM Mortgage**") granted by the UB Nominee in favour of the Lenders, charging the following lands:

Parcel Identifier	Legal Description
028-731-565	Lot 2 District Lot 28 Nelson District Plan EPP15507 (" UB Lot 2 ") ("UB Lot 1, UB Lot 2, UB Lot 3 and UB Lot 4, collectively, the " UB Property ")

9. Beneficiary authorization and charge agreement relating to UB Lot 2-12MM Mortgage granted by made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
10. General security agreement made by (among others) the Borrowers in favour of the Lenders;
11. Assignment made by the Borrowers of all contracts relating to the sale or refinancing of all or any portion of the ITC Property and the UB Property;
12. Assignment made by the Borrowers of all material agreements relating to the ITC Property and the UB Property;
13. Unlimited joint and several guarantee (the "**Original Guarantee**") by Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Properties Ltd., and Mo Yeung Ching (collectively, the "**Original Guarantors**") relating to the obligations of the Borrowers to the Lenders ;
14. Unlimited guarantee (the "**SFT 30 Guarantee**") by SFT Digital Holdings 30 Ltd. ("**SFT 30**") relating to the obligations of the Borrowers to the Lenders;
15. Unlimited guarantee (the "**Office SL12 Guarantee**"; together with the Original Guarantee and SFT 30 Guarantee, collectively, the "**Guarantees**") by 1382192 B.C. Ltd. ("**Office SL Owner**", together with the Original Guarantors and SFT 30, collectively, the "**Guarantors**") relating to the obligations of the Borrowers to the Lenders; and
16. Environmental indemnity agreement made by (among others) the Borrowers in favour of the Lenders,
- (collectively, the "**Security**").

We are instructed by the Lenders that you have defaulted under the Principal Agreements and the Security, including by failing to make various payments under the Forbearance Extension Supplemental Agreement as and when due thereunder, and that the Forbearance Extension Period (as defined in the Forbearance Extension Supplemental Agreement) has expired.

We are further instructed that, as of December 1, 2023, you are indebted to the Lenders in the total sum of **\$73,309,481.04**, and interest continues to accrue as per the Principal Agreements (the "**Indebtedness**").

On behalf of the Lenders, we hereby make demand for payment of the full amount of the Indebtedness, together with interest accruing in accordance with the Principal Agreements, calculated to the date of payment in full. In addition, all legal costs incurred by the Lenders in connection with the collection of the Indebtedness and the enforcement of the Security will be added to the amount required to satisfy the Indebtedness.

Payment of the Indebtedness, in full, must be made by wire transfer (see details enclosed) to Norton Rose Fulbright Canada LLP, in trust, on or before December 11, 2023.

**NORTON ROSE FULBRIGHT**

In the event that full repayment of the Indebtedness is not received by the date and in the manner aforesaid, we are instructed to take such proceedings as may be available under the Principal Agreements and the Security, to enforce repayment of the Indebtedness.

We enclose for service upon you a Notice of Intention to Enforce Security, issued pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Under separate cover, we are making demand on the Guarantors of the obligations of the Borrowers for the amounts owing pursuant to the Guarantees.

Yours very truly,



Matthew Choi
Partner

MC/tm

Enclosures (2)

Cop(y/ies) to: Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Ching, Mo Yeung Ching Properties Ltd., Kensington Union Bay Properties Nominee Ltd., Kensington Union Bay Properties Limited Partnership, Kensington Union Bay Properties GP Ltd., SFT Digital Holdings 30 Ltd. and 1382192 B.C. Ltd.;
Pryke Lambert Leathley Russell LLP (attention: Tom Russell)

FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
[Subsection 244(1), Rule 124]

To: **INTERNATIONAL TRADE CENTER PROPERTIES LTD.**
KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (FORMERLY KNOWN AS 34083 YUKON INC.)
KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP
KENSINGTON UNION BAY PROPERTIES GP LTD.

each an insolvent entity.

Take notice that:

1. Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd., the secured creditors, intend to enforce their security on the following properties:
 - (a) the real property of International Trade Centre Properties Ltd., legally described as follows (collectively, the "ITC Lands"):

PARCEL IDENTIFIER	LEGAL DESCRIPTION
030-795-851	Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985
029-611-598	Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985

- (b) the real property of Kensington Union Bay Properties Nominee Ltd., legally described as follows (collectively, the "UB Lands", and together with the ITC Lands, the "Lands"):

PARCEL IDENTIFIER	LEGAL DESCRIPTION
028-731-492	Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931 ("UB Lot 1")
028-731-565	Lot 2 District Lot 28 Nelson District Plan EPP15507 ("UB Lot 2")
028-731-549	Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plan EPP78068 ("UB Lot 4")

- (c) all of the presently owned or held and after acquired or held personal property of International Trade Centre Properties Ltd., Kensington Union Bay Properties Nominee Ltd., Kensington Union Properties Limited Partnership, and Kensington Union Bay Properties GP Ltd. of whatsoever nature or kind and wheresoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto

and substitutions therefor, as well as all proceeds including, without limitation, money, chattel paper, intangibles, goods, documents of title, instruments and investment property and financial assets.

2. The security that is to be enforced is the following:

- (a) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the Lands (except UB Lot 2) in the Land Title Office under the following registration numbers:

CA9394748
modified by CB334946
modified by CB379003

- (b) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the Lands (except UB Lot 2) in the Land Title Office under the following registration number:

CA9394749

- (c) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to UB Lot 1 in the Land Title Office under the following registration number:

CB874930

- (d) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to UB Lot 1 in the Land Title Office under the following registration number:

CB874931

- (e) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the ITC Lands in the Land Title Office under the following registration number:

CB940712

- (f) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the ITC Lands in the Land Title Office under the following registration number:

CB940713

- (g) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to UB Lot 1 in the Land Title Office under the following registration number:

CB940730

- (h) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to UB Lot 1 in the Land Title Office under the following registration number:

CB940731

- (i) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to UB Lot 2 in the Land Title Office under the following registration number:

CB1021130

- (j) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to UB Lot 2 in the Land Title Office under the following registration number:

CB1021131

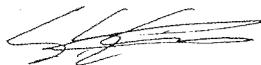
- (k) a general security agreement made in favour of International Trade Centre Properties Ltd., Kensington Union Bay Properties Nominee Ltd., Kensington Union Bay Properties Limited Partnership, and Kensington Union Bay Properties GP Ltd. registered in the British Columbia Personal Property Registry under base registration numbers 909783L on November 22, 2019, and 052177N on June 18, 2021.

3. The total amount of indebtedness secured by the security is **\$73,309,481.04** as at December 1, 2023.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent entity consents to an earlier enforcement.

Dated at Vancouver, British Columbia this 7th day of December, 2023.

**Fox Island Development Ltd. and
Advanced Venture Holding Co., Ltd.**



By its solicitors, Norton Rose Fulbright Canada LLP
Per: Matthew Choi

The undersigned hereby consent to the enforcement by Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. of the security set forth above before the expiration of the 10 day period described in this Notice of Intention.

Per: _____
Authorized Signatory of **International Trade Centre Properties Ltd.**

Per: _____
Authorized Signatory of **Kensington Union Bay Properties Nominee Ltd.**

Per: _____
Authorized Signatory of **Kensington Union Bay Properties Limited Partnership** by its general partner **Kensington Union Bay Properties GP Ltd.**

Per: _____
Authorized Signatory of **Kensington Union Bay Properties GP Ltd.**

**NORTON ROSE FULBRIGHT**

Barristers & Solicitors / Patent & Trade-mark Agents

Norton Rose Fulbright Canada LLP
1800 - 510 West Georgia Street
Vancouver, BC V6B 0M3 CanadaF: +1 604.641.4949
nortonrosefulbright.com**Norton Rose Fulbright Canada LLP- Trust Account - Canadian Dollars VANCOUVER OFFICE**Royal Bank of Canada – Main Branch
1025 West Georgia Street
Vancouver, B.C. V6E 3N9

Beneficiary/Account Holder Name:	Norton Rose Fulbright Canada LLP Trust Account
Beneficiary Address:	1 Place Ville Marie, Montreal, QC H3B 1R1
Transit Number:	00010
Account Number:	131-134-9
Swift Number :	ROYCCAT2
Institution Number:	003

Please include a reference, i.e. lawyer's name and/or file number

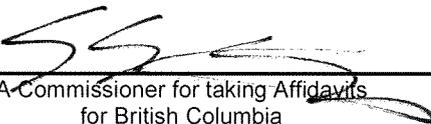
CONFIDENTIALITY NOTICE: This external memorandum, including any attachments, is confidential and may be privileged. If you are not the intended recipient please notify the sender immediately, and please delete it; you should not copy it or use it for any purpose or disclose its contents to any other person.

Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada.

Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com.

EXHIBIT M

This is **Exhibit "M"** referred to in the Affidavit of Wen Yong Wang affirmed before me at Vancouver, BC this 22nd day of January, 2024.



A Commissioner for taking Affidavits
for British Columbia

SHUI-YUEN CHOI
BARRISTER & SOLICITOR
NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800 - 510 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 0M3
(604) 641-4876

Michael Ching (aka Mr. Mo Yeung Ching)
December 7, 2023



forbear from enforcing its rights in respect of the Existing Default (as defined therein), including the Existing Forbearance Extension Defaults (as defined therein), under the Loan Agreement, the Forbearance Agreement and the Forbearance Extension Agreement during the Forbearance Extension Period (as defined therein).

We have, on behalf of the Lenders, made formal demand for repayment of all amounts due and owing by the Borrower to the Lenders under the Loan Agreement, the Forbearance Agreement, the Forbearance Extension Agreement and the Forbearance Extension Supplemental Agreement (collectively, the "**Principal Agreements**"), and a copy of our demand letter (the "**Demand Letter**") is enclosed herewith.

In consideration of the Lenders lending money to the Borrower, each of you provided to the Lenders unlimited written guarantees (collectively, the "**Guarantees**") whereby each of you guaranteed payment of the obligations of the Borrowers under the Loan Agreement.

The security held by the Lenders in connection with Guarantees includes the following:

1. A mortgage in the principal amount of \$5,000,000 and an assignment of rents granted by Mo Yeung Properties Ltd. charging the following lands:

Parcel Identifier	Legal Description
027-609-197	Strata Lot 1 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043
027-609-219	Strata Lot 3 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043

2. A mortgage in the principal amount of \$1,500,000 and an assignment of rents granted by Mo Yeung Ching charging the following lands:

Parcel Identifier	Legal Description
031-058-906	Strata Lot 128 Section 5 Block 4 North Range 6 West New Westminster District Strata Plan EPS5391

3. A mortgage in the principal amount of \$1,950,000 and an assignment of rents granted by 1382192 B.C. Ltd. ("**Office SL12 Owner**") charging the following lands:

Parcel Identifier	Legal Description
030-797-918	Strata Lot 12 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5803

4. A general security agreement made by (among others) Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Ching, and Mo Yeung Properties Ltd., in favour of the Lenders; and

Michael Ching (aka Mr. Mo Yeung Ching)
December 7, 2023

 NORTON ROSE FULBRIGHT

5. A general security agreement made by SFT Digital Holdings 30 Ltd. in favour of the Lenders,
(collectively, the "**Security**").

We hereby make formal demand upon you for payment of the sum of **\$73,309,481.04**, pursuant to the Guarantees, together with interest on such amount from December 1, 2023 to the date of payment in full at the rate provided for in the Principal Agreements, plus legal costs in connection with the collection under the Guarantees and the enforcement of the Security.

Payment of the foregoing amount must be made in accordance with the Demand Letter, in default of which we are instructed that the Lenders intend to enforce their rights and remedies under all security held in support of the Principal Agreements, including the Guarantees referred to herein.

We enclose for service upon you a Notice of Intention to Enforce Security, issued pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Yours very truly,



Matthew Choi
Partner

MC/tm

Enclosures (2)

Cop(y/ies) to: Pryke Lambert Leathley Russell LLP (attention: Tom Russell)

December 7, 2023

Sent By Email and Courier

INTERNATIONAL TRADE CENTER PROPERTIES LTD.
 KENSINGTON UNION BAY PROPERTIES NOMINEE LTD.
 KENSINGTON UNION BAY PROPERTIES LIMITED
 PARTNERSHIP
 KENSINGTON UNION BAY PROPERTIES GP LTD.
 c/o 1205-8400 West Road
 Richmond, BC V6X 0S7

Norton Rose Fulbright Canada LLP
 510 West Georgia Street, Suite 1800
 Vancouver, BC V6B 0M3 Canada

F: +1 604.641.4949
 nortonrosefulbright.com

Matthew Choi
 +1 604.641.4976
 matthew.choi@nortonrosefulbright.com

Attention: Michael Ching (aka Mr. Mo Yeung Ching)

Assistant
 +1 604.641.4838
 victoria.mckechnie@nortonrosefulbright.com

Our reference Your reference
 1001088724

Dear Sir/Madam:

Indebtedness owing to Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. (collectively, the "Lenders")

This letter supersedes our previous letter on the captioned matter dated May 25, 2023.

We are the legal counsel for the Lenders and we refer to the following:

- (a) the Senior B Loan Agreement dated for reference June 14, 2021, as amended by the First Amending Agreement dated for reference March 7, 2022, the Second Amending Agreement dated for reference September 7, 2022 and the Forbearance Agreement (as defined below) (as amended, collectively, the "**Loan Agreement**"), respectively, whereby (among other things) the Lenders agreed to provide a term loan to Kensington Union Bay Properties Nominee Ltd. (formerly known as 34083 Yukon Inc., the "**UB Nominee**"), Kensington Union Bay Properties Limited Partnership ("**UB LP**"), Kensington Union Bay Properties GP Ltd. ("**UB GP**"; together with the UB Nominee, and UB LP, collectively, the "**UB Borrowers**"), and International Trade Center Properties Ltd. (the "**ITC Borrower**", and together with the UB Borrowers, collectively, the "**Borrowers**");
- (b) the Forbearance and Third Amending Agreement dated for reference February 28, 2023 (the "**Forbearance Agreement**") whereby the Lenders agreed to forbear from making demand in respect of the Existing Default (as defined therein) under the Loan Agreement during the Forbearance Period (as defined therein);
- (c) the Forbearance Extension Agreement dated for reference July 30, 2023 (the "**Forbearance Extension Agreement**") whereby the Lenders agreed to further forbear from enforcing their rights in respect of the Existing Defaults (as defined therein), including the Existing Forbearance Defaults (as defined therein), under the Loan Agreement and the Forbearance Agreement, during the Forbearance Extension Period (as defined therein); and
- (d) the Forbearance Extension Supplemental Agreement dated for reference September 30, 2023 (the "**Forbearance Extension Supplemental Agreement**") whereby the Lenders agreed to continue to forbear from enforcing their rights in respect of the Existing Default (as defined therein), including the Existing Forbearance Extension Defaults (as defined therein), under the Loan Agreement, the

NORTON ROSE FULBRIGHT

Forbearance Agreement and the Forbearance Extension Agreement, during the Forbearance Extension Period (as defined therein).

The security held by our client in connection with the Loan Agreement, the Forbearance Agreement, the Forbearance Extension Agreement and the Forbearance Extension Supplemental Agreement (collectively, the "**Principal Agreements**") includes the following:

1. A mortgage in the principal amount of \$43,500,000 and an assignment of rents (the "**43.5MM Mortgage**") granted by the ITC Borrower and the UB Nominee, charging the following lands:

Parcel Identifier	Legal Description
-------------------	-------------------

By ITC Borrower

030-795-851	Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985 (" ITC ASP2 ")
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029-611-598	Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985 (" ITC Remainder "; together with ITC ASP2, the " ITC Property ")
-------------	---

By UB Nominee

028-731-492	Lot 1, District Lot 154, Nanaimo District, Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plans EPP56910 and EPP95931 (" UB Lot 1 ")
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028-731-549	Lot 4 Sections 31 and 32 Township 1 and District Lot 28 Nelson District Plan EPP15507 Except Plan EPP78068 (" UB Lot 4 ")
-------------	--

2. Beneficiary authorization and charge agreements in respect of 43.5MM Mortgage and the subsequent modifications thereto, made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
3. Mortgage in the principal amount of \$16,600,000 and an assignment of rents (the "**UB Lot 1-16.6MM Mortgage**") granted by the UB Nominee charging UB Lot 1;
4. Beneficiary authorization and charge agreements in respect of UB Lot 1-16.6MM Mortgage, made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
5. Mortgage in the principal amount of \$5,300,000 and an assignment of rents (the "**UB Lot 1-5.3MM Mortgage**") granted by the UB Nominee charging UB Lot 1;
6. Beneficiary authorization and charge agreements in respect of UB Lot 1-5.3MM Mortgage, made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
7. Mortgage in the principal amount of \$5,300,000 and an assignment of rents (the "**Hotel Property-5.3MM Mortgage**") granted by the ITC Borrower charging the Hotel Property;

8. A mortgage in the principal amount of \$12,000,000 and an assignment rents (the "**UB Lot 2-12MM Mortgage**") granted by the UB Nominee in favour of the Lenders, charging the following lands:

Parcel Identifier	Legal Description
028-731-565	Lot 2 District Lot 28 Nelson District Plan EPP15507 (" UB Lot 2 ")

("UB Lot 1, UB Lot 2, UB Lot 3 and UB Lot 4, collectively, the "**UB Property**")

9. Beneficiary authorization and charge agreement relating to UB Lot 2-12MM Mortgage granted by made by the UB Nominee, UB LP, and UB GP in favour of the Lenders;
10. General security agreement made by (among others) the Borrowers in favour of the Lenders;
11. Assignment made by the Borrowers of all contracts relating to the sale or refinancing of all or any portion of the ITC Property and the UB Property;
12. Assignment made by the Borrowers of all material agreements relating to the ITC Property and the UB Property;
13. Unlimited joint and several guarantee (the "**Original Guarantee**") by Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Properties Ltd., and Mo Yeung Ching (collectively, the "**Original Guarantors**") relating to the obligations of the Borrowers to the Lenders ;
14. Unlimited guarantee (the "**SFT 30 Guarantee**") by SFT Digital Holdings 30 Ltd. ("**SFT 30**") relating to the obligations of the Borrowers to the Lenders;
15. Unlimited guarantee (the "**Office SL12 Guarantee**"; together with the Original Guarantee and SFT 30 Guarantee, collectively, the "**Guarantees**") by 1382192 B.C. Ltd. ("**Office SL Owner**", together with the Original Guarantors and SFT 30, collectively, the "**Guarantors**") relating to the obligations of the Borrowers to the Lenders; and
16. Environmental indemnity agreement made by (among others) the Borrowers in favour of the Lenders,

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

We are instructed by the Lenders that you have defaulted under the Principal Agreements and the Security, including by failing to make various payments under the Forbearance Extension Supplemental Agreement as and when due thereunder, and that the Forbearance Extension Period (as defined in the Forbearance Extension Supplemental Agreement) has expired.

We are further instructed that, as of December 1, 2023, you are indebted to the Lenders in the total sum of **\$73,309,481.04**, and interest continues to accrue as per the Principal Agreements (the "**Indebtedness**").

On behalf of the Lenders, we hereby make demand for payment of the full amount of the Indebtedness, together with interest accruing in accordance with the Principal Agreements, calculated to the date of payment in full. In addition, all legal costs incurred by the Lenders in connection with the collection of the Indebtedness and the enforcement of the Security will be added to the amount required to satisfy the Indebtedness.

Payment of the Indebtedness, in full, must be made by wire transfer (see details enclosed) to Norton Rose Fulbright Canada LLP, in trust, on or before December 11, 2023.

The logo for Norton Rose Fulbright, featuring a stylized upward-pointing triangle above the company name.

In the event that full repayment of the Indebtedness is not received by the date and in the manner aforesaid, we are instructed to take such proceedings as may be available under the Principal Agreements and the Security, to enforce repayment of the Indebtedness.

We enclose for service upon you a Notice of Intention to Enforce Security, issued pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Under separate cover, we are making demand on the Guarantors of the obligations of the Borrowers for the amounts owing pursuant to the Guarantees.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Matthew Choi'.

Matthew Choi
Partner

MC/tm

Enclosures (2)

Cop(y/ies) to: Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Ching, Mo Yeung Ching Properties Ltd., Kensington Union Bay Properties Nominee Ltd., Kensington Union Bay Properties Limited Partnership, Kensington Union Bay Properties GP Ltd., SFT Digital Holdings 30 Ltd. and 1382192 B.C. Ltd.;
Pryke Lambert Leathley Russell LLP (attention: Tom Russell)

FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
[Subsection 244(1), Rule 124]

To: **HOTEL VERSANTE LTD.**
SUNWINS ENTERPRISE LTD.
MO YEUNG CHING (ALSO KNOWN AS MICHAEL CHING)
MO YEUNG PROPERTIES LTD.
SFT DIGITAL HOLDINGS 30 LTD.
1382192 B.C. LTD.

each an insolvent entity.

Take notice that:

1. Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd., the secured creditors, intend to enforce their security on the following properties:

(a) the real property of Mo Yeung Properties Ltd., legally described as follows (the "**SpaV Lands**"):

PARCEL IDENTIFIER	LEGAL DESCRIPTION
027-609-197	Strata Lot 1 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043
027-609-219	Strata Lot 3 Section 4 Block 4 North Range 6 New Westminster District Strata Plan BCS3043

(b) the real property of Mo Yeung Ching, legally described as follows (the "**MY Lands**"):

PARCEL IDENTIFIER	LEGAL DESCRIPTION
031-058-906	Strata Lot 128 Section 5 Block 4 North Range 6 West New Westminster District Strata Plan EPS5391

(c) the real property of 1382192 B.C. Ltd., legally described as follows (the "**Office SL12 Lands**"):

PARCEL IDENTIFIER	LEGAL DESCRIPTION
030-797-918	Strata Lot 12 Section 21 Block 5 North Range 6 West New Westminster District Strata Plan EPS5803

(d) all of the presently owned or held and after acquired or held personal property of Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Ching (also known as

Michael Ching), and Mo Yeung Properties Ltd. of whatsoever nature or kind and wheresoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, as well as all proceeds including, without limitation, money, chattel paper, intangibles, goods, documents of title, instruments and investment property and financial assets;

- (e) all of the presently owned or held and after acquired or held personal property of 1382192 B.C. Ltd. of whatsoever nature or kind and wheresoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, as well as all proceeds including, without limitation, money, chattel paper, intangibles, goods, documents of title, instruments and investment property and financial assets;
- (f) all of the presently owned or held and after acquired or held personal property of SFT Digital Holdings 30 Ltd. of whatsoever nature or kind and wheresoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, as well as all proceeds including, without limitation, money, chattel paper, intangibles, goods, documents of title, instruments and investment property and financial assets.

2. The security that is to be enforced is the following:

- (a) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd.. registered against title to the SpaV Lands in the Land Title Office under the following registration number CA9119701
- (b) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the SpaV Lands in the Land Title Office under the following registration number CA9119702;
- (c) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd.. registered against title to the MY Lands in the Land Title Office under the following registration number CB477592
- (d) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the MY Lands in the New Westminster Land Title Office under the following registration number CB477593;
- (e) a mortgage granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd.. registered against title to the Office SL12 Lands in the New Westminster Land Title Office under the following registration number CB376823
- (f) an assignment of rents granted in favour of Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. registered against title to the Office SL12 Lands in the New Westminster Land Title Office under the following registration

number CB376824;

- (g) a general security agreement made by Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Ching, and Mo Yeung Properties Ltd. registered in the British Columbia Personal Property Registry under base registration numbers 909783L on November 22, 2019, and 052177N on June 18, 2021;
 - (h) a general security agreement made by SFT Digital Holdings 30 Ltd., registered in the British Columbia Personal Property Registry under base registration number 203034P on November 16, 2022;
 - (i) a general security agreement made by SFT Digital Holdings 30 Ltd., registered in the British Columbia Personal Property Registry under base registration number 248803P on December 12, 2022.
3. The total amount of indebtedness secured by the security is **\$73,309,481.04** as at December 1, 2023.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent entity consents to an earlier enforcement.

Dated at Vancouver, British Columbia this 7th day of December, 2023.

**Fox Island Development Ltd.
Advanced Venture Holding Co., Ltd.**



By its solicitors, Norton Rose Fulbright Canada LLP
Per: Matthew Choi

The undersigned hereby consent to the enforcement by Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. of the security set forth above before the expiration of the 10 day period described in this Notice of Intention.

Per: _____
Authorized Signatory of HOTEL VERSANTE LTD.

Per: _____
Authorized Signatory of SUNWINS ENTERPRISE LTD.

Per: _____
MO YEUNG CHING (ALSO KNOWN AS MICHAEL CHING)

Per: _____
Authorized Signatory of MO YEUNG PROPERTIES LTD.

Per: _____
Authorized Signatory of SFT DIGITAL HOLDINGS 30 LTD.

Per: _____
Authorized Signatory of 1382192 B.C. LTD.

**NORTON ROSE FULBRIGHT**

Barristers & Solicitors / Patent & Trade-mark Agents

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nortonrosefulbright.com**Norton Rose Fulbright Canada LLP- Trust Account - Canadian Dollars VANCOUVER OFFICE**Royal Bank of Canada – Main Branch
1025 West Georgia Street
Vancouver, B.C. V6E 3N9

Beneficiary/Account Holder Name:	Norton Rose Fulbright Canada LLP Trust Account
Beneficiary Address:	1 Place Ville Marie, Montreal, QC H3B 1R1
Transit Number:	00010
Account Number:	131-134-9
Swift Number :	ROYCCAT2
Institution Number:	003

Please include a reference, i.e. lawyer's name and/or file number

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No.
Vancouver Registry

In the Supreme Court of British Columbia

Between

Fox Island Development Ltd. and
Advanced Venture Holding Co., Ltd.

Petitioners

and

Kensington Union Bay Properties Nominee Ltd.
(formerly known as 34083 Yukon Inc.) and others

Respondents

AFFIDAVIT

NORTON ROSE FULBRIGHT CANADA LLP
Barristers & Solicitors
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3
Telephone: (604) 687-6575
Attention: Scott M. Boucher

SCB/CF/ic

Matter# 1001088724