

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., CONIAN DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC., RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD., MEGA CRANES LTD., EXCHANGE BANK OF CANADA, WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATING LTD., RONA INC., KC'S PUMPING SERVICES INCORPORATED, RITU KARMA ENTERPRISES CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD., W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC., NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK DISPOSAL SERVICES INC., SIDHU IQBAL SINGH, NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD., TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007) LTD., MSD ENGINEERING INC., WEDLER ENGINEERING LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA ENTERPRISES LTD.

Respondents

PETITION RECORD

Solicitor for the petitioner, Romspen Investment Corporation

OWEN BIRD LAW CORPORATION

2900 – 595 Burrard Street

Vancouver, B.C. V7X 1J5

Telephone: 604-691-7521

Email: sstephens@owenbird.com

Scott H. Stephens

DATE, TIME, PLACE OF APPLICATION: July 8, 2020, 10:00 a.m., Vancouver, B.C. before

Mr. Justice Sewell

Time Estimate: 2 hours

Application Record provided by: Scott H. Stephens

**PETITION RECORD
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TAB	DESCRIPTION	DATE
1.	Petition to the court	June 30, 2020
2.	Response to petition	None received
AFFIDAVITS		
3.	Affidavit #1 of W. Roitman	June 29, 2020
4.	Affidavit #1 of L. Hooper	June 29, 2020
5.	Affidavit #1 of L. Grillandini	June 29, 2020
6.	Affidavit #2 of L. Grillandini	July 6, 2020
ACTION NO. VLC- S-B-200207 (BCCE NOI Proceeding)		
7.	Notice of application	May 27, 2020
8.	Affidavit #1 of R. Khaliq	May 27, 2020
9.	Proposal Trustee's First Report	May 28, 2020
10.	Interim Receiver's First Report	June 24, 2020
11.	Interim Receiver's Supplemental Report	June 24, 2020
REVISED DRAFT ORDER		
12.	Receivership Order – Blackline Against Model Order	

TAB 1



FORM 66 (RULES 16-1(2) AND 21-5(14))

Court File No. **VLC-S-S-206552**

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., CONIAN DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC., RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD., MEGA CRANES LTD., EXCHANGE BANK OF CANADA, WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING SERVICES INCORPORATED, RITU KARMA ENTERPRISES CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD., W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC., NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK DISPOSAL SERVICES INC., SIDHU IQBAL SINGH, NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD., TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007) LTD., MSD ENGINEERING INC., WEDLER ENGINEERING LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA ENTERPRISES LTD.

Respondents

PETITION TO THE COURT

ON NOTICE TO: the respondents and McEown and Associates Ltd.

This proceeding is brought for the relief set out in Part 1 below by the person named as petitioners in the style of proceedings above.

If you intend to respond to this petition, you or your lawyer must

- a) file a response to petition in Form 67 in the above-named registry of this Court within the time for response to petition described below, and
- b) serve on the Petitioners
 - i) 2 copies of the filed response to petition, and
 - ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

ORDERS, INCLUDING ORDERS GRANTING THE RELIEF CLAIMED, MAY BE MADE AGAINST YOU, WITHOUT ANY FURTHER NOTICE TO YOU, IF YOU FAIL TO FILE THE RESPONSE TO THE PETITION WITHIN THE TIME FOR RESPONSE.

TIME FOR RESPONSE TO THE PETITION

A response to petition must be filed and served on the petitioners,

- a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- c) if you were served with the petition anywhere else, within 49 days after that service, or
- d) if the time for response has been set by order of the court, within that time.

(1)	THE ADDRESS OF THE REGISTRY IS: The Supreme Court of British Columbia 800 Smithe Street Vancouver, B.C. V6Z 2E1
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(2)	THE ADDRESS FOR SERVICE OF THE PETITIONER IS: Romspen Investment Corporation c/o Owen Bird Law Corporation (Attn: Scott H. Stephens) P.O. Box 49130 2900 – 595 Burrard Street Vancouver B.C. V7X 1J5 Fax number address for service (if any) of the petitioners: N/A E-mail address for service (if any) of the petitioners: N/A
(3)	THE NAME AND OFFICE ADDRESS OF THE PETITIONER’S LAWYER IS: Scott H. Stephens OWEN BIRD LAW CORPORATION P.O. Box 49130 2900 – 595 Burrard Street Vancouver, BC V7X 1J5

PART 1: ORDERS SOUGHT

1. A declaration that the stay of proceedings against Conian Developments (La Voda) Inc. and Conian Developments (La Voda II) Inc., as well as any other entities that the court considers just, does not operate in respect of Romspen Investment Corporation, *nunc pro tunc*, or in the alternative, an order that those companies’ respective proposals are deemed refused.
2. A receivership order substantially in the form attached as Schedule “A”, or as the court may otherwise order, appointing The Bowra Group Inc. as receiver and manager of all of the undertakings, property and assets of Conian Developments (La Voda) Inc. and Conian Developments (La Voda II) Inc.

PART 2: FACTUAL BASIS

The Parties and Background

1. The petitioner, Romspen Investment Corporation, is an Ontario company with an address for service in these proceedings c/o 2900 - 595 Burrard St., Vancouver, B.C.

2. The respondents, Conian Developments (La Voda) Inc. (incorporation no. BC0707784, formerly Conian Developments Inc.) (“**La Voda**”), Conian Developments (La Voda II) Inc. (“**La Voda II**”) and Conian Developments Inc. (“**Conian**”), are B.C. companies with records offices located at 10469 - 125B St., Surrey, B.C. V3V 5A8.
3. The respondent, B.C. Currency Exchange Inc. (“**BCCE**”), is a federal company with a head office located at 10230 – 152 Street, Surrey, B.C. V3R 6N7.
4. The respondent, Rana Wasif Khaliq (“**Khaliq**”), is the principal of La Voda, La Voda II, Conian and BCCE.
5. The respondent, Robina Khan (“**Khan**”), is Khaliq’s spouse.
6. The respondent, Ajit Singh Gill, is the second mortgagee on the La Voda Lands (as defined below).
7. The respondent, CBA Enterprises Ltd., is the second mortgagee on the La Voda II Lands (as defined below).
8. All other respondents have registered certificates of pending litigation (“**CPLs**”) or claims of builders liens (“**CBLs**”) against the La Voda Lands (a few also registered their charges against the La Voda II Lands).
9. The CPLs generally arise from claims that monies advanced to BCCE were taken by Khaliq and used to fund a development on the La Voda Lands. The CBLs arise from claims for unpaid work or supply of material to the development.

The La Voda Facility and Security

10. Pursuant to a commitment letter dated May 23, 2018 (the “**La Voda Commitment**”) Romspen agreed to provide La Voda mortgage financing in respect of a proposed development in the Whalley/City Centre neighbourhood of Surrey (the “**La Voda Facility**”). The development lands had civic addresses of 11079 and 11089 Ravine Road and 13270-13286 King George Boulevard, Surrey, B.C. and are legally described as follows:

Parcel Identifier: 030-337-020
LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW
WESTMINSTER DISTRICT PLAN EPP73667

(the “**La Voda Lands**”).

11. The La Voda Facility is secured by, *inter alia*, the following:
 - a) A first priority mortgage and assignment of rents dated July 17, 2018 and registered against the La Voda Lands on July 30, 2018 under nos. CA6963252 and CA6963253 (the “**La Voda Mortgage**”).
 - b) Guarantees dated June 15, 2018 from BCCE (the “**BCCE Guarantee #1**”), Khaliq (the “**Khaliq Guarantee #1**”) and Khan (the “**Khan Guarantee #1**”).
 - c) General security agreements dated June 15, 2018 from La Voda (the “**La Voda GSA #1**”), BCCE (the “**BCCE GSA #1**”), Khaliq (the “**Khaliq GSA #1**”) and Khan (the “**Khan GSA #1**”), each registered in the Personal Property Registry and charging the said respondents’ respective present and after acquired property in priority to the interests therein or claims thereto of the other respondents herein.
 - d) A share pledge agreement June 15, 2018 (the “**La Voda Share Pledge**”) pursuant to which the shares of La Voda were pledged to Romspen and, *inter alia*, Romspen is entitled to vote any or all of the said shares after the occurrence of an event of default (regardless of whether transferred).

(collectively, the “**La Voda Security**”)

The La Voda II Facility and Security

12. Pursuant to a commitment letter dated December 12, 2018 (the “**La Voda II Commitment**”) Romspen agreed to provide La Voda II mortgage financing to assist in its purchase of bare lands in the Whalley/City Centre neighbourhood of Surrey (the “**La Voda II Facility**”). The lands had civic addresses of 11037, 11049, 11057, 11069 Ravine Road and 11054, 11066, 11080 132nd Street, Surrey, B.C. and are legally described as follows:

Parcel Identifier: 007-131-895
LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840

Parcel Identifier: 011-422-220
LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW
WESTMINSTER DISTRICT PLAN 9739

Parcel Identifier: 000-674-672
LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION
15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT
PLAN 8791

Parcel Identifier: 011-422-203
LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW
WESTMINSTER DISTRICT PLAN 9739

Parcel Identifier: 011-362-588
LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION
15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT
PLAN 8791

Parcel Identifier: 001-427-288
LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW
WESTMINSTER DISTRICT PLAN 9739

Parcel Identifier: 011-362-596
LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION
15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT
PLAN 8791

(the “**La Voda II Lands**”).

13. The La Voda II Facility is secured by, *inter alia*, the following:
 - a) A first priority mortgage and assignment of rents dated December 19, 2018 and registered against the La Voda II Lands on December 20, 2018 under nos. CA7263560 and CA7263561 (the “**La Voda Mortgage**”).
 - b) Guarantees dated December 20, 2018 from BCCE (the “**BCCE Guarantee #2**”), Khaliq (the “**Khaliq Guarantee #2**”), Khan (the “**Khan Guarantee #2**”), Conian (the “**Conian Guarantee**”) and La Voda (the “**La Voda Guarantee**”).

- c) General security agreements dated December 20, 2018 from La Voda II (the “**La Voda II GSA**”), BCCE (the “**BCCE GSA #2**”), Khaliq (the “**Khaliq GSA #2**”), Khan (the “**Khan GSA #2**”), Conian (the “**Conian GSA**”) and La Voda (the “**La Voda GSA #2**”), each registered in the Personal Property Registry and charging the said respondents’ respective present and after acquired property in priority to the interests therein or claims thereto of the other respondents herein.
- d) A share pledge agreement dated December 20, 2018 (the “**La Voda II Share Pledge**”) pursuant to which the shares of La Voda II were pledged to Romspen and, *inter alia*, Romspen is entitled to vote any or all of the said shares after the occurrence of an event of default (regardless of whether transferred).

(collectively, the “**La Voda II Security**”)

BCCE’s NOI / Appointment of Interim Receiver over BCCE

- 14. On or about April 30, 2020 BCCE filed a notice of intention to make a proposal (“**NOI**”). McEown and Associates Ltd. was appointed proposal trustee.
- 15. On May 6, 2020 one of BCCE’s creditors, Kuzco Lighting Inc., obtained an order appointing McEown and Associates Ltd. interim receiver of BCCE (per the first report to the court). Romspen was not served with the application materials or the resulting order. Romspen learned of that order on or about June 23, 2020. Subject to an agreement holding the matter in abeyance on a without prejudice basis, Romspen intends to apply to set aside that order and/or to subordinate any court ordered charge granted in favour of the Interim Receiver to the BCCE GSA #1 and BCCE GSA #2.

Khaliq’s Mismanagement and Misconduct

- 16. In an affidavit filed in BCCE’s NOI proceedings, Khaliq admitted that he mismanaged the companies, lacked proper financial controls and transferred monies between companies despite knowing that it was improper to do so:

4. I acknowledge that the Company’s current financial insolvent (sic) circumstances were by in (sic) large created by my mismanagement and lack of proper financial controls. The Company also suffered market losses as a result of currency exchange orders that were open during the month March, 2020. In

addition the Company experienced challenges as a result of the impact on business revenues created by COVID 19.

5. I also acknowledge that substantial amounts of funds flowed back and forth from the Company to a real estate development project owned by entities that were owned and controlled by myself.

6. I often considered them all part of one enterprise, even though I knew each of these entities was legally separate.

17. In its first report to the court the Proposal Trustee noted that Khaliq intermingled funds, used BCCE's funds to finance development costs, often paid investors in cash without recording same, and did not keep corporate books and records up to date. The Proposal Trustee further advises that "The preliminary estimate of the amount owed to Mr. Khaliq's real estate investors is approximately \$25,000,000, which amount does not include [BCCE's] creditors" [emphasis added].
18. In its first report to the court the Interim Receiver advised that on May 29, 2020 BCCE obtained an extension of the stay of proceedings conditioned on an undertaking from Khaliq to "deliver his shares of [La Voda, La Voda II, Conian and FLII Construction Ltd.] to the Proposal Trustee as security for Mr. Khaliq's undertaking to assign the equity in [those companies] for the benefit of [BCCE's] creditors." Khaliq did not, apparently, inform the court that the shares of La Voda and La Voda II had already been pledged to Romspen and, thus, were unavailable to deliver to the Proposal Trustee or secure his undertaking.

Default, Demand and NOI Filings of La Voda, La Voda II and Conian

19. La Voda, La Voda II, BCCE, Conian, Khaliq and Khan fell into default of the terms of the La Voda Security and the La Voda II Security. The defaults included failure to remit payments when due, the registration of subordinate charges without Romspen's consent, material adverse change and the filing of the NOI by BCCE.
20. On June 8, 2020 Romspen issued demands and notices of intention to enforce security to La Voda, La Voda II, Conian, Khaliq and Khan.
21. On June 9, 2020 La Voda, La Voda II and Conian filed NOIs.

Indebtedness Secured by the La Voda Security and La Voda II Security

22. As at June 8, 2020 when Romspen issued its demands:
- a) The sum due and payable under the La Voda Mortgage, exclusive of costs, was \$6,339,300.87 with interest accruing at the rate of 10.15% per annum, calculated and compounded monthly.
 - b) The sum due and payable under the La Voda II Mortgage, exclusive of costs, was \$9,982,433.39 with interest accruing at the rate of 11.50% per annum, calculated and compounded monthly.
23. However, s. 57.5 of the La Voda Mortgage entitles Romspen to consolidate the debts owed to it by La Voda. Section 57.5 states:

57.5 The Mortgagee may consolidate separate debts owing by the Mortgagor to the Mortgagee and in that regard may require the Mortgagor to repay any and all moneys due to the Mortgagee, whether or not such moneys are by a separate mortgage or otherwise secured, prior to granting a discharge of the Lands or of this Mortgage. The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the Property Law Act (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

24. La Voda guaranteed the indebtedness of La Voda II and, despite demand, neglected or failed to repay those monies to Romspen. Accordingly, that sum is now due and owing by La Voda to Romspen. The La Voda Mortgage thus secures in excess of \$16.3 million, being the total of the debts owed to Romspen by La Voda as borrower and guarantor.

The Stalled and Problem-Ridden Development

25. The development is located on the La Voda Lands. To Romspen's knowledge, the La Voda II Lands are unimproved, bare lands. According to the Interim Receiver's first report, the development was intended to be a "multi-residential rental complex." In his affidavit Khaliq estimates that the project is about 35% complete.
26. Work stopped on the development more than 75 days ago. The site was simply abandoned. Significant issues arise with respect to the work performed to date and the state that the development was left in:

- a) There is no roof on the structure. As a result, the floor system is exposed, weathering (and delaminating) and expected to require complete replacement if left in that state for another few weeks.
- b) There are no moisture barriers on the structure. The exterior is degrading and sheeting will need to be entirely replaced unless protected.
- c) No storm water management system was installed, which has resulted in water flowing under the slab and entering the basement/bottom level of the parkade where it remains as standing water.
- d) Rain water has also flooded the first floor and elevator shaft, which has resulted in standing water in the elevator shaft and drainage into the parkade.
- e) Vast amounts of expensive materials (e.g. prefabricated wall panels, beams, framing materials, plywood for sheeting of the floors, etc.) have been left unattended and exposed to the weather and will become worthless unless moved under cover and secured.
- f) The substation, required for a project of this size, was not installed before the parkade was finished (the unfinished electrical room was built such that there is no way to run servicing in or out). This likely means large sections of concrete will need to be cut out and the equipment craned in.
- g) The city has generally failed the offsite servicing work (e.g. sewer and water tie-ins) and there are presently no permanent connections to the building.

27. The cost to secure the site and take appropriate measures to prevent further damage is estimated to be in the range of \$350,000.

Romspen is Willing to Fund the Receivership

28. Romspen is prepared in principle to advance monies under the existing La Voda Mortgage or otherwise if assured that those additional advances will have priority over the claims of other creditors, including the subordinate charges registered against title to the La Voda Lands. The La Voda Mortgage expressly permits Romspen to make

advances for the purposes of repairing, securing and completing the development (e.g. ss. 34.1 and 34.2, but also see ss. 8 and 11.2). The La Voda Mortgage also makes express reference to receiver's borrowings and those forming a prior charge against the La Voda Lands (s. 32.6.5).

29. In the present case, it is contemplated that funds would initially be advanced primarily for the purposes of securing the site and making necessary repairs. Those efforts will protect and enhance the value of the asset for the benefit of all stakeholders.
30. While Romspen would be content to simply market and sell the La Voda Lands and La Voda II Lands, it is anticipated that the receiver, as an officer of the court, would be obliged to assess the cost/benefit to stakeholders of selling the lands "as is" versus completing the development. Any such assessment would be with a view to enhancing the recovery for the broader group of stakeholders. It is expected that, upon reaching a recommended course of action, the Receiver would report to the court and seek further orders.
31. If the stay is declared inoperative or otherwise lifted, but the court declines to grant advances to the receiver priority over other creditors, then Romspen would be content to simply proceed with foreclosure proceedings and market and sell the properties.

Bowra Has the Requisite Expertise and Consented to Act

32. The Bowra Group Inc. ("**Bowra**") has the capacity and expertise to handle a project of this nature. Bowra has significant experience with real estate projects, including condominium projects. Bowra has consented to act as receiver and manager of La Voda and La Voda II.

PART 3: LEGAL BASIS

Declaration that the Stay No Longer Operates in Respect of Romspen

1. A creditor may apply to the court for a declaration that the stay of proceedings no longer operates in respect of them pursuant to s. 69.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**"). The two alternative grounds, of which the court must be satisfied of one, are set out in ss. 69.4(a) and (b):

69.4 A creditor who is affected by the operation of sections 69 to 69.31 or any other person affected by the operation of section 69.31 may apply to the court for a declaration that those sections no longer operate in respect of that creditor or person, and the court may make such a declaration, subject to any qualifications that the court considers proper, if it is satisfied

(a) that the creditor or person is likely to be materially prejudiced by the continued operation of those sections; or

(b) that it is equitable on other grounds to make such a declaration.

2. Romspen is likely to be materially prejudiced by the continued operation of the stay. As set out in paragraph 26 above, the development work has been incompetently performed and ceased entirely more than two and a half months ago. The improvement and building materials sit unsecured, damaged and subject to further degradation. Romspen, as well as any other party interested in the development, will suffer further prejudice unless a receiver is appointed to take immediate steps to secure the site and carry out necessary repairs.

3. It is equitable on other grounds to lift the stay for reasons including:

a) Romspen, and it appears the broader body of creditors, have justifiably lost faith in management. Among other things, Khaliq took millions of dollars from one business and used them in another while knowing that to do so was improper, failed to employ proper financial controls, engaged in high volume cash transactions and otherwise failed to keep adequate financial records, failed to maintain corporate books and records, oversaw incompetently performed development work, let the project site go abandoned and the improvement incur damage, and obtained an order extending BCCE's stay of proceedings based on a condition that he knew or ought to have known he could not satisfy.

b) No proposal is forthcoming. Khaliq and/or the interim receiver of BCCE if appointed over La Voda and La Voda II apparently intend to seek a sale and investment solicitation process order and obtain super-priority debtor in possession financing to fund that sales process. That is not a proposal to creditors. It is a liquidation of the assets. No doubt insolvency proceedings continue to be used creatively, sometimes to the point of strained credulity, but NOI proceedings

are fundamentally about a debtor reaching a compromise with its creditors – and this “plan” offers none.

- c) Romspen is the senior secured creditor and holds the vast majority of the secured debt. In order for a proposal to be approved, Romspen must support it. That is not happening. Romspen has justifiably lost faith in management. Moreover, as repeatedly recognized in the case law, there is effectively no prospect that a proposal can be made to a first mortgagee of a land development that would be more advantageous to it than its other available remedies. That is particularly so here where the “proposal” is to simply sell the lands “as is”. Romspen is more than capable of doing so at very little cost to other creditors, in a court supervised context, through foreclosure proceedings. There is no rational or commercial incentive for Romspen to support a process where it has no control, cedes its first priority position (i.e. takes on greater risk) to a court-ordered charge of unknowable quantum and, as insult to injury, effectively funds additional layers of professional fees (e.g. debtors’ counsel) for having had the pleasure.

Re Dondeb, 2012 ONSC 6087 at paras 27 to 31

BCIMC Construction Fund Corporation et al. v. The Clover on Yonge Inc.,
2020 ONSC 1953 at paras 4, 71 and 101 to 114

Cliffs over Maple Bay Investments Ltd. v. Fisgard Capital Corp., 2008 BCCA 327
at para 36

Octagon Properties Group Ltd., 2009 ABQB 500 at para 17

- d) There is no going concern business and not even the alleged prospect of one returning.
- e) The portion of the development completed to date has various significant issues. An illustrative example is an electrical room built such that one cannot run servicing in or out. The development was also abandoned and more than two and a half months allowed to elapse while the improvement and building materials sat unsecured, exposed and suffered damage. It is noteworthy that when Romspen learned of that state of affairs it issued notices of intention to enforce security and

the reaction of La Voda and La Voda II was to file NOIs, thus adding complexity and practically ensuring further delay and damage to the development.

- f) It does not appear that any assessment has been performed in respect of the “as is” value versus the “as complete” value of the project on the La Voda Lands. The debtors’ “plan” forecloses the option of completing the development in the absence of any such analysis. In circumstances where the preliminary estimate of BCCE’s Interim Receiver is that, in addition to the more than \$25 million in secured debt, \$25 million was advanced on an unsecured basis (apparently exclusive of the creditors of BCCE), it would seem to behoove the stakeholders to assess the cost/benefit of completion versus an “as is” sale.
4. For the foregoing reasons there are equitable grounds to declare that the stay of proceedings no longer operates in respect of Romspen so that it may seek the appointment of a receiver or, failing the success of that application, commence foreclosure proceedings.

The Proposal Ought to be Deemed Refused

5. Pursuant to s. 50(12) the court may declare that a proposal is deemed refused by the creditors. The three alternative grounds upon which the court may make that declaration are set out in ss. 50(12)(a), (b) and (c):

(12) The court may, on application by the trustee, the interim receiver, if any, appointed under section 47.1 or a creditor, at any time before the meeting of creditors, declare that the proposal is deemed to have been refused by the creditors if the court is satisfied that

(a) the debtor has not acted, or is not acting, in good faith and with due diligence;

(b) the proposal will not likely be accepted by the creditors; or

(c) the creditors as a whole would be materially prejudiced if the application under this subsection is rejected.

6. For the reasons set out under the heading above, the proposal is not likely to be accepted (far from a balance of probabilities, refusal is a certainty) and the creditors as a whole stand to be materially prejudiced if this application is rejected.

Receiver Ought to be Appointed

7. The court may appoint a receiver if “just or convenient.”

Bank of Montreal v. Gian's Business Centre Inc., 2016 BCSC 2348 at paras 21 to 24

8. Where the security instrument governing the relationship between the debtor and the secured creditor provides for a right to appoint a receiver upon default, the burden on the applicant is relaxed. While the appointment of a receiver is generally regarded as an extraordinary equitable remedy, the nature of the remedy is not extraordinary or equitable in circumstances where commercial parties have expressly contemplated the appointment in a contract governing their relationship. That is particularly so in circumstances where the court is dealing with a default under a mortgage.

BCIMC Construction Fund Corporation et al. v. The Clover on Yonge Inc.
2020 ONSC 1953 at paras 43 and 44

Textron Financial Canada Ltd. v. Chetwynd Motels Ltd., 2010 BCSC 477 at paras 50 and
75

Bank of Nova Scotia v. Freure Village on Clair Creek, [1996] O.J. No. 5088 (G.D.) at
para 12

Canadian Tire Corp. v. Healy, 2011 ONSC 4616 at para 18

Bank of Montreal v. Carnival National Leasing Limited, 2011 ONSC 1007 at para 27

Farallon Investments Ltd. v. Bruce Pallett Fruit Farms Ltd., [1992] O.J. No. 330 (G.D.)
at paras 2 – 6

9. In the present case, the parties agreed to the appointment of a receiver upon default in the contracts governing their relationship, including the mortgages. Other factors militating in favour of the appointment of a receiver and manager include:
- a) The debtors should not be left in possession for the reasons set out above.
 - b) Management has suffered a justifiable loss of confidence.
 - c) The project site has been abandoned.

- d) The improvement and building materials have been damaged and are incurring further damage on an ongoing basis.
- e) Immediate steps must be taken to prevent further degradation and, potentially, irreparable harm to the creditors.
- f) It appears (based on the Interim Receiver's notice of application dated June 23, 2020) that the La Voda Lands and La Voda II Lands may be uninsured and, if so, immediate steps must be taken to insure those properties.
- g) Analysis ought to be performed regarding completion of the project and/or whether steps short of completion would enhance value.
- h) Romspen is entitled to vote all shares of both La Voda and La Voda II and, consequently, may control those entities as a matter of corporate governance. While Romspen wishes to avoid doing so for practical reasons (i.e. unnecessarily exposing an individual to a myriad of potential director's liabilities), that the parties made those arrangements and Romspen holds that power constitutes a relevant consideration.

10. For the foregoing reasons it is just and convenient that Bowra be appointed receiver and manager of La Voda and La Voda II.

Priority of Receiver's Borrowings and Fees and Disbursements

11. There is usually no question that the court may grant a receiver's charge in priority to all creditors in circumstances where, as here, the receiver is sought to be appointed in order to preserve and realize assets for the benefit of all interested parties, including secured creditors. However, in the present case, CBLs are registered against title. Section 21 of the *Builders Lien Act* provides:

21 A claim of lien filed under this Act takes effect from the time work began or the time the first material was supplied for which the lien is claimed, and it has priority over all judgments, executions, attachments and receiving orders recovered, issued or made after that date.

[emphasis added]

12. Subsections 32(1), (2), (5) and (6) of the *Builders Lien Act* state:

32(1) Subject to subsection (2), the amount secured in good faith by a registered mortgage as either a direct or contingent liability of the mortgagor has priority over the amount secured by a claim of lien.

(2) Despite subsection (1), an advance by a mortgagee that results in an increase in the direct or contingent liability of a mortgagor, or both, under a registered mortgage occurring after the time a claim of lien is filed ranks in priority after the amount secured by that claim of lien.

...

(5) Despite subsections (1) and (2) or any other enactment, if one or more claims of lien are filed in a land title office in relation to an improvement, a mortgagee may apply to the court for an order that one or more further advances under the mortgage are to have priority over the claims of lien.

(6) On an application by a mortgagee under subsection (5), the court must make the order if it is satisfied that

(a) the advances will be applied to complete the improvement, and

(b) the advances will result in an increased value of the land and the improvement at least equal to the amount of the proposed advances.

13. In *Bank of Montreal v. Peri Formwork Systems Inc.*, 2012 BCCA 4 a lien claimant successfully argued on appeal that the receiver's charge had wrongfully been granted priority over its lien. The Court of Appeal held that the Bank's loan to the receiver was not a "further advance" within s. 32(5) of the *Builders Lien Act* because it was a new loan and, therefore, subordinate in priority to the lien in accordance with s. 32(2).
14. *Peri Formwork* does not apply on the facts of the present case. Romspen is prepared to fund the receivership under the existing mortgage. This would not be a "new loan". Further advances under the existing mortgage would fall squarely within s. 32(5).
15. Furthermore, and in any event, for reasons that are not made apparent on the face of the decision, the Court of Appeal in *Peri Formwork* did not consider ss. 31(1) or 243(6) of the BIA (the provisions were also not considered in *Yorkshire Trust Co. v. Camusa Construction Ltd.*, [1984] B.C.J. No. 1689 (C.A.), where the receiver was appointed under the *Law and Equity Act*). Those sections clothe the court with jurisdiction to order that receiver's borrowings be repaid in priority to creditors' claims and to grant a receiver's charge for fees and disbursements in priority to any or all secured creditors:

31(1) With the permission of the court, an interim receiver, a receiver within the meaning of subsection 243(2) or a trustee may make necessary or advisable advances, incur obligations, borrow money and give security on the debtor's property in any amount, on any terms and on any property that may be authorized by the court and those advances, obligations and money borrowed must be repaid out of the debtor's property in priority to the creditors' claims.

...

243(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver's claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

16. It is respectfully submitted that, to the extent either s. 21 or s. 32(5) and/or (6) of the *Builders Lien Act* purport to circumscribe the court's power to grant priority to receiver's borrowings and/or fees and disbursements, those sections directly conflict with the above provisions of the BIA and, thus, are rendered inoperative in accordance with the paramountcy doctrine. That was the conclusion reached in *Royal Bank of Canada v. Reid-Built Homes Ltd.*, 2018 ABQB 124 at para 134; rev'd in part 2019 ABCA 109 (the chambers judge refused to subordinate the City's claim for unpaid property taxes to the receiver's charge and was overturned on that issue on appeal – the Court of Appeal commented favourably on the chambers judge's analysis with respect to the relevant issue).

General

17. Romspen will rely upon the law of contract, s. 39 of the *Law and Equity Act*, ss. 31(1), 50(12), 69.4 and 243(1) and (6) of the BIA, the *Personal Property Security Act* including s. 66, the *Builders Lien Act* including ss. 21 and 32, the Supreme Court Civil Rules including 8-5, 10-1, 10-2, 10-4 and 14-1 and the inherent jurisdiction of this Court..

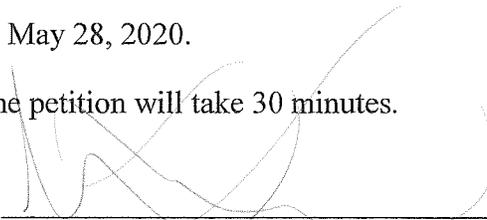
PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of W. Roitman made June 29, 2020.
2. Affidavit #1 of L. Hooper made June 29, 2020.
3. Affidavit #1 of L. Grillandini made June 29, 2020.

4. Notice of application dated May 27, 2020 filed in action no. VLC-S-B-200207.
5. Affidavit #1 of Rana Khaliq made May 27, 2020 and filed in action no. VLC-S-B-200207.
6. Interim Receiver's First Report dated June 24, 2020.
7. Interim Receiver's Supplemental Report dated June 24, 2020.
8. Proposal Trustee's First Report dated May 28, 2020.

The petitioners estimate that the hearing of the petition will take 30 minutes.

Date: June 30, 2020



Signature of lawyer for petitioner, Romspen
Investment Incorporation, Scott H. Stephens

TO BE COMPLETED BY THE COURT ONLY:

Order made

in the terms requested in paragraphs _____ of Part 1 of this Petition

with the following variations and additional terms:

Date: _____

Signature of Judge Master

SCHEDULE "A"

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., CONIAN DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC., RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD., MEGA CRANES LTD., EXCHANGE BANK OF CANADA, WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING SERVICES INCORPORATED, RITU KARMA ENTERPRISES CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD., W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC., NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK DISPOSAL SERVICES INC., SIDHU IQBAL SINGH, NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD., TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007) LTD., MSD ENGINEERING INC., WEDLER ENGINEERING LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA ENTERPRISES LTD.

Respondents

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MR/MADAM JUSTICE) ___/JUL/2020
)
)

ON THE APPLICATION of ~~[Plaintiff/Applicant]~~ the petitioner, Romspen Investment Corporation, for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") ~~{and/or}~~ and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing The Bowra Group Inc. ~~[RECEIVER'S NAME]~~ as ~~[Receiver and/or Receiver and Manager]~~ Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and property of Conian Developments (La Voda) Inc. and Conian Developments (La Voda II) Inc. ~~[DEBTOR/DEBTORS'S NAME]~~ (together, the "~~Debtor/Debtors~~") acquired for, or used in relation to a business carried on by the ~~Debtor/Debtors~~, coming on for hearing this day at Vancouver, ~~[REDACTED]~~, British Columbia.

AND ON READING the Affidavits #1 of W. Roitman, A.L. Hooper and L. Grillandini, # ~~[REDACTED]~~ of ~~[NAME]~~ sworn ~~[DATE]~~ and the consent of The Bowra Group Inc. ~~[RECEIVER'S NAME]~~ to act as the Receiver and the other materials filed herein; AND ON HEARING Scott H. Stephens, ~~[REDACTED]~~, Counsel for the petitioner ~~[NAME]~~ and other counsel as listed on Schedule "A" hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and ~~{and/or}~~ Section 39 of the LEA The Bowra Group Inc. ~~[RECEIVER'S NAME]~~ is appointed Receiver, without security, of all of the assets, undertakings and property of the ~~Debtor/Debtors~~, including all proceeds (the "Property").

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (c) to manage, operate and carry on the business of the ~~Debtor/Debtors~~, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor/Debtors~~;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- ~~(d)~~(e) to take such actions as the Receiver considers prudent or necessary for the repair, protection, construction and/or completion of any improvements on the lands included in the Property;
- ~~(e)~~(f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors or any part or parts thereof;
- ~~(f)~~(g) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the ~~Debtor~~Debtors;
- ~~(g)~~(h) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors;
- ~~(h)~~(i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;
- ~~(i)~~(j) to undertake environmental or workers' health and safety assessments of the Property and operations of the ~~Debtor~~Debtors;
- ~~(j)~~(k) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the ~~Debtor~~Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- ~~(k)~~(l) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- ~~(l)~~(m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$250,000, ~~\$~~, provided that the aggregate consideration for all such transactions does not exceed \$750,000 ~~\$~~; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (~~m~~)(n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (~~n~~)(o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (~~o~~)(p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (~~p~~)(q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the ~~Debtor~~Debtors;
- (~~q~~)(r) to enter into agreements with any Licensed Insolvency Trustee trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Debtors;
- (~~r~~)(s) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (~~s~~)(u) to receive further advances of the petitioner's loans to the Debtors, or either of them, which loan amounts may be further increased on the agreement of the Receiver and the petitioner, for the purposes of carrying on the Receiver's duties pursuant hereto, which advances from the petitioner to the Receiver shall be secured by the petitioner's mortgage(s) and repayable to the petitioner in full priority to the claims of all respondents herein and all other creditors, including secured creditors, including persons who have registered or may register Claims of Builders Lien, pursuant to s. 32(5) of the Builders Lien Act, S.B.C. 1997, c. 45 and s. 31(1) of the BIA,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the ~~Debtor~~Debtors; (ii) all of the ~~Debtor~~Debtors's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the ~~Debtor~~Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~Debtors or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the ~~Debtor~~Debtors and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the ~~Debtor~~Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the ~~Debtor~~Debtors to carry on any business which the ~~Debtor~~Debtors is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

- 10.11. Any person who has provided policies of insurance or indemnities (including warranties) at the request of the Receiver shall be required to continue or renew such policy of insurance or indemnity following the date of this Order provided that the Receiver makes payment of the premium (on the usual commercial terms) as if this proceeding had not been commenced.

CONTINUATION OF SERVICES

- 11.12. All Persons having oral or written agreements with the ~~Debtor~~Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the ~~Debtor~~Debtors's

current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

~~12.13.~~ All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post-Receivership Accounts**”) and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

~~13.14.~~ Subject to the employees’ right to terminate their employment, all employees of the ~~Debtor~~Debtors shall remain the employees of the ~~Debtor~~Debtors until such time as the Receiver, on the ~~Debtor~~Debtors’s behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the ~~Debtor~~Debtors, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

~~14.15.~~ Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the

~~Debtor~~Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~15.~~16. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

~~16.~~17. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

~~17.~~18. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:

- (a) before the Receiver’s appointment; or,
- (b) after the Receiver’s appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver’s gross negligence or wilful misconduct.

~~18.~~19. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER’S LIABILITY

~~19.~~20. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

- (a) any gross negligence or wilful misconduct on its part; or
- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~20-21.~~ The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~21-22.~~ The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

23. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands:-

(a) against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court:-

(b) in payment of any charges for taxes, utilities, or insurance premiums which relate to any of the Property;

~~22-(c)~~ in reduction and/or repayment of the amounts owing under the petitioner's mortgages and, subsequent to repayment of the petitioner in full, to the respondent mortgagees in reduction and/or repayment of the amounts owing under their respective mortgages.

FUNDING OF THE RECEIVERSHIP

~~23-24.~~ The Receiver is authorized and empowered to borrow monies, standing in the place and stead of the Debtors, from the petitioner on the terms and conditions of its mortgages, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ [REDACTED] (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. In addition to being secured by the petitioner's mortgages, the The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies ~~borrowed~~ advanced to the Receiver by the petitioner, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person,

but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~24.25.~~ Neither ~~t~~The Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall not be enforced without leave of this Court.

~~25.~~ The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

~~26.~~ The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

~~27.26.~~ To the extent not secured by and repaid in accordance with the terms of the petitioner's mortgages, aAny interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

~~28.27.~~ The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.bowragroup.com/engagements> [~~WEB ADDRESS~~] (the "**Website**") and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

~~29.28.~~ Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the ~~Applicant~~ petitioner a demand for notice in the form attached as Schedule B (the "**Demand for Notice**"). The Receiver and the ~~Applicant~~ petitioner need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the ~~Applicant~~ petitioner from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

- ~~30-29.~~ The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
- ~~31-30.~~ Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
- ~~32-31.~~ Notwithstanding paragraph ~~304~~ of this Order, service of the Petition [~~OR the Notice of Application~~] and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
- ~~33-32.~~ The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the ~~Debtor~~Debtors’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

- ~~34-33.~~ Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
- ~~35-34.~~ The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- ~~36-35.~~ Nothing in this Order shall prevent the Receiver from acting as a ~~trustee in bankruptcy~~Licensed Insolvency Trustee of the ~~Debtor~~Debtors or either of them.
- ~~37-36.~~ This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- ~~38-37.~~ The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in

carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~39.38.~~ The ~~[Plaintiff/Applicant]~~petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the ~~[Plaintiff/Applicant]'s~~petitioners' security or, if not so provided by the ~~[Plaintiff/Applicant]'s~~petitioners' security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor~~Debtors's estate with such priority and at such time as this Court may determine.

~~40.39.~~ Endorsement of this Order by counsel appearing on this application other than the ~~[Plaintiff/Applicant]~~petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Signature of ~~[type of print name]~~Scott H.
Stephens
lawyer for ~~[Plaintiff/Applicant]~~the petitioner,
Romspen Investment Corporation

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"

SCHEDULE "A"

<u>Counsel/Person Appearing</u>	<u>Party Represented</u>

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the [Receiver and/or Receiver and Manager] (the "Receiver") of all of the assets, undertakings and properties of [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "Court") dated the _____ day of _____, 201____ (the "Order") made in SCBC Action No. _____ and/or SCBC Action No. _____/Estate No. _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.

3. ~~Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.~~
4. ~~All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.~~
5. ~~Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.~~
6. ~~The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.~~
7. ~~The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.~~

DATED the _____ day of _____, 201____.

RECEIVER'S NAME, solely in its
capacity as Receiver of the Property, and not
in its personal capacity

Per: _____
Name: _____
Title: _____

Schedule "B"

Demand for Notice

TO: Romspen Investment Corproation
c/o Owen Bird Law Corporation
Attention: Scott H. Stephens
Email: sstephens@owenbird.com

AND TO: The Bowra Group Inc.
Attention: Mario Mainella
Email: mmainella@bowragroup.com

Re: In the matter of the Receivership of Conian Developments (La Voda) Inc. and
Conian Developments (La Voda II) Inc.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in
the following manner:

- 1. By email, at the following address (or addresses):

OR

- 2. By facsimile, at the following facsimile number (or numbers):

OR

- 3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

SCHEDULE "A"

Action No. [REDACTED]

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

Romspen Investment Corporation

Petitioner

- and -

Conian Developments (La Voda) Inc. et al

Respondent

B.C. MODEL RECEIVERSHIP ORDER VERSION
NO. 3, _____, 2015

TAB 2

TAB 3



FORM 109 (RULE 22-2(2) AND (7))

This is the 1st affidavit
of W. Roitman in this case
and was made on June 29, 2020

No. VLC-S-S-206552
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., CONIAN DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC., RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD., MEGA CRANES LTD., EXCHANGE BANK OF CANADA, WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING SERVICES INCORPORATED, RITU KARMA ENTERPRISES CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD., W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC., NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK DISPOSAL SERVICES INC., SIDHU IQBAL SINGH, NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD., TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007) LTD., MSD ENGINEERING INC., WEDLER ENGINEERING LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA ENTERPRISES LTD.

Respondents

AFFIDAVIT

I, Wesley Roitman, businessman, of Toronto, Ontario AFFIRM THAT:

1. I am the Managing General Partner of Romspen Investment Corporation ("**Romspen**") and as such have personal knowledge of the facts and matters hereinafter deposed to, save and

except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. Capitalized terms herein are as defined in the petition.
3. Romspen is in the mortgage lending business. We are one of the oldest and largest private mortgage lenders in Canada. Romspen acts as manager of investment funds, which pool together capital from over 5,000 individual and institutional investors, including many retired and elderly investors, pension funds, endowment funds and charitable organizations.
4. I have read the petition and confirm that the facts set out in the following paragraphs are true: 1, 4, 10, 11, 12, 13, 15, 19, 20, 21, 22, 25, 28, 30 (first sentence) and 31 under Part 2 and 3(a) (in respect of Romspen's loss of confidence) and 3(c) (Romspen absolutely will not support the "plan" proposed by the Interim Receiver of BCCE/Khaliq and will certainly prefer the exercise of its own remedies to any potential proposal) under Part 3.
5. Attached as Exhibit "A" is a copy of the La Voda Commitment.
6. Attached as Exhibit "B" is a copy of the La Voda II Commitment.
7. Attached as Exhibit "C" is a copy of the La Voda Mortgage.
8. Attached as Exhibit "D" is a copy of the La Voda II Mortgage.
9. Attached as Exhibit "E" is a copy of the La Voda GSA #1.
10. Attached as Exhibit "F" is a copy of the La Voda GSA #2.
11. Attached as Exhibit "G" is a copy of the La Voda II GSA.
12. Attached as Exhibit "H" is a copy of the BCCE GSA #1.
13. Attached as Exhibit "I" is a copy of the BCCE GSA #2.
14. Attached as Exhibit "J" is a copy of the Khaliq GSA #1.

This is Exhibit "A" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870



R O M S P E N

Our File: 8669

May 23, 2018

Conlan Developments Inc.
c/o Sage Funding Inc.
31 Cheyenne Crescent NW
Calgary, Alberta T2L 0Z3

Attention: Eric Lawson

Dear Sirs:

Re: **\$30,000,000 First Mortgage Construction Financing (the "Loan")**
King George Project in Surrey, British Columbia

We are pleased to inform you that, on the basis of the information and the documents supplied by you, Romspen Investment Corporation as Trustee (the "Lender") hereby submits to you this offer of Mortgage Financing ("Commitment") in connection with the property above mentioned and more fully described in Section 4 below.

This Commitment must be accepted by the Borrower and received by the Lender, together with the Standby Deposit as hereinafter set out, no later than three (3) business days following the date of this Commitment, failing which this Commitment shall become null and void without further notice.

1. **BORROWER(S)**

Conlan Developments Inc. (the "Borrower") which represents itself to be the legal and beneficial owner of all property and assets comprising the security required pursuant hereto.

2. **GUARANTOR(S)**

Rana Khaliq, Robina Khan, and BO Currency Exchange Inc. (the "Guarantor").

The Guarantor, jointly and severally with the Borrower, covenant and agree to satisfy all terms, conditions and requirements herein contained and each of the Borrower and Guarantor acknowledge and agree that their obligations hereunder, including, without limitation, the obligations to repay the Loan, shall constitute primary obligations and shall be joint and several.

3. APPROVED LOAN AMOUNT

The approved loan amount is Thirty Million Dollars (\$30,000,000) ("Loan").

The Loan shall be funded by way of advances, the timing and amount of each advance to be in the sole discretion of the Lender.

4. PROPERTY

Municipal Address: 11079 and 11089 Ravine Road and 13270-13286 King George Boulevard, Surrey, British Columbia

Legal Description: Lots A & B Block 5N, Land District 36, Section 15, Range 2W, Plan 13911 and Lots 1 & 2, Block 5N, Land District 36, Section 15, Range 2W, Plan 9739

Use of the Property: This Property currently consists of 1.27 acres of vacant land, to be developed into a 6-storey, 135,700 square foot residential building containing 207 parking stalls and 156 residential units. The proposed development is sometimes referred to in this Commitment as the "Project". This Property shall at all times be used for this and no other purpose.

Borrower represented

Value of the Property: \$55,500,000 - "as complete" saleable value;
\$10,140,000 - "as is" value

Permitted

Encumbrances: None

"the Property".

5. FIRST ADVANCE DATE

The first advance shall take place on or about June 15, 2018 ("First Advance Date").

6. INTEREST RATE

The interest rate for the financing will be ten and fifteen one-hundredths (10.15%) percent per annum, calculated and compounded monthly, in arrears, on the amounts advanced from time to time from the date of each advance of funds, as well after as before maturity, default or judgment.

Where the First Advance Date is more than sixty (60) days from the date of execution hereof, and the loan is not fully advanced by the said First Advance Date, the Lender may increase the interest rate by the amount of any increase in Royal Bank of Canada Prime Rate (as defined in Section 16.4) that occurs between the date of execution hereof and the date that is ten (10) days prior to the date that the Loan is fully advanced.

Initials 
Initials _____

7. TERM

The term for the financing shall be twenty-four (24) months commencing from the Interest Adjustment Date (the "Loan Term"). The date on which the Loan Term expires is sometimes referred to herein as the "Loan Maturity Date". The Loan shall not be repaid prior to the Loan Maturity Date, unless a prepayment privilege is provided herein.

Interest Adjustment Date is to be the 1st day of the month following the first advance of funds under the mortgage.

8. USE OF FUNDS

- (a) To pay fees and transaction costs;
- (b) To assist in repayment of the first and second mortgages on the Property, in a total amount not to exceed \$5,355,000. Any further funds required to pay off the mortgages shall be provided by Borrower from its own resources; and
- (c) The balance to be advanced on a cost-to-complete basis, in accordance with a construction budget (the "Budget") to be approved by Lender and its project monitor (the "Project Monitor") upon achievement of acceptable pre-sales (the Budget to include a line item with respect to the interest reserve). Each advance shall be a minimum of \$200,000, such advances not to be made more than once a month.

In the event that a claim for lien is made against the Property under the *Builders Lien Act* of B.C., and is not vacated within 15 days, the Lender may, in addition to any other remedy available to it and in its unfettered discretion, accelerate the maturity date of the Loan by giving the Borrower 10 days notice.

9. SECURITY

The following security for the Loan shall be granted in favour of the Lender, in form and content satisfactory to the Lender and its legal counsel (hereinafter collectively referred to as the "Security"):

- 9.1 a first ranking mortgage on the Property in the amount of \$30,000,000;
- 9.2 a first ranking general assignment of all present and future rents pursuant to leases and offers to lease (Offers to lease and leases affecting the Property are herein collectively referred to as the "leases". That is, the word "lease" herein shall be deemed to include any offer to lease.) affecting the Property together with all insurance and indemnities covering the said rents and of all income and accounts derived from the Property including all proceeds receivable from early termination of any of the leases and all other benefits and advantages to be derived therefrom. The Lender may in addition, in its absolute discretion, require attornment or attornment and subordination agreements to be entered into by the tenant under any of the leases. Any security interest granted by a

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tenant in favour of the Borrower shall be assigned and transferred to and in favour of the Lender under the terms of the assignment of rents granted to the Lender;

- 9.3 first ranking General Security Agreements charging all the personal property of the Borrower and Guarantor respectively including, without limitation, goods, chattel paper, documents, accounts, intangibles, securities, monies, books and records and all replacements of, substitutions for and increases, additions and accessories to the foregoing and proceeds thereof, present and future;
- 9.4 a specific assignment of all the Borrower's right, title and interest in, to and under all material contracts affecting or with respect to the Property, as required by the Lender, with all necessary consents of the other parties thereto;
- 9.5 a specific assignment of all documents related to the Project including all economic incentives, material agreements and specifications, bonds, letters of credit, permits, licenses, development approvals and agreements, and agreements of purchase and sale and deposits;
- 9.6 acknowledgment of the status and terms of any contracts affecting or with respect to the Property including, without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters confirming the good standing of such contracts and the rights of the Lender under its security;
- 9.7 If the Property is a condominium, a specific assignment of all of the Borrower's right, title and interest in and to all purchase agreements, sales proceeds and purchaser deposits. In addition all condominium association voting rights shall be assigned to the Lender, or its nominee;
- 9.8 an unconditional, joint and several covenant by the Guarantor (or, if there is more than one Guarantor, by each of them) as principal debtor and not as surety for the performance of all obligations of the Borrower with respect to the Loan, it being understood that the Lender shall not be obliged to proceed against the Borrower or to enforce or exhaust any security before enforcing its rights against the Guarantor;
- 9.9 Environmental indemnity agreement from Borrower and Guarantors;
- 9.10 assignment of all insurance policies with respect to the Property and all proceeds and benefits therefrom in favour of the Lender;
- 9.11 assignment, postponement and subordination by the respective shareholders of all corporate Borrowers and Guarantors, in favour of the Lender, of any and all loans, indebtedness, distributions of income and/or capital owing or due to them from time to time by the respective corporate Borrowers and/or Guarantors (including management fees owed to related parties). The Borrower may pay normal-course management fees approved by the Lender in its sole discretion;
- 9.12 pledge of all issued shares of the Borrower; and
- 9.13 such further and other security as legal counsel for the Lender may reasonably require.

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10. TRANSACTION FEES AND RELATED COSTS

Administration Fee:	\$ 1,000
Lender's Fee:	\$750,000
Broker's Fee (Sage Funding Inc.):	\$150,000
Insurance Risk Management Fee:	\$ 1,500*
Lender's Basic Legal Fee (estimated):	\$ 30,000*
Lender's construction advance fee (per advance)	\$ 1,000
Lender's construction advance legal fees (per advance)	\$ 1,000*

* Plus disbursements and taxes, if applicable.

In addition to the aforementioned, the Borrower agrees to pay all costs, fees and expenses in connection with the transaction contemplated by this Commitment, including, without limitation:

- 10.1 engineering, environmental assessment, appraisal, credit information, inspection, architectural, project monitoring, cost consultancy, survey and any and all other professional and advisory costs as may be reasonably incurred by the Lender;
- 10.2 registration, recording and filing fees, taxes and the like with regard to all documents required by the Lender's solicitors to be registered, recorded or filed.

Such fees and costs may, at the option of the Lender, be deducted from any advance of the Loan.

11. STANDBY DEPOSIT

In consideration of the issuance of this Commitment and in recognition of the considerable effort that the Lender must immediately undertake in order to make funds available for closing, the Borrower agrees to submit to the Lender, together with this executed Commitment, One Hundred Thirty Thousand Dollars (\$130,000) ("Standby Deposit"), by way of a certified cheque payable to the Lender. The Lender hereby acknowledges receipt of Thirty Thousand Dollars (\$30,000) as part of the Standby Deposit.

The Standby Deposit shall bear no interest while in the possession of the Lender. Save as otherwise provided for herein, such Standby Deposit shall be credited to the Borrower at the time of the first advance of the Loan.

12. ADVANCES AND CONDITIONS PRECEDENT**12.1 General**

12.1.1 Subject to the other terms and conditions set forth in this Commitment, the Lender shall disburse the proceeds of the Loan to or on behalf of the Borrower in the amounts and as specified in Sections 3 and 8 herein.

12.1.2 The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The

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Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, claims or other encumbrances, with the exception of the Security provided for in this Commitment, the whole to the complete satisfaction of legal counsel for the Lender.

- 12.1.3 All taxes, assessments, utility charges and other charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.
- 12.1.4 The Borrower shall fulfill all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, the Borrower shall provide to every government office, utilities provider, and other authority named by the Lender, an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, confirmation that all payments, declarations and other filings of the Borrower are up to date, whether the authority concerned has issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. Each such authorization shall remain in effect and will be replaced as required by the Lender from time to time until the Loan has been fully repaid.
- 12.1.5 Within fifteen (15) business days from acceptance of this Commitment, the Borrower shall deliver to the Lender's legal counsel the following documents (where applicable):
- 12.1.5.1 copies of all contracts affecting the Property or relating thereto, including, without limitation, executed offers to lease or leases, standard offer and lease agreements and all information related to such leases.
 - 12.1.5.2 if the Property is a condominium, copies of all condominium documentation, including the Strata Corporation's by-laws (Lender acknowledges that this is not applicable);
 - 12.1.5.3 required insurance policies;
 - 12.1.5.4 evidence that the property taxes have been paid;
 - 12.1.5.5 certified copy of a resolution of the Borrower's board of directors authorizing this transaction;
 - 12.1.5.6 for each corporate Guarantor, certified copy of a resolution of the Guarantor's boards of directors authorizing this transaction;
 - 12.1.5.7 certified copies of the articles of incorporation and a copy of the certificate of incorporation of the Borrower and of each corporate Guarantor;
 - 12.1.5.8 an original up to date survey of the Property prepared by a duly qualified land surveyor showing the location of all improvements on the

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Property accompanied by a certificate wherein the surveyor confirms that the location of the improvements comply with applicable municipal set-back requirements (or, if not, setting on details of the non-compliance); such survey must be in a form acceptable to the Lender's counsel; and

12.1.5.9 any other documents required hereunder and reasonably requested by legal counsel for the Lender.

12.2 Advance Requirements (for the First Advance)

The advance of the Loan is conditional upon the receipt by the Lender of the following documents, in form and substance satisfactory to the Lender and upon fulfillment by the Borrower of the following conditions precedent as well as those set out in Schedule "B" hereof or elsewhere herein, to the entire satisfaction of the Lender:

- 12.2.1 the Security and any other documents relating to the Loan that are required or contemplated hereunder or which the Lender and its legal counsel may deem necessary, shall have been received and approved to the complete satisfaction of the Lender and its counsel and duly executed and registered and perfected, as the case may be and all approvals required by the Lender or its counsel shall have been given;
- 12.2.2 a title insurance policy for the mortgage loan issued by an insurance company acceptable to the Lender and in form and content satisfactory to the Lender the premium for which will be paid by the Borrower.
- 12.2.3 a favourable opinion of the Borrower's counsel on the due incorporation, corporate power and authority of the Borrower, the due authorization, execution, delivery, validity and enforceability of this Commitment and the Security and such other matters as the Lender or its counsel may reasonably require;
- 12.2.4 a certificate of the Borrower confirming the truth and survival of the representations and warranties contained herein;
- 12.2.5 receipt of a fully executed copy of the purchase and sale agreement and amendments thereto for the Property and favourable opinion report thereon prepared by the Lender's counsel, if applicable, or other documents that are satisfactory to Lender;
- 12.2.6 evidence that the Borrower has complied with its obligations with respect to insurance requirements as more fully set out in Schedule "L", together with a favourable opinion of the Lender's insurance consultant on the adequacy of all insurance policies and or bonding required to be delivered or maintained hereunder;
- 12.2.7 evidence that all taxes, rates, assessments and charges which may be levied or imposed against the Property or the Borrower's business, including all

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Initials _____

8

- utilities charges and all amounts capable of forming a charge against the Property, have been paid in full;
- 12.2.8 evidence that the Borrower has complied with all statutory requirements for deduction at source and remittance to applicable fiscal authorities, including, without limitation, those under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan Act* (Canada) or the *Employment Insurance Act* (Canada).;
- 12.2.9 a site inspection of the Property has been completed on behalf of the Lender and the results of the inspection are satisfactory to the Lender;
- 12.2.10 a satisfactory interview with the Borrower has been conducted by the Lender;
- 12.2.11 delivery and approval by lender of the Project feasibility study and pro forma;
- 12.2.12 satisfactory review by Lender of the plans and specifications for the Project;
- 12.2.13 satisfactory verification by Lender of all zoning and other restrictions relevant to the Property;
- 12.2.14 satisfactory verification by Lender of Borrower and corporate Guarantors' organizational structure;
- 12.2.15 satisfactory verification by Lender of the use and income to be generated from the Property;
- 12.2.16 satisfactory verification by Lender that:
- 12.2.16.1 the 'as is' value of the Property of at least \$10,140,000;
 - 12.2.16.2 Borrower's minimum cash equity contribution of at least \$3,700,000; and
 - 12.2.16.3 certain project costs, in a total amount of \$2,254,552, represented by Borrower as having been paid as per Eric Lawson's Memo to Blake Cassidy dated May 22, 2018, were paid as represented.
- 12.2.17 satisfactory review and approval by Lender and its Project Monitor of the Budget which shall not exceed \$36,270,000, excluding land but including acceptable interest and contingency reserves and fees;
- 12.2.18 an environmental report prepared, at the expense of the Borrower, by qualified environmental consultants acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the environmental consultants who prepared the report allowing the Lender to rely upon the same and to use it for mortgage purposes, disclosing no site contamination or hazardous substances and confirming, to the satisfaction of the Lender, that the Property complies with Environmental Laws (as defined in Schedule "B" hereof). The Borrower hereby agrees to provide all available information with respect to environmental matters and to fully disclose to the

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Lender any relevant facts about environmental matters promptly as they come to light; (Lender acknowledges and agrees that it has received same as is satisfied)

- 12.2.19 an appraisal report of the Property prepared in a form and substance satisfactory to the Lender, at the expense of the Borrower, by a qualified appraiser acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the appraiser allowing the Lender to rely upon the same and use it for mortgage purposes; (Lender acknowledges and agrees that it has received same as is satisfied)
- 12.2.20 true copies of all leases affecting the Property, executed by the parties thereto, including, without limitation, those listed in Schedule "G" hereto, or a certified rent roll in a form acceptable to the Lender and reviewed by and found satisfactory to the Lender and its counsel. In addition, an estoppel certificate from each tenant occupying or to occupy 5% or more of the Property's total rentable area or generating 5% or more of total rental revenue from the Property, and attornment and subordination agreements from tenants as required by the Lender, shall have been executed by the tenants as required and found satisfactory to the Lender; (Lender acknowledges that this is not applicable)
- 12.2.21 if there are existing structures on the Property, a report from a qualified structural engineer, addressed to the Lender, addressing the structural soundness of those improvements, the contents of which are acceptable to the Lender; (Lender acknowledges and agrees that that this is not applicable)
- 12.2.22 no event shall have occurred and be continuing or would result from making of any advance under the Loan, which constitutes an event of default or would constitute an event of default under any of the Borrower's obligations, except when such default is cured by notice or elapsed time or both;
- 12.2.23 the Lender and its counsel shall have approved all contracts and documents affecting or with respect to the Property;
- 12.2.24 If the Property is a leasehold interest under a ground lease, a copy of the ground lease and, if applicable, insurance trust agreement and any other agreement entered into with the ground lessor; (Lender acknowledges that this section is not applicable)
- 12.2.25 If the Property is a condominium, all relevant condominium documents; (Lender acknowledges that this section is not applicable)
- 12.2.26 any project management agreement, co-owners agreement, or trust agreement in effect with respect to the Property.
- 12.2.27 evidence of compliance with The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations, including but not limited to:

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- (a) Each individual Borrower and individual Guarantor is to provide, at least 3 days prior to funding, the completed Agent Examination of Identification as set out in Schedule C;
- (b) Each corporate Borrower and corporate Guarantor is to provide, at least 3 days prior to funding, with the following:
 - (i) Corporation profile report or Certificate of Status confirming such corporate Borrower or corporate Guarantor has not been dissolved;
 - (ii) Executed Certificate of Incumbency setting out the names of all directors and officers, and the office held by each officer;
 - (iii) Executed director(s)' resolution authorizing the transaction;
 - (iv) Shareholders' register. A completed Agent Examination of Identification form is required for each individual shareholder who owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of such corporate Borrower or corporate Guarantor. For each corporate shareholder which owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of a corporate Borrower or corporate Guarantor, the Lender requires items (i) and (ii).

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

12.2.29 Notwithstanding anything contained herein, no Advance shall be made by the Lender until such time as the Lender is in receipt of, and has reviewed, all due diligence material referred to in Schedule A of the letter agreement dated February 8, 2018, and not hereinbefore requested; and

12.2.30 notwithstanding anything contained herein, no advance shall be made by the Lender until the Lender is advised by its legal counsel that, having regard to all the circumstances, such advance should be made.

For subsequent advances:

12.2.31 satisfactory verification of firm pre-sales for no less than \$27,000,000 at prices in accordance with Lender approved price list (Schedule ;

12.2.32 satisfactory verification of receipt by Borrower of a minimum of \$2,700,000 in deposits, with a further minimum of \$1,300,000 to be payable on the then existing firm pre-sales, such deposits to be eligible for use in the construction of the Project. In the event total deposits used in the Project exceed \$4,000,000, the amount the Lender has made provision for funding as set out in Section 8(c) shall be reduced by the amount of such additional deposits on a dollar for dollar basis;

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- 12.2.33 back-up documentation for the advance request including an up to date summary of the current work in place, cost to complete, a detailed budget for both onsite and offsite work and a schematic showing the work in place to date that such further advance is being requested. In support of the aforesaid, Borrower shall provide back-up accounting satisfactory to Lender that confirms the work in place (such accounting to include a copy of the general ledger for each respective Project, bank statements and cancelled cheques). Lender's Project Monitor shall review and monitor same, such cost to be borne by Borrower. Prior to the first advance being made under the Loan, Borrower shall provide satisfactory evidence to Lender that the construction contract for each Project is in full force and effect, the extent and value of the work in place, the amount of funds which has been paid to the respective general contractors and the amounts, if any, outstanding to them. As well, prior to the first advance being made under the Loan, Borrower shall provide Lender with a list of subtrades working on the Project, and the status of all conditional and unconditional lien waivers from such sub-trades;
- 12.2.34 title search update confirming no subsequent registrations to Lender's security or registrations which may have priority over Lender's security;
- 12.2.35 satisfactory evidence of fulfillment of all post-closing conditions and any other outstanding undertakings provided by Borrower.

13. REPRESENTATIONS AND WARRANTIES

The Borrower and Guarantors represent and warrant to the Lender which shall be true and correct for each advance hereunder:

- 13.1.1 The request for and use of proceeds of any advance by the Borrower will constitute an affirmation or re-affirmation by each Borrower and each Guarantor of the representations and warranties contained herein and in any document related hereto, including, without limitation, any Security delivered pursuant hereto;
- 13.1.2 The Borrower and each corporate Guarantor is a corporation duly organized and validly existing and in good standing under the laws of the jurisdiction of formation/incorporation/amalgamation/continuance, as applicable, and registered to do business in each jurisdiction in which it carries on business;
- 13.1.3 The Borrower and each corporate Guarantor has full corporate power, right and authority to enter into and perform its obligations under each of the documents to which it is a party and has full corporate right, power and authority to own and operate its assets and property and to carry on its business;
- 13.1.4 The execution and delivery by the Borrower and Guarantors of this Commitment and the applicable Security and the performance of their respective obligations thereunder do not and will not conflict with or result in a

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breach of any of the terms, conditions or provisions of the charter documents or bylaws, as applicable, of the Borrower and Guarantors;

- 13.1.5 The execution and delivery by the Borrower and each corporate Guarantor of this Commitment and the applicable Security and the performance of their respective obligations thereunder have been duly authorized or will, prior to the First Advance Date, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency or authority having jurisdiction over any Borrower or any Guarantor is or was necessary therefore, except as contemplated herein;
- 13.1.6 The Borrower and Guarantors possess all consents, approvals, permits and authorizations under any applicable law which are necessary in connection with the operation of their respective businesses. All such consents, approvals, permits and authorizations are in full force and effect and none of the Borrower or Guarantors is in default in any respect thereunder which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired;
- 13.1.7 Neither the Borrower or any of the Guarantors is in default in any respect under any material indenture, mortgage, deed of trust, agreement or other instrument to which they are a party or by which they or any of their property may be bound and which default would have a material adverse effect on their property or their prospects;
- 13.1.8 The Borrower and each Guarantor has filed all tax returns which are required to be filed by each of them and has paid or remitted when due all taxes, assessment and government charges imposed upon them which if unpaid could result in any charge or other encumbrance on their properties except such tax, assessment or charge which is being contested in good faith and for which the applicable Borrower or Guarantor has made adequate reserves;
- 13.1.9 With respect to the Project, the Borrower has obtained and is in compliance (i) with all terms and conditions of all authorizations which are required under any environmental law, the non-obtaining of which and the lack of compliance with which would have a material adverse effect, and (ii) with all environmental laws, non-compliance with which would have a material adverse effect. No Borrower generates hazardous materials or transports, treats or disposes of any hazardous materials nor is any Borrower aware of any underground storage tanks or surface contaminants located on the Property other than those that have been reported to the Lender. No Borrower, to the best of their knowledge, has ever caused or permitted (i) a release of any contaminant from or on the Property or (ii) any hazardous materials to be placed, held, located or disposed of on or under the Property the effect of which could reasonably be anticipated to have a material adverse effect. No enforcement action, investigation or outstanding order from any official body in respect of any

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hazardous materials or release of contaminants is existing, threatened or impending;

- 13.1.10 The Property is zoned to permit the improvements being constructed by the Borrower and is in compliance with all relevant zoning and by-laws of the applicable municipality and the Borrower has all permits, certificates, approvals or permissions required for the construction of the improvements;
- 13.1.11 The Borrower and each Covenantor, as applicable, is in compliance with and will continue to comply with any disclosure statement that it has filed under the *Real Estate Development Marketing Act* (British Columbia) respecting the Property;
- 13.1.12 The Borrower and each Covenantor, as applicable, has complied and will, at all times during the prosecution of the Project, comply with the requirements of the *Builders Lien Act* (British Columbia) and the regulations pursuant thereto; and

All property taxes, levies, assessments, penalties or other costs payable to a municipality or other local government in respect of the Property have been paid and no such amount is in arrears or is due and unpaid.

14. GENERAL COVENANTS

Notwithstanding any other provision of this Commitment, the Borrower and Guarantors covenant and agree:

- 14.1.1 Upon obtaining (i) knowledge of the occurrence of any default under any agreements to which the Borrower or a Guarantor is a party, (ii) notice of litigation, arbitration, or proceedings before any official body, or (iii) information respecting the business, operations or financial condition of the Borrower or a Guarantor as the Lender may from time to time reasonably request, promptly to give the Lender details of such occurrence or other matter including copies of relevant documents;
- 14.1.2 To preserve and maintain in full force and effect its qualifications to carry on business including, without limitation, all rights, consents and authorizations relating thereto and not cease to conduct its business as conducted at the date of this Commitment;
- 14.1.3 To comply with all applicable laws and duly observe in all material respects all consents and authorizations and valid requirements of any governmental body, agency or authority having jurisdiction applicable to the Borrower or the Guarantor;
- 14.1.4 To permit the Lender or any representative of the Lender on reasonable notice to visit and inspect the Property.
- 14.1.5 To keep the Property or cause the Property to be kept in good repair, working order and condition consistent with all consents, authorizations, and applicable laws and, from time to time, (i) to make and cause to be made all needful and

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- proper repairs, renewals, replacements, additions and improvements thereto in accordance with prudent management practices.
- 14.1.6 To maintain and cause to be maintained and to defend and take all action necessary or advisable at any time and, from time to time, to maintain, defend, exercise, or renew their right, title and interest to their respective properties and assets including, without limitation, the Property;
- 14.1.7 To make full and timely payment of all obligations hereunder whether now existing or hereafter arising and duly comply with all the terms and covenants contained in this Commitment or in any other agreements entered into pursuant hereto;
- 14.1.8 To notify the Lender promptly upon obtaining knowledge of the institution or anticipated or threatened institution of any proceedings for the expropriation of any part of the Property. If any such property or assets are taken or damaged in or by any such expropriation proceedings or otherwise, the awards of compensation payable to the Borrower or any Guarantor as a result of such expropriation shall be and are hereby assigned to the Lender;
- 14.1.9 At the Borrower's cost and expense, upon request of the Lender, duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such other acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of this Commitment or any other agreements entered into with the Lender;

15. TERMINATION

In the event the Borrower is in default for any reason whatsoever under the terms of this Commitment, or if it does not fulfill the conditions for disbursement of the Loan in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Commitment, no later than five (5) business days prior to the First Advance Date, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Loan when the Lender makes them available, the parties to this Commitment hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Commitment and to retain the Standby Deposit as liquidated damages. In that event, this Commitment shall thereafter, subject as hereinafter provided, be void and of no further effect, without any further recourse by either party against the other except that, notwithstanding the forfeiture of the Standby Deposit, the Borrower shall remain liable and be required to pay and reimburse the Lender all fees, costs and expenses as set out in Section 10 whether or not the Loan is made. These agreements with respect to the Standby Deposit and the Borrower's obligation to pay fees, costs and expenses are enforceable by the Lender notwithstanding the termination of this Commitment, each of such covenants and agreements having an independent existence from the other rights and obligations under this Commitment.

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16. OTHER FINANCING TERMS

16.1 Repayment and Monthly Mortgage Instalments

Interest computed as provided in Section 6 shall be payable monthly in arrears on the same day of each and every month throughout the Loan Term.

With respect to any advance under the Loan, funds shall be deemed advanced on the earliest of:

- (i) the date that the funds are removed from the Lender's account and designated to the Borrower's account or as the Borrower may direct, or
- (ii) the date upon which the Borrower or its authorized representative has requested the funds to be advanced; or
- (iii) in the case of the first advance, the date scheduled for the first advance as herein set out or as amended pursuant to any written agreement between the Borrower and the Lender.

Upon expiry of the Loan Term, the principal of the Loan, together with interest and all other amounts due and owing by the Borrower to the Lender under the Security (as defined herein) shall become immediately due and payable.

It is hereby 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, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid. If the interest and compound interest are not paid within one (1) month from the time of default, a rest shall be made and interest at the rate aforesaid shall be calculated on the aggregate amount (including all unpaid interest) then due, as well after as before maturity, and so on each month. All such interest and compound interest shall be a charge upon the Property.

16.2 Reserve Fund for Realty Taxes

The Borrower shall maintain all tax accounts current. However, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing the Lender's estimate of one twelfth (1/12) of the annual taxes payable in accordance with Section 16 of the Standard Charge Terms set out in Schedule "B" hereto.

The Lender shall not be responsible for the payment of any taxes except as expressly provided for in Schedule "B".

16.3 Method of Payment of Monthly Instalments of Interest

The Borrower shall remit payments via an automatic debit service, by submitting the Authorization Form attached hereto as Schedule "D", together with a "void" cheque. If there are any changes to the Borrower's regular payment, the Lender will provide notice at least ten (10) days in advance of the debit. The account information provided in this respect will be kept confidential.

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The Borrower acknowledges and agrees that the Lender shall retain from the advance, for its benefit, an amount it reasonably determines to be sufficient to pay a portion of the interest payable on the Loan (as set out in this Section 6) from the date of such advance until the Loan Maturity Date (the "Interest Reserve"). Interest accrued on the Loan may be deducted from the Interest Reserve and be paid when due, without the necessity of any instruction or request from the Borrower. Borrower shall be responsible to pay from its own resources any further amounts required to enable the monthly payments to be made. In the event that the Interest Reserve is exhausted, or is insufficient to pay any amount due herein, the Lender shall so advise the Borrower, and the Borrower shall make such payments from its own funds, as provided for in this Section. Exhaustion of the Interest Reserve or the inability of the Interest Reserve to fully fund any interest payment shall not release the Borrower from any of Borrower's obligations herein, including but not limited to the obligation to pay interest accruing on the Loan Amount. So long as any default herein has occurred and is continuing, all interest payments herein shall be made by the Borrower using its own funds; provided that the Lender, at its option, and in its sole discretion, may make disbursements from the Interest Reserve notwithstanding such default. Upon the occurrence of default, the entire balance (if any) of the Interest Reserve shall be retained by the Lender and applied by the Lender as it shall determine in its sole discretion to the Borrower's indebtedness.

Use of the Interest Reserve shall in no way waive or otherwise modify any of the Borrower's obligations hereunder, including, without limitation, the obligation to make monthly interest payments.

Notwithstanding the aforesaid, the Borrower shall make interest payments from its own resources from the date of First Advance until such time as the first advance is made under Section 8(c). Thereafter, interest on the whole of the outstanding Loan amount from time to time shall be made from the Interest Reserve until such time as the Interest Reserve is exhausted.

16.4 Condition upon Maturity

In the event that the Borrower fails to repay the principal and interest outstanding on the Loan Maturity Date or any renewal thereof agreed to by the Lender, the Lender may, at its sole discretion, extend the mortgage for a period of one (1) month from the original Loan Maturity Date or any renewal thereof agreed to by the Lender, at an interest rate equal to the higher between the Interest Rate for the Loan and the then Royal Bank of Canada Prime Rate per annum plus five percent (5.00%) per annum, calculated and payable monthly. If the Lender does so elect to extend the term for one month but the Loan has not been repaid or renewal has not been finalized within this one (1) month period, then there will be no further extensions and the Lender may exercise its remedies under the Security.

The interest rate applicable will be determined by the Lender as of the first (1st) Banking Day of the month in which the Loan matures.

In this Commitment, "Royal Bank of Canada Prime Rate" means the rate of interest, expressed as a percentage per annum, published and quoted by Royal Bank of

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Canada or its successor at the bank's head office in Toronto, Ontario, as a reference rate then in effect for determining interest rates on commercial loans in Canadian Dollars in Canada and which is commonly known as the bank's prime lending rate.

"Banking Day" for the purposes of this clause, will mean a day on which the said head office in Toronto, Ontario, for the Royal Bank of Canada or its successor is open for business and which is not a Saturday, Sunday, civic or statutory holiday. All other terms and covenants under the existing mortgage and charge shall continue to apply after the term of the Loan is so extended.

The mortgage and charge may be paid in full at any time during the one (1) month extension period without notice, bonus or penalty, other than payment of the Extension Fee and any applicable discharge fees as hereafter set out.

An extension fee which is the greater of Five Thousand Dollars (\$5,000.00) or one percent (1.00%) of the outstanding balance shall be added to the principal balance if the Lender elects to extend the term of the Loan under this clause.

17. LEGAL COUNSEL

The title report, Security and all other documents relating to the Loan shall be prepared by the Lender's counsel who shall act on behalf of the Lender:

Greg Umbach
Blakes
595 Burrard Street
Suite 2600, Three Bentall Centre
Vancouver, B.C. V7X 1L3
Tel: (604) 631-3378
greg.umbach@blakes.com

The Borrower shall be responsible for all legal costs involved in the preparation, settlement, execution and delivery of this Commitment, the Security and all other documentation related to the Loan.

18. PREPAYMENT PRIVILEGE

The Borrower shall, when not in default, have the right to prepay all of the amount outstanding under the Loan prior to the Maturity Date, on any payment date, upon giving the Lender one (1) month written notice in advance of payment and upon payment of a bonus equal to one (1) month's interest.

19. PARTIAL DISCHARGES

Provided there has been no event of default, the Borrower may be entitled to a partial discharge of any mortgaged unit on the following terms:

- (a) The provisions of any land use planning legislation are fully complied with in respect to each such partial discharge;

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- (b) Payment to the Lender of an administration fee of \$500 per each such discharge (plus legal fees, if applicable);
- (c) The Lender receives, for each unit of the Property to be discharged, an amount equal to 100% of the net sale proceeds of any bona fide arm's length sale in respect of the subject parcel in an amount satisfactory to Lender; and
- (d) Any such partial discharge does not materially adversely affect the Lender's overall security position.

"Net Sale Proceeds" means the amount determined by subtracting from 100% of gross sale proceeds of the unit: (i) excise taxes if applicable and payable thereon (if payable by the Borrower); (ii) the closing costs which consist of reasonable (as compared to the sale of a similar property) fees and expenses of the Borrower's attorneys with respect to each such sale and the reasonable (as compared to the sale of a similar property) real estate commissions payable by the Borrower with respect to such sale and (iii) any deposits used for construction under the home warranty insurance program.

20. SURVEY

The Borrower shall deliver to the Lender within five (5) business days prior to the first advance for its examination an up-to-date fully monumented survey of the Property prepared by a duly qualified British Columbia Land Surveyor showing, inter alia:

- 20.1 boundaries and dimensions of the Property;
- 20.2 location of all buildings and other improvements (if any) on the Property and, if any structure offends municipal set-back requirements, the amount of the encroachment on the set-back area;
- 20.3 names of adjacent streets;
- 20.4 location of all registered easements, rights of way, etc.

The survey certificate shall be approved by the legal counsel for the Lender. If said survey is not an original signed and sealed survey, the Borrower hereby undertakes to deliver to the Lender, at least five (5) business days prior to the disbursement of the first advance of the Loan, three (3) original signed and sealed copies of the said survey. In addition, the Borrower shall deliver to the Lender: (i) at least five (5) business days prior to the disbursement of the first advance of the Loan, a letter, in form satisfactory to the legal counsel of the Lender, from the land surveyor who has prepared the same addressed to the Lender confirming that the Lender may rely upon such survey; and (ii) immediately prior to each advance, a solemn declaration of a senior officer of the Borrower certifying that, since the preparation of the said survey, no new easement has been created, no construction or modification of any building shown thereon has been effected and no new construction has been erected by a neighbor along the boundaries of the land described therein.

21. REFINANCING

- 21.1 The Lender shall have a right of first opportunity to finance or arrange any replacement financing for the Property, or for any further development of the Property or any improvements to be developed on the Property (herein collectively referred to as the "Permanent Financing").

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- 21.2 In connection therewith the Borrower shall provide to the Lender in writing as soon as same is applicable a request for Permanent Financing together with all information necessary for the Lender to process such request and within a reasonable time after delivery to the Lender of all reasonably required information, the Lender shall be given a first opportunity to provide an offer of Permanent Financing.
- 21.3 The Lender shall also be given a continuing right of first refusal to provide an offer of Permanent Financing to the Borrower on terms substantially the same as any other written offer of financing received from a third party lender, which the Borrower is prepared to accept and copy of which the Borrower shall provide to the Lender.

22. **SHARE CAPITAL OF THE BORROWER AND CORPORATE GUARANTOR**

The Borrower declares and represents that its authorized share capital is as follows:

Conian Developments Inc.

Number of shares	Class	Shareholders
100	A	Rana Wasif Khaliq
100	B	Rana Wasif Khaliq

BC Currency Exchange Inc.

Number of shares	Class	Shareholders
1000	Common Shares	Robina Khan

23. **SPECIAL PROVISIONS**

23.1 INTENTIONALLY DELETED

24. **CROSS-DEFAULT**

The Borrower and Guarantor(s) hereby acknowledge that any default with respect to this Loan will constitute a default with respect to any other debt owing by any of them to the Lender or to an affiliate of the Lender. Vice versa, a default in paying any other debt of the Borrower or a Guarantor owing to the Lender or to an affiliate of the Lender will constitute a default with respect to this Loan. For the purpose of this clause, "affiliate" has the meaning given in the Business Corporations Act of British Columbia

25. **SIGNAGE**

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If the Property is vacant land, the Lender may post signage upon the Property, to not exceed 4 feet by 8 feet, stating, "Financing by ROMSPEN INVESTMENT CORPORATION", or words to that effect, and its address and phone number, during the term of the loan or any portion thereof.

26. **ADVERTISING BY LENDER**

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

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

27. **APPLICABLE LAW**

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

28. **AMENDMENT**

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

29. **ASSIGNMENT BY BENEFICIAL OWNER AND/OR BORROWER**

None of the beneficial owner, the Borrower or the Guarantor shall assign their rights or obligations pursuant to the Commitment or the security required by the Commitment, in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole and absolute discretion.

30. **NO OBLIGATION TO ADVANCE**

It is understood that neither the preparation nor the registration of any of the documents contemplated herein shall bind the Lender to advance the funds or any unadvanced portion thereof, it being agreed that the advance of funds or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Lender.

31. **ENUREMENT**

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This Commitment shall enure to the benefit of the Lender and its successors and assigns and be binding upon the Borrower, the Guarantor(s) and their respective heirs, personal representatives, successors and assigns.

32. CONFIDENTIALITY

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

33. ASSIGNMENT AND SYNDICATION

The Loan may be syndicated by the Lender. The Borrower hereby acknowledges that this Commitment, when accepted, and any security in furtherance thereof may be assigned by the Lender.

34. CREDIT AUTHORIZATION AND CONSENT TO DISCLOSURE

The Lender may collect, retain, release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by it relating to the Borrower, any Guarantor, the Property or the Loan (both before and after the disbursement of funds and/or default thereunder) without restriction and without notice to or the consent of any Borrower or Guarantor (and the Borrower and each Guarantor hereby irrevocably consents thereto):

- (a) to any person who has, who acquires, or who proposes to acquire an interest in the Loan;
- (b) to the respective third party advisors and agents (such as lawyers, accountants, auditors, consultants, appraisers and credit verification sources) of such persons;
- (c) to the public or any group in any offering memorandum, prospectus or other disclosure document relating to any sale, syndication or securitization of the Loan (including all initial and continuing disclosure requirements), regardless of format or scope of distribution;
- (d) to the public or other interested persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or any related securitization or any interest therein, regardless of format or scope of distribution;
- (e) to any governmental authority having jurisdiction over the Lender or over any sale, syndication or securitization of the Loan or any trade of any interest therein;
- (f) to any other person in connection with the sale, syndication or securitization of the Loan, including insurers and rating agencies; and
- (g) to any other person in connection with the collection or enforcement proceedings taken under or in respect of the Loan.

Without limiting the foregoing, each Borrower and Guarantor hereby consents to the Lender obtaining all information as may be necessary from all available sources as to the

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creditworthiness of each Borrower or Guarantor and acknowledges that the Lender may collect or come into possession of personal information relating to certain individuals either comprising or otherwise connected with the Borrower or Guarantor which information may include contact information (mailing address, e-mail address, telephone number or fax number), financial information and status (bank account numbers, existing debts, personal net worth or credit history), date of birth, place of employment and social insurance number. Each Borrower and Guarantor acknowledges and agrees that such personal information may be used by Lender in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing the Lender may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph without restriction and without notice to or the consent of any Borrower or Guarantor or any related individual. Each Borrower and Guarantor for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by the Lender and represents and warrants that it has full power and authority to give such consent and authorization.

35. MATERIAL ADVERSE CHANGES

In the event that at any time either before the advance of funds under the Loan or while any indebtedness remains outstanding pursuant to the Loan, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Guarantor or concerning the Property or the financial condition and responsibility of the Borrower or any Guarantor or in the event that the Lender discovers any material adverse change in the value of the Property or the financial status of the Borrower or any Guarantor or any lessee on which the Lender relied in making any advances pursuant to the Loan, which material change, discrepancy or inaccuracy cannot be or is not rectified by the Borrower or such Guarantor or lessee (as applicable) within 30 days after written notification thereof by the Lender to the Borrower or to such Guarantor or lessee, the Lender shall be entitled to decline to advance any funds pursuant to the Loan and at its option terminate this Commitment or in the event that any funds have already been advanced, to declare any and all amounts advanced together with interest thereon and any costs incurred by the Lender to such date, to be forthwith due and payable.

36. ENTIRE AGREEMENT

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

37. JOINT AND SEVERAL OBLIGATIONS

If there is more than one Borrower, all payment and performance obligations of the Borrower existing from time to time under this commitment, the Security and all other documents

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related or entered into pursuant hereto and thereto (collectively, the "Obligations"), shall constitute joint and several obligations of the all the Borrowers and each of them. Each Borrower expressly represents and acknowledges that it is part of a common enterprise with the other Borrowers and that any advances of the Loan made by the Lender to one or more persons who is a Borrower hereunder are and will be of direct and indirect interest, benefit and advantage to each of the Borrowers. Each Borrower acknowledges that any draw request or other notice or request given by one Borrower to the Lender shall bind each Borrower, and that any notice given by the Lender or its agent to any Borrower shall be effective with respect to all Borrowers. Each Borrower acknowledges and agrees that each Borrower shall be liable, on a joint and several basis, for the Loan and all other Obligations, regardless of which Borrower actually may have received the proceeds of the Loan or other extensions of credit or the amount of such loan received or the manner in which the Lender accounts among the Borrowers for the Loan advanced, or other extensions of credit on its books and records, and further acknowledges and agrees that Loan and other extensions of credit to any Borrower inure to the mutual benefit of all the Borrowers and that the Lender is relying on the joint and several liability of the Borrowers in extending the Loan hereunder.

38. SCHEDULES

The following documents marked "X" are attached as schedules to this Commitment and form a part hereof:

- | | | |
|---|------------|---|
| X | Schedule A | Standard Construction Conditions |
| X | Schedule B | Standard Charge Terms and Conditions |
| X | Schedule C | Certificate of Identification |
| X | Schedule D | Pre-authorized debit form for automatic deduction from bank account of Borrower to which must be attached a specimen cheque |
| | Schedule E | Specimen of an irrevocable letter of credit to be remitted to the Lender for the Performance Deposit |
| | Schedule F | Tenant Acknowledgment |
| | Schedule G | Certified Rent Roll (or a certified rent roll in a form acceptable to the Lender) |
| X | Schedule H | Draw Request |
| X | Schedule I | Draw Certificate |
| X | Schedule J | Tax Waiver Side Letter |
| X | Schedule K | Subordination and Non-Disturbance Agreement |
| X | Schedule L | Insurance Requirements |

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- X Schedule M Certificate of Independent Legal Advice and/or Representation
- Schedule N Subordination and Standstill Agreement
- X Schedule O Sample form of Architect's Certificate of Opinion
- X Schedule P Deficiency and Completion Agreement
- X Schedule Q Unit Price List

39. DATES OF EXPIRY

- 39.1 The Security documents shall be properly executed and delivered to the Lender's solicitors, where applicable, in registerable form no later than three (3) business days prior to the First Advance Date and the advance of funds must take place no later than the First Advance Date.
- 39.2 If on or before the date specified in Section 39.1 the security documents provided to the Borrower or its solicitors have not been so delivered, the Lender may at any time thereafter, in its sole discretion, terminate its obligations under this Commitment and may retain the Standby Deposit as liquidated damages.
- 39.3 The Lender may, at its sole option from time to time, elect to extend the above-mentioned date by which the Security documents are to be executed and delivered or the date by which the Loan is to be advanced or any of the other time periods contained in this Commitment. Notwithstanding any such extension, time shall remain of the essence of this Commitment and all other terms and conditions shall remain unchanged.

40. WAIVER

The terms and conditions contained in this Commitment are inserted for the exclusive benefit of the Lender and may be waived in whole or in part by the Lender at any time. No advance, either singularly or collectively, shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further advances.

The Lender's failure to insist upon a strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the Lender shall have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Commitment and the security documentation.

41. COUNTERPARTS

This Commitment may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This

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Commitment may be executed by any party and transmitted to the other party or parties by facsimile or other electronic means and if so executed and transmitted this Commitment will be for all purposes as effective as if the party in question had delivered an executed original.

ROMSPEN INVESTMENT CORPORATION

By: 
Name: **Blake Cassidy**
Title: **Managing Partner**

I have authority to bind the corporation.

Initials 
Initials _____

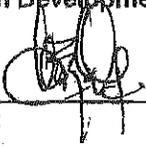
ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment and submit the Standby Deposit, on this

Twenty-eighth (28th) day of May, 2018.

BORROWER(S)

Conian Developments Inc.

Per: 
Name: _____
Title: _____

I have authority to bind the Corporation.

GUARANTOR(S)

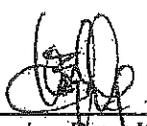
We hereby accept the terms and conditions of this Commitment and we the Guarantor(s) hereby agree, jointly and severally and unconditionally, to observe and perform all obligations of the Borrower with respect to the Loan.

GUARANTOR(S)

BC Currency Exchange Inc.

Per: 
Name: _____
Title: _____

I have authority to bind the Corporation.



Guarantor: Rana Khaliq

Witness: 

Guarantor: Robina Khan

ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment and submit the Standby Deposit, on this

Twenty-Eighth (28th) day of May, 2018.

BORROWER(S)

Conlan Developments Inc.

Per: [Signature]
Name:
Title:

I have authority to bind the Corporation.

GUARANTOR(S)

We hereby accept the terms and conditions of this Commitment and we the Guarantor(s) hereby agree, jointly and severally and unconditionally, to observe and perform all obligations of the Borrower with respect to the Loan.

GUARANTOR(S)

BC Currency Exchange Inc.

Per: [Signature]
Name:
Title:

I have authority to bind the Corporation.

[Signature]
Guarantor: Rana Khalid

Witness:

[Signature]

[Signature]
Guarantor: Robina Khan

Initials [Signature]
Initials _____

SCHEDULE Q

UNIT PRICE LIST

Total Gross	# of Units	Unit	Price/Unit	Total
3 BED ROOM Townhouse	1		\$ 650,000.00	650,000.00
2 BED ROOM Townhouse	10		\$ 475,000.00	4,750,000.00
2 BED ROOM Apartments	76		\$ 395,000.00	30,020,000.00
1 BED ROOM Apartments	68		\$ 205,000.00	13,940,000.00
1 BED 1+Den Apartments	4		\$ 320,000.00	1,280,000.00
2 BED ROOM Apartments	4		\$ 425,000.00	1,700,000.00
Studio	20		\$ 220,000.00	4,400,000.00
Amenity	1			0.00
Revenue:				\$66,640,000.00

SUPPLEMENT NO 1 TO THE COMMITMENT

Re: Supplement No. 1 to the Commitment (defined below) re: \$30,000,000 First Mortgage Construction Financing

DATED for reference December 20, 2018

Reference is made to the Commitment (the "Commitment") dated May 23, 2018 made by Romspen Investment Corporation (the "Lender") and accepted by those parties collectively listed as "Borrower" in the Commitment (the "Borrower") and by those parties collectively listed as "Guarantor" in the Commitment (the "Guarantor").

All capitalised words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Supplement No. 1 (this "Supplement").

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

1. Amendments

The Commitment is hereby amended as follows:

- (a) Section 1 is deleted in its entirety and replaced with the following:

"1. BORROWER(S)

Conian Developments (La Voda) Inc. (formerly named Conian Developments Inc.) (the "Borrower") which represents itself to be the legal and beneficial owner of all property and assets comprising the security required pursuant hereto."

- (b) The following is added to the end of Section 24:

"The Borrower and Guarantor hereby acknowledge that default under Lender's loan no. 8726 to Conian Developments (La Voda II) Inc. will constitute default under this Loan and in the event of such a default the Lender shall be entitled to exercise all of its rights under the Commitment and any security arising under the Commitment."

2. Representation and Warranty

To induce the Lender to enter into this Supplement, the Borrower hereby reaffirms to the Lender that, as of the date hereof, its representations and warranties contained in the Commitment, as amended by this Supplement, and except to the extent such representations and warranties relate solely to an earlier date, are true and correct and additionally represents and warrants as follows:

- (a) the execution and delivery of this Supplement and the performance by it of its obligations under this Supplement: (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary governmental approval (if any were required), and (iv) do not and will not contravene or conflict with any provision of applicable law or any of its constating documents or of any material agreement, judgment, license, order or permit applicable to or binding upon it; and

- 2 -

- (b) the Commitment, as amended by this Supplement, is and will continue to be a legal, valid and binding obligation of it, enforceable in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable laws relating to the enforcement of creditors' rights generally and by general principles of equity.

3. References

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

4. Miscellaneous

Nothing in this Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the Security or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Supplement.

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

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

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

[Signature page follows]

LENDER:

ROMSPEN INVESTMENT CORPORATION

By: 

Name: Blake Cassidy
Title: Managing Partner

BORROWER(S):

CONIAN DEVELOPMENTS (LA VODA) INC.

Per: _____

Name:
Title:

Per: _____

Name:
Title:

I/We have authority to bind the Corporation.

GUARANTOR(S):

B.C. CURRENCY EXCHANGE INC.

Per: _____

Name:
Title:

Per: _____

Name:
Title:

I/We have authority to bind the Corporation.

Witness:

Guarantor: Rana Wasif Khaliq

Witness:

Guarantor: Robina Khan

LENDER:

ROMSPEN INVESTMENT CORPORATION

By: _____

Name: Blake Cassidy
Title: Managing Partner

BORROWER(S):

CONIAN DEVELOPMENTS (LA VODA) INC.

Per:  _____

Name: Rana Khaliq
Title: Director

Per: _____

Name:
Title:

I/We have authority to bind the Corporation.

GUARANTOR(S):

B.C. CURRENCY EXCHANGE INC.

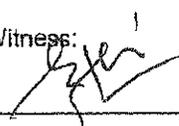
Per:  _____

Name: Rana Khaliq
Title: Director

Per: _____

Name:
Title:

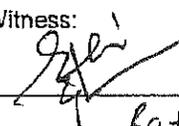
I/We have authority to bind the Corporation.

Witness: 

Kathy Jayaseelan



Guarantor: Rana Wasif Khaliq

Witness: 

Kathy Jayaseelan



Guarantor: Robina Khan

This is Exhibit "B" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870



Our File: 8726

December 12, 2018

Conian Developments (La Voda) Inc.
 c/o Sage Funding Inc.
 31 Cheyenne Crescent NW
 Calgary, Alberta T2L 0Z3

Attention: Eric Lawson

Dear Sirs:

Re: **\$9,750,000 First Mortgage Financing (the "Loan")**
11037, 11049, 11057 & 11069 Ravine Road and 11054, 11066 & 11080 132nd Street
Surrey, British Columbia

We are pleased to inform you that, on the basis of the information and the documents supplied by you, Romspen Investment Corporation as Trustee (the "Lender") hereby submits to you this offer of Mortgage Financing ("Commitment") in connection with the property above mentioned and more fully described in Section 4 below.

This Commitment must be accepted by the Borrower and received by the Lender, together with the Standby Deposit as hereinafter set out, no later than three (3) business days following the date of this Commitment, failing which this Commitment shall become null and void without further notice.

1. **BORROWER(S)**

Conian Developments (La Voda II) Inc. (the "Borrower") which represents itself to be the legal and beneficial owner of all property and assets comprising the security required pursuant hereto.

2. **GUARANTOR(S)**

Rana Khaliq, Robina Khan, BC Currency Exchange Inc. and Conian Developments (La Voda) Inc. (the "Guarantor").

The Guarantor, jointly and severally with the Borrower, covenant and agree to satisfy all terms, conditions and requirements herein contained and each of the Borrower and Guarantor acknowledge and agree that their obligations hereunder, including, without limitation, the obligations to repay the Loan, shall constitute primary obligations and shall be joint and several.

162 Cumberland Street, Suite 300 • Toronto, Ontario M5R 3N5 • T: 416-966-1100 • F: 416-966-1161 • www.romspen.com

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3. **APPROVED LOAN AMOUNT**

The approved loan amount is Nine Million Seven Hundred Fifty Thousand Dollars (\$9,750,000) ("Loan").

The Loan shall be funded by way of advances, the timing and amount of each advance to be in the sole discretion of the Lender.

4. **PROPERTY**

Municipal Addresses: 11037 Ravine Road, Surrey, British Columbia
 Lot 80, LD 36, Sec 15, B5N, R2W, Plan NWP34840
 11049 Ravine Road, Surrey, British Columbia
 Lot 5, LD36, Sec 15, B5N, R2W, Plan NWP9739
 11057 Ravine Road, Surrey, British Columbia
 Lot 4, LD 36, Sec 15, B5N, R2W, Plan NWP9739
 11069 Ravine Road, Surrey, British Columbia
 Lot 3, LD 36, Sec 15, B5N, R2W, Plan NWP9739
 11054 132nd Street, Surrey, British Columbia
 Lot 1, LD 36, Sec 15, B5N, R2W, Plan NWP8791
 11066 132nd Street, Surrey, British Columbia
 Lot 2, LD 36, Sec 15, B5N, R2W, Plan NWP8791
 11080 132nd Street, Surrey, British Columbia
 Lot 3, LD 36, Sec 15, B5N, R2W, Plan NWP8791

Use of the Property: This Property currently consists of 102,480 square feet of vacant land.

Borrower represented
 Value of the Property: \$14,350,000 – "as is" value

Permitted
 Encumbrances: None

"the Property".

5. **FIRST ADVANCE DATE**

The first advance shall take place on or about December 20, 2018 ("First Advance Date").

6. **INTEREST RATE**

The interest rate for the financing will be eleven and one-half percent (11.50%) percent per annum, calculated and compounded monthly, in arrears, on the amounts advanced from time to time from the date of each advance of funds, as well after as before maturity, default or judgment.

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Where the First Advance Date is more than sixty (60) days from the date of execution hereof, and the loan is not fully advanced by the said First Advance Date, the Lender may increase the interest rate by the amount of any increase in Royal Bank of Canada Prime Rate (as defined in Section 16.4) that occurs between the date of execution hereof and the date that is ten (10) days prior to the date that the Loan is fully advanced.

7. **TERM**

The term for the financing shall be twelve (12) months commencing from the Interest Adjustment Date (the "Loan Term"). The date on which the Loan Term expires is sometimes referred to herein as the "Loan Maturity Date". The Loan shall not be repaid prior to the Loan Maturity Date, unless a prepayment privilege is provided herein.

Interest Adjustment Date is to be the 1st day of the month following the first advance of funds under the mortgage.

8. **USE OF FUNDS**

(a) To pay fees and transaction costs;

(b) To provide an interest reserve to service the Loan for the first three (3) months. Thereafter, the Borrower shall be responsible to service the Loan from its own resources; and

(c) The balance to assist in the acquisition of the Property.

In the event that a claim for lien is made against the Property under the *Builders Lien Act of B.C.*, and is not vacated within 15 days, the Lender may, in addition to any other remedy available to it and in its unfettered discretion, accelerate the maturity date of the Loan by giving the Borrower 10 days notice.

9. **SECURITY**

The following security for the Loan shall be granted in favour of the Lender, in form and content satisfactory to the Lender and its legal counsel (hereinafter collectively referred to as the "Security"):

9.1 a first ranking mortgage on the Property in the amount of \$9,750,000;

9.2 a first ranking general assignment of all present and future rents pursuant to leases and offers to lease (Offers to lease and leases affecting the Property are herein collectively referred to as the "leases". That is, the word "lease" herein shall be deemed to include any offer to lease.) affecting the Property together with all insurance and indemnities covering the said rents and of all income and accounts derived from the Property including all proceeds receivable from early termination of any of the leases and all other benefits and advantages to be derived therefrom. The Lender may in addition, in its absolute discretion, require attornment or attornment and subordination agreements to be entered into by the tenant under any of the leases. Any security interest granted by a

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tenant in favour of the Borrower shall be assigned and transferred to and in favour of the Lender under the terms of the assignment of rents granted to the Lender;

- 9.3 first ranking General Security Agreements charging all the personal property of the Borrower and Guarantor respectively including, without limitation, goods, chattel paper, documents, accounts, intangibles, securities, monies, books and records and all replacements of, substitutions for and increases, additions and accessories to the foregoing and proceeds thereof, present and future;
- 9.4 a specific assignment of all the Borrower's right, title and interest in, to and under all material contracts affecting or with respect to the Property, as required by the Lender, with all necessary consents of the other parties thereto;
- 9.5 a specific assignment of all documents related to the Project including all economic incentives, material agreements and specifications, bonds, letters of credit, permits, licenses, development approvals and agreements, and agreements of purchase and sale and deposits;
- 9.6 acknowledgment of the status and terms of any contracts affecting or with respect to the Property including, without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters confirming the good standing of such contracts and the rights of the Lender under its security;
- 9.7 If the Property is a condominium, a specific assignment of all of the Borrower's right, title and interest in and to all purchase agreements, sales proceeds and purchaser deposits. In addition all condominium association voting rights shall be assigned to the Lender, or its nominee;
- 9.8 an unconditional, joint and several covenant by the Guarantor (or, if there is more than one Guarantor, by each of them) as principal debtor and not as surety for the performance of all obligations of the Borrower with respect to the Loan, it being understood that the Lender shall not be obliged to proceed against the Borrower or to enforce or exhaust any security before enforcing its rights against the Guarantor;
- 9.9 Environmental indemnity agreement from Borrower and Guarantors;
- 9.10 assignment of all insurance policies with respect to the Property and all proceeds and benefits therefrom in favour of the Lender;
- 9.11 assignment, postponement and subordination by the respective shareholders of all corporate Borrowers and Guarantors, in favour of the Lender, of any and all loans, indebtedness, distributions of income and/or capital owing or due to them from time to time by the respective corporate Borrowers and/or Guarantors (including management fees owed to related parties). The Borrower may pay normal-course management fees approved by the Lender in its sole discretion;
- 9.12 agreement and acknowledgement that default under this Loan will constitute default under Lender's loan no. 8669. The Guarantor, Conlan Developments (La Voda) Inc., shall also be required to acknowledge and agree that default under Loan no. 8669 with

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the Lender shall constitute a default under this Loan and shall execute such further and other assurances as Lender or its counsel may require in this regard;

9.13 pledge of all issued shares of the Borrower; and

9.14 such further and other security as legal counsel for the Lender may reasonably require.

10. TRANSACTION FEES AND RELATED COSTS

Administration Fee:	\$ 1,000
Lender's Advance Fee (per advance)	\$ 1,000
Lender's Fee:	\$190,000
Broker's Fee (Sage Funding Inc.):	\$ 97,500
Insurance Risk Management Fee:	\$ 1,500*
Lender's Basic Legal Fee (estimated):	\$ 30,000*

* Plus disbursements and taxes, if applicable.

In addition to the aforementioned, the Borrower agrees to pay all costs, fees and expenses in connection with the transaction contemplated by this Commitment, including, without limitation:

10.1 engineering, environmental assessment, appraisal, credit information, inspection, architectural, project monitoring, cost consultancy, survey and any and all other professional and advisory costs as may be reasonably incurred by the Lender;

10.2 registration, recording and filing fees, taxes and the like with regard to all documents required by the Lender's solicitors to be registered, recorded or filed.

Such fees and costs may, at the option of the Lender, be deducted from any advance of the Loan.

11. STANDBY DEPOSIT

In consideration of the issuance of this Commitment and in recognition of the considerable effort that the Lender must immediately undertake in order to make funds available for closing, the Borrower agrees to submit to the Lender, together with this executed Commitment, One Hundred ~~Twenty~~ Thousand Dollars (\$100,000) ("Standby Deposit"), by way of a certified cheque payable to the Lender. The Lender hereby acknowledges receipt of the Standby Deposit.

The Standby Deposit shall bear no interest while in the possession of the Lender. Save as otherwise provided for herein, such Standby Deposit shall be credited to the Borrower at the time of the first advance of the Loan.

12. ADVANCES AND CONDITIONS PRECEDENT

12.1 General

12.1.1 Subject to the other terms and conditions set forth in this Commitment, the Lender shall disburse the proceeds of the Loan to or on behalf of the Borrower in the amounts and as specified in Sections 3 and 8 herein.

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- 12.1.2 The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, claims or other encumbrances, with the exception of the Security provided for in this Commitment, the whole to the complete satisfaction of legal counsel for the Lender.
- 12.1.3 All taxes, assessments, utility charges and other charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.
- 12.1.4 The Borrower shall fulfill all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, the Borrower shall provide to every government office, utilities provider, and other authority named by the Lender, an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, confirmation that all payments, declarations and other filings of the Borrower are up to date, whether the authority concerned has issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. Each such authorization shall remain in effect and will be replaced as required by the Lender from time to time until the Loan has been fully repaid.
- 12.1.5 Within fifteen (15) business days from acceptance of this Commitment, the Borrower shall deliver to the Lender's legal counsel the following documents (where applicable):
- 12.1.5.1 copies of all contracts affecting the Property or relating thereto, including, without limitation, executed offers to lease or leases, standard offer and lease agreements and all information related to such leases.
 - 12.1.5.2 if the Property is a condominium, copies of all condominium documentation, including the Strata Corporation's by-laws (Lender acknowledges that this is not applicable);
 - 12.1.5.3 required insurance policies;
 - 12.1.5.4 evidence that the property taxes have been paid;
 - 12.1.5.5 certified copy of a resolution of the Borrower's board of directors authorizing this transaction;
 - 12.1.5.6 for each corporate Guarantor, certified copy of a resolution of the Guarantor's boards of directors authorizing this transaction;
 - 12.1.5.7 certified copies of the articles of incorporation and a copy of the certificate of incorporation of the Borrower and of each corporate Guarantor;

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- 12.1.5.8 an original up to date survey of the Property prepared by a duly qualified land surveyor showing the location of all improvements on the Property accompanied by a certificate wherein the surveyor confirms that the location of the improvements comply with applicable municipal set-back requirements (or, if not, setting on details of the non-compliance); such survey must be in a form acceptable to the Lender's counsel; and
- 12.1.5.9 any other documents required hereunder and reasonably requested by legal counsel for the Lender.

12.2 Advance Requirements

The advance of the Loan is conditional upon the receipt by the Lender of the following documents, in form and substance satisfactory to the Lender and upon fulfillment by the Borrower of the following conditions precedent as well as those set out in Schedule "B" hereof or elsewhere herein, to the entire satisfaction of the Lender:

- 12.2.1 the Security and any other documents relating to the Loan that are required or contemplated hereunder or which the Lender and its legal counsel may deem necessary, shall have been received and approved to the complete satisfaction of the Lender and its counsel and duly executed and registered and perfected, as the case may be and all approvals required by the Lender or its counsel shall have been given;
- 12.2.2 a title insurance policy for the mortgage loan issued by an insurance company acceptable to the Lender and in form and content satisfactory to the Lender the premium for which will be paid by the Borrower.
- 12.2.3 a favourable opinion of the Borrower's counsel on the due incorporation, corporate power and authority of the Borrower, the due authorization, execution, delivery, validity and enforceability of this Commitment and the Security and such other matters as the Lender or its counsel may reasonably require;
- 12.2.4 a certificate of the Borrower confirming the truth and survival of the representations and warranties contained herein;
- 12.2.5 receipt of a fully executed copy of the purchase and sale agreement and amendments thereto for the Property and favourable opinion report thereon prepared by the Lender's counsel, if applicable, or other documents that are satisfactory to Lender;
- 12.2.6 evidence that the Borrower has complied with its obligations with respect to insurance requirements as more fully set out in Schedule "L", together with a favourable opinion of the Lender's insurance consultant on the adequacy of all insurance policies and or bonding required to be delivered or maintained hereunder;

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- 12.2.7 evidence that all taxes, rates, assessments and charges which may be levied or imposed against the Property or the Borrower's business, including all utilities charges and all amounts capable of forming a charge against the Property, have been paid in full;
- 12.2.8 evidence that the Borrower has complied with all statutory requirements for deduction at source and remittance to applicable fiscal authorities, including, without limitation, those under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan Act* (Canada) or the *Employment Insurance Act* (Canada);
- 12.2.9 a site inspection of the Property has been completed on behalf of the Lender and the results of the inspection are satisfactory to the Lender;
- 12.2.10 a satisfactory interview with the Borrower has been conducted by the Lender;
- 12.2.11 satisfactory verification by Lender of all zoning and other restrictions relevant to the Property;
- 12.2.12 satisfactory verification by Lender of Borrower and corporate Guarantors' organizational structure;
- 12.2.13 satisfactory verification by Lender of the use and income to be generated from the Property;
- 12.2.14 satisfactory verification by Lender that:
- 12.2.14.1 the 'as is' value of the Property of at least \$14,350,000; and
- 12.2.14.2 Borrower's minimum cash equity contribution of at least \$5,206,000;
- 12.2.15 an environmental report prepared, at the expense of the Borrower, by qualified environmental consultants acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the environmental consultants who prepared the report allowing the Lender to rely upon the same and to use it for mortgage purposes, disclosing no site contamination or hazardous substances and confirming, to the satisfaction of the Lender, that the Property complies with Environmental Laws (as defined in Schedule "B" hereof). The Borrower hereby agrees to provide all available information with respect to environmental matters and to fully disclose to the Lender any relevant facts about environmental matters promptly as they come to light; (Lender acknowledges and agrees that it has received same as is satisfied)
- 12.2.16 an appraisal report of the Property prepared in a form and substance satisfactory to the Lender, at the expense of the Borrower, by a qualified appraiser acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the appraiser allowing the Lender to rely upon the same and use it for mortgage purposes; (Lender acknowledges and agrees that it has received same as is satisfied)

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- 12.2.17 true copies of all leases affecting the Property, executed by the parties thereto, including, without limitation, those listed in Schedule "G" hereto, or a certified rent roll in a form acceptable to the Lender and reviewed by and found satisfactory to the Lender and its counsel. In addition, an estoppel certificate from each tenant occupying or to occupy 5% or more of the Property's total rentable area or generating 5% or more of total rental revenue from the Property, and attornment and subordination agreements from tenants as required by the Lender, shall have been executed by the tenants as required and found satisfactory to the Lender; (Lender acknowledges that this is not applicable)
- 12.2.18 If there are existing structures on the Property, a report from a qualified structural engineer, addressed to the Lender, addressing the structural soundness of those improvements, the contents of which are acceptable to the Lender (Lender acknowledges and agrees that that this is not applicable);
- 12.2.19 no event shall have occurred and be continuing or would result from making of any advance under the Loan, which constitutes an event of default or would constitute an event of default under any of the Borrower's obligations, except when such default is cured by notice or elapsed time or both;
- 12.2.20 the Lender and its counsel shall have approved all contracts and documents affecting or with respect to the Property;
- 12.2.21 If the Property is a leasehold interest under a ground lease, a copy of the ground lease and, if applicable, insurance trust agreement and any other agreement entered into with the ground lessor; (Lender acknowledges that this section is not applicable)
- 12.2.22 if the Property is a condominium, all relevant condominium documents; (Lender acknowledges that this section is not applicable)
- 12.2.23 any project management agreement, co-owners agreement, or trust agreement in effect with respect to the Property.
- 12.2.27 evidence of compliance with The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations, including but not limited to:
- (a) Each Individual Borrower and individual Guarantor is to provide, at least 3 days prior to funding, the completed Agent Examination of Identification as set out in Schedule C;
 - (b) Each corporate Borrower and corporate Guarantor is to provide, at least 3 days prior to funding, with the following:
 - (i) Corporation profile report or Certificate of Status confirming such corporate Borrower or corporate Guarantor has not been dissolved;
 - (ii) Executed Certificate of Incumbency setting out the names of all directors and officers, and the office held by each officer;
 - (iii) Executed director(s)' resolution authorizing the transaction;

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- (iv) Shareholders' register. A completed Agent Examination of Identification form is required for each individual shareholder who owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of such corporate Borrower or corporate Guarantor. For each corporate shareholder which owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of a corporate Borrower or corporate Guarantor, the Lender requires Items (i) and (ii).

- 12.2.28 If any Guarantor is other than shareholder, beneficial owner, director, officer or controlling mind of the Borrower, or if at the Lender's sole determination, undue influence could be brought to bear upon such Guarantor by the Borrower or any other Guarantor or beneficial owner, any such Guarantor must obtain independent legal advice and deliver to the Lender a Certificate of Independent Legal Advice on the Guarantor's solicitor's letterhead, in the form as set out in Schedule "M" hereto;
- 12.2.29 Notwithstanding anything contained herein, no Advance shall be made by the Lender until such time as the Lender is in receipt of, and has reviewed, all due diligence material referred to in Schedule A of the letter agreement dated December 7, 2018, and not hereinbefore requested; and
- 12.2.30 notwithstanding anything contained herein, no advance shall be made by the Lender until the Lender is advised by its legal counsel that, having regard to all the circumstances, such advance should be made.

13. REPRESENTATIONS AND WARRANTIES

The Borrower and Guarantors represent and warrant to the Lender which shall be true and correct for each advance hereunder:

- 13.1.1 The request for and use of proceeds of any advance by the Borrower will constitute an affirmation or re-affirmation by each Borrower and each Guarantor of the representations and warranties contained herein and in any document related hereto, including, without limitation, any Security delivered pursuant hereto;
- 13.1.2 The Borrower and each corporate Guarantor is a corporation duly organized and validly existing and in good standing under the laws of the jurisdiction of formation/incorporation/amalgamation/continuance, as applicable, and registered to do business in each jurisdiction in which it carries on business;
- 13.1.3 The Borrower and each corporate Guarantor has full corporate power, right and authority to enter into and perform its obligations under each of the documents to which it is a party and has full corporate right, power and authority to own and operate its assets and property and to carry on its business;
- 13.1.4 The execution and delivery by the Borrower and Guarantors of this Commitment and the applicable Security and the performance of their

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respective obligations thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of the charter documents or bylaws, as applicable, of the Borrower and Guarantors;

- 13.1.5 The execution and delivery by the Borrower and each corporate Guarantor of this Commitment and the applicable Security and the performance of their respective obligations thereunder have been duly authorized or will, prior to the First Advance Date, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency or authority having jurisdiction over any Borrower or any Guarantor is or was necessary therefore, except as contemplated herein;
- 13.1.6 The Borrower and Guarantors possess all consents, approvals, permits and authorizations under any applicable law which are necessary in connection with the operation of their respective businesses. All such consents, approvals, permits and authorizations are in full force and effect and none of the Borrower or Guarantors is in default in any respect thereunder which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired;
- 13.1.7 Neither the Borrower or any of the Guarantors is in default in any respect under any material indenture, mortgage, deed of trust, agreement or other instrument to which they are a party or by which they or any of their property may be bound and which default would have a material adverse effect on their property or their prospects;
- 13.1.8 The Borrower and each Guarantor has filed all tax returns which are required to be filed by each of them and has paid or remitted when due all taxes, assessment and government charges imposed upon them which if unpaid could result in any charge or other encumbrance on their properties except such tax, assessment or charge which is being contested in good faith and for which the applicable Borrower or Guarantor has made adequate reserves;
- 13.1.9 With respect to the Project, the Borrower has obtained and is in compliance (i) with all terms and conditions of all authorizations which are required under any environmental law, the non-obtaining of which and the lack of compliance with which would have a material adverse effect, and (ii) with all environmental laws, non-compliance with which would have a material adverse effect. No Borrower generates hazardous materials or transports, treats or disposes of any hazardous materials nor is any Borrower aware of any underground storage tanks or surface contaminants located on the Property other than those that have been reported to the Lender. No Borrower, to the best of their knowledge, has ever caused or permitted (i) a release of any contaminant from or on the Property or (ii) any hazardous materials to be placed, held, located or disposed of on or under the Property the effect of which could reasonably be anticipated to have a material adverse effect. No enforcement action, investigation or outstanding order from any official body in respect of any

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hazardous materials or release of contaminants is existing, threatened or impending;

- 13.1.10 The Property is zoned to permit the improvements to be constructed by the Borrower and is in compliance with all relevant zoning and by-laws of the applicable municipality and the Borrower has all permits, certificates, approvals or permissions required for the construction of the improvements; and
- 13.1.11 All property taxes, levies, assessments, penalties or other costs payable to a municipality or other local government in respect of the Property have been paid and no such amount is in arrears or is due and unpaid.

14. GENERAL COVENANTS

Notwithstanding any other provision of this Commitment, the Borrower and Guarantors covenant and agree:

- 14.1.1 Upon obtaining (i) knowledge of the occurrence of any default under any agreements to which the Borrower or a Guarantor is a party, (ii) notice of litigation, arbitration, or proceedings before any official body, or (iii) information respecting the business, operations or financial condition of the Borrower or a Guarantor as the Lender may from time to time reasonably request, promptly to give the Lender details of such occurrence or other matter including copies of relevant documents;
- 14.1.2 To preserve and maintain in full force and effect its qualifications to carry on business including, without limitation, all rights, consents and authorizations relating thereto and not cease to conduct its business as conducted at the date of this Commitment;
- 14.1.3 To comply with all applicable laws and duly observe in all material respects all consents and authorizations and valid requirements of any governmental body, agency or authority having jurisdiction applicable to the Borrower or the Guarantor;
- 14.1.4 To permit the Lender or any representative of the Lender on reasonable notice to visit and inspect the Property.
- 14.1.5 To keep the Property or cause the Property to be kept in good repair, working order and condition consistent with all consents, authorizations, and applicable laws and, from time to time, (i) to make and cause to be made all needful and proper repairs, renewals, replacements, additions and improvements thereto in accordance with prudent management practices.
- 14.1.6 To maintain and cause to be maintained and to defend and take all action necessary or advisable at any time and, from time to time, to maintain, defend, exercise, or renew their right, title and interest to their respective properties and assets including, without limitation, the Property;

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- 14.1.7 To make full and timely payment of all obligations hereunder whether now existing or hereafter arising and duly comply with all the terms and covenants contained in this Commitment or in any other agreements entered into pursuant hereto;
- 14.1.8 To notify the Lender promptly upon obtaining knowledge of the institution or anticipated or threatened institution of any proceedings for the expropriation of any part of the Property. If any such property or assets are taken or damaged in or by any such expropriation proceedings or otherwise, the awards of compensation payable to the Borrower or any Guarantor as a result of such expropriation shall be and are hereby assigned to the Lender;
- 14.1.9 At the Borrower's cost and expense, upon request of the Lender, duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such other acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of this Commitment or any other agreements entered into with the Lender;

15. TERMINATION

In the event the Borrower is in default for any reason whatsoever under the terms of this Commitment, or if it does not fulfill the conditions for disbursement of the Loan in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Commitment, no later than five (5) business days prior to the First Advance Date, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Loan when the Lender makes them available, the parties to this Commitment hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Commitment and to retain the Standby Deposit as liquidated damages. In that event, this Commitment shall thereafter, subject as hereinafter provided, be void and of no further effect, without any further recourse by either party against the other except that, notwithstanding the forfeiture of the Standby Deposit, the Borrower shall remain liable and be required to pay and reimburse the Lender all fees, costs and expenses as set out in Section 10 whether or not the Loan is made. These agreements with respect to the Standby Deposit and the Borrower's obligation to pay fees, costs and expenses are enforceable by the Lender notwithstanding the termination of this Commitment, each of such covenants and agreements having an independent existence from the other rights and obligations under this Commitment.

16. OTHER FINANCING TERMS

16.1 Repayment and Monthly Mortgage Instalments

Interest computed as provided in Section 6 shall be payable monthly in arrears on the same day of each and every month throughout the Loan Term.

With respect to any advance under the Loan, funds shall be deemed advanced on the earliest of:

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- (i) the date that the funds are removed from the Lender's account and designated to the Borrower's account or as the Borrower may direct, or
- (ii) the date upon which the Borrower or its authorized representative has requested the funds to be advanced; or
- (iii) In the case of the first advance, the date scheduled for the first advance as herein set out or as amended pursuant to any written agreement between the Borrower and the Lender.

Upon expiry of the Loan Term, the principal of the Loan, together with interest and all other amounts due and owing by the Borrower to the Lender under the Security (as defined herein) shall become immediately due and payable.

It is hereby 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, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid. If the interest and compound interest are not paid within one (1) month from the time of default, a rest shall be made and interest at the rate aforesaid shall be calculated on the aggregate amount (including all unpaid interest) then due, as well after as before maturity, and so on each month. All such interest and compound interest shall be a charge upon the Property.

16.2 Reserve Fund for Realty Taxes

The Borrower shall maintain all tax accounts current. However, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing the Lender's estimate of one twelfth (1/12) of the annual taxes payable in accordance with Section 16 of the Standard Charge Terms set out in Schedule "B" hereto.

The Lender shall not be responsible for the payment of any taxes except as expressly provided for in Schedule "B".

16.3 Method of Payment of Monthly Instalments of Interest

The Borrower shall remit payments via an automatic debit service, by submitting the Authorization Form attached hereto as Schedule "D", together with a "void" cheque. If there are any changes to the Borrower's regular payment, the Lender will provide notice at least ten (10) days in advance of the debit. The account information provided in this respect will be kept confidential.

The Borrower acknowledges and agrees that the Lender shall retain from the advance, for its benefit, an amount it reasonably determines to be sufficient to pay a portion of the interest payable on the Loan (as set out in this Section 6) from the date of such advance until the Loan Maturity Date (the "Interest Reserve"). Interest accrued on the Loan may be deducted from the Interest Reserve and be paid when due, without the necessity of any instruction or request from the Borrower. Borrower shall be responsible to pay from its own resources any further amounts required to enable the monthly payments to be made. In the event that the Interest Reserve is exhausted, or is insufficient to pay any amount due herein, the Lender shall so advise the Borrower,

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and the Borrower shall make such payments from its own funds, as provided for in this Section. Exhaustion of the Interest Reserve or the inability of the Interest Reserve to fully fund any interest payment shall not release the Borrower from any of Borrower's obligations herein, including but not limited to the obligation to pay interest accruing on the Loan Amount. So long as any default herein has occurred and is continuing, all interest payments herein shall be made by the Borrower using its own funds; provided that the Lender, at its option, and in its sole discretion, may make disbursements from the Interest Reserve notwithstanding such default. Upon the occurrence of default, the entire balance (if any) of the Interest Reserve shall be retained by the Lender and applied by the Lender as it shall determine in its sole discretion to the Borrower's indebtedness.

Use of the Interest Reserve shall in no way waive or otherwise modify any of the Borrower's obligations hereunder, including, without limitation, the obligation to make monthly interest payments.

16.4 Condition upon Maturity

In the event that the Borrower fails to repay the principal and interest outstanding on the Loan Maturity Date or any renewal thereof agreed to by the Lender, the Lender may, at its sole discretion, extend the mortgage for a period of one (1) month from the original Loan Maturity Date or any renewal thereof agreed to by the Lender, at an interest rate equal to the higher between the Interest Rate for the Loan and the then Royal Bank of Canada Prime Rate per annum plus five percent (5.00%) per annum, calculated and payable monthly. If the Lender does so elect to extend the term for one month but the Loan has not been repaid or renewal has not been finalized within this one (1) month period, then there will be no further extensions and the Lender may exercise its remedies under the Security.

The interest rate applicable will be determined by the Lender as of the first (1st) Banking Day of the month in which the Loan matures.

In this Commitment, "Royal Bank of Canada Prime Rate" means the rate of interest, expressed as a percentage per annum, published and quoted by Royal Bank of Canada or its successor at the bank's head office in Toronto, Ontario, as a reference rate then in effect for determining interest rates on commercial loans in Canadian Dollars in Canada and which is commonly known as the bank's prime lending rate.

"Banking Day" for the purposes of this clause, will mean a day on which the said head office in Toronto, Ontario, for the Royal Bank of Canada or its successor is open for business and which is not a Saturday, Sunday, civic or statutory holiday. All other terms and covenants under the existing mortgage and charge shall continue to apply after the term of the Loan is so extended.

The mortgage and charge may be paid in full at any time during the one (1) month extension period without notice, bonus or penalty, other than payment of the Extension Fee and any applicable discharge fees as hereafter set out.

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An extension fee which is the greater of Five Thousand Dollars (\$5,000.00) or one percent (1.00%) of the outstanding balance shall be added to the principal balance if the Lender elects to extend the term of the Loan under this clause.

17. LEGAL COUNSEL

The title report, Security and all other documents relating to the Loan shall be prepared by the Lender's counsel who shall act on behalf of the Lender:

Greg Umbach
Blakes
595 Burrard Street
Suite 2600, Three Bentall Centre
Vancouver, B.C. V7X 1L3
Tel: (604) 631-3378
greg.umbach@blakes.com

The Borrower shall be responsible for all legal costs involved in the preparation, settlement, execution and delivery of this Commitment, the Security and all other documentation related to the Loan.

18. PREPAYMENT PRIVILEGE

The Borrower shall, when not in default and after three (3) months of the Term has elapsed, have the right to prepay all of the amount outstanding under the Loan prior to the Maturity Date, on any payment date, upon giving the Lender one (1) month written notice. Payment of one month's interest as a bonus in addition to all of the amount outstanding under the Loan will be required if payment is made during the first three (3) months of the Term.

19. PARTIAL DISCHARGES

There are no partial discharge privileges.

20. SURVEY

The Borrower shall deliver to the Lender within five (5) business days prior to the first advance for its examination an up-to-date fully monumented survey of the Property prepared by a duly qualified British Columbia Land Surveyor showing, inter alia:

- 20.1 boundaries and dimensions of the Property;
- 20.2 location of all buildings and other improvements (if any) on the Property and, if any structure offends municipal set-back requirements, the amount of the encroachment on the set-back area;
- 20.3 names of adjacent streets;
- 20.4 location of all registered easements, rights of way, etc.

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The survey certificate shall be approved by the legal counsel for the Lender. If said survey is not an original signed and sealed survey, the Borrower hereby undertakes to deliver to the Lender, at least five (5) business days prior to the disbursement of the first advance of the Loan, three (3) original signed and sealed copies of the said survey. In addition, the Borrower shall deliver to the Lender: (i) at least five (5) business days prior to the disbursement of the first advance of the Loan, a letter, in form satisfactory to the legal counsel of the Lender, from the land surveyor who has prepared the same addressed to the Lender confirming that the Lender may rely upon such survey; and (ii) immediately prior to each advance, a solemn declaration of a senior officer of the Borrower certifying that, since the preparation of the said survey, no new easement has been created, no construction or modification of any building shown thereon has been effected and no new construction has been erected by a neighbor along the boundaries of the land described therein.

21. REFINANCING

- 21.1 The Lender shall have a right of first opportunity to finance or arrange any replacement financing for the Property, or for any further development of the Property or any improvements to be developed on the Property (herein collectively referred to as the "Permanent Financing").
- 21.2 In connection therewith the Borrower shall provide to the Lender in writing as soon as same is applicable a request for Permanent Financing together with all information necessary for the Lender to process such request and within a reasonable time after delivery to the Lender of all reasonably required information, the Lender shall be given a first opportunity to provide an offer of Permanent Financing.
- 21.3 The Lender shall also be given a continuing right of first refusal to provide an offer of Permanent Financing to the Borrower on terms substantially the same as any other written offer of financing received from a third party lender, which the Borrower is prepared to accept and copy of which the Borrower shall provide to the Lender.

22. SHARE CAPITAL OF THE BORROWER AND CORPORATE GUARANTOR

The Borrower declares and represents that its authorized share capital is as follows:

Conian Developments (La Voda II) Inc.

Number of shares	Class	Shareholders
100	"A" Voting Common	Conian Developments Inc.

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BC Currency Exchange Inc.

Number of shares	Class	Shareholders
1000	Common Shares	Robina Khan

Conian Developments (La Voda) Inc.

Number of shares	Class	Shareholders
100	A Common	Rana W. Khalique
100	B Common	Rana W. Khalique

23. SPECIAL PROVISIONS

23.1 INTENTIONALLY DELETED

24. CROSS-DEFAULT

The Borrower and Guarantor(s) hereby acknowledge that any default with respect to this Loan will constitute a default with respect to any other debt owing by any of them to the Lender or to an affiliate of the Lender. Vice versa, a default in paying any other debt of the Borrower or a Guarantor owing to the Lender or to an affiliate of the Lender will constitute a default with respect to this Loan. For the purpose of this clause, "affiliate" has the meaning given in the Business Corporations Act of British Columbia

25. SIGNAGE

If the Property is vacant land, the Lender may post signage upon the Property, to not exceed 4 feet by 8 feet, stating, "Financing by ROMSPEN INVESTMENT CORPORATION", or words to that effect, and its address and phone number, during the term of the loan or any portion thereof.

26. ADVERTISING BY LENDER

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

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

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27. APPLICABLE LAW

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

28. AMENDMENT

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

29. ASSIGNMENT BY BENEFICIAL OWNER AND/OR BORROWER

None of the beneficial owner, the Borrower or the Guarantor shall assign their rights or obligations pursuant to the Commitment or the security required by the Commitment, in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole and absolute discretion.

30. NO OBLIGATION TO ADVANCE

It is understood that neither the preparation nor the registration of any of the documents contemplated herein shall bind the Lender to advance the funds or any unadvanced portion thereof, it being agreed that the advance of funds or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Lender.

31. ENUREMENT

This Commitment shall enure to the benefit of the Lender and its successors and assigns and be binding upon the Borrower, the Guarantor(s) and their respective heirs, personal representatives, successors and assigns.

32. CONFIDENTIALITY

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

33. ASSIGNMENT AND SYNDICATION

The Loan may be syndicated by the Lender. The Borrower hereby acknowledges that this Commitment, when accepted, and any security in furtherance thereof may be assigned by the Lender.

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34. CREDIT AUTHORIZATION AND CONSENT TO DISCLOSURE

The Lender may collect, retain, release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by it relating to the Borrower, any Guarantor, the Property or the Loan (both before and after the disbursement of funds and/or default thereunder) without restriction and without notice to or the consent of any Borrower or Guarantor (and the Borrower and each Guarantor hereby irrevocably consents thereto):

- (a) to any person who has, who acquires, or who proposes to acquire an interest in the Loan;
- (b) to the respective third party advisors and agents (such as lawyers, accountants, auditors, consultants, appraisers and credit verification sources) of such persons;
- (c) to the public or any group in any offering memorandum, prospectus or other disclosure document relating to any sale, syndication or securitization of the Loan (including all initial and continuing disclosure requirements), regardless of format or scope of distribution;
- (d) to the public or other interested persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or any related securitization or any interest therein, regardless of format or scope of distribution;
- (e) to any governmental authority having jurisdiction over the Lender or over any sale, syndication or securitization of the Loan or any trade of any interest therein;
- (f) to any other person in connection with the sale, syndication or securitization of the Loan, including insurers and rating agencies; and
- (g) to any other person in connection with the collection or enforcement proceedings taken under or in respect of the Loan.

Without limiting the foregoing, each Borrower and Guarantor hereby consents to the Lender obtaining all information as may be necessary from all available sources as to the creditworthiness of each Borrower or Guarantor and acknowledges that the Lender may collect or come into possession of personal information relating to certain individuals either comprising or otherwise connected with the Borrower or Guarantor which information may include contact information (mailing address, e-mail address, telephone number or fax number), financial information and status (bank account numbers, existing debts, personal net worth or credit history), date of birth, place of employment and social insurance number. Each Borrower and Guarantor acknowledges and agrees that such personal information may be used by Lender in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing the Lender may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph without restriction and without notice to or the consent of any Borrower or Guarantor or any related individual. Each Borrower and Guarantor for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by the Lender and represents and warrants that it has full power and authority to give such consent and authorization.

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Initials 

35. MATERIAL ADVERSE CHANGES

In the event that at any time either before the advance of funds under the Loan or while any indebtedness remains outstanding pursuant to the Loan, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Guarantor or concerning the Property or the financial condition and responsibility of the Borrower or any Guarantor or in the event that the Lender discovers any material adverse change in the value of the Property or the financial status of the Borrower or any Guarantor or any lessee on which the Lender relied in making any advances pursuant to the Loan, which material change, discrepancy or inaccuracy cannot be or is not rectified by the Borrower or such Guarantor or lessee (as applicable) within 30 days after written notification thereof by the Lender to the Borrower or to such Guarantor or lessee, the Lender shall be entitled to decline to advance any funds pursuant to the Loan and at its option terminate this Commitment or in the event that any funds have already been advanced, to declare any and all amounts advanced together with interest thereon and any costs incurred by the Lender to such date, to be forthwith due and payable.

36. ENTIRE AGREEMENT

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

37. JOINT AND SEVERAL OBLIGATIONS

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

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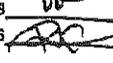
38. SCHEDULES

The following documents marked "X" are attached as schedules to this Commitment and form a part hereof:

- Schedule A Standard Construction Conditions
- X Schedule B Standard Charge Terms and Conditions
- X Schedule C Certificate of Identification
- X Schedule D Pre-authorized debit form for automatic deduction from bank account of Borrower to which must be attached a specimen cheque
- Schedule E Specimen of an irrevocable letter of credit to be remitted to the Lender for the Performance Deposit
- Schedule F Tenant Acknowledgment
- Schedule G Certified Rent Roll (or a certified rent roll in a form acceptable to the Lender)
- Schedule H Draw Request
- Schedule I Draw Certificate
- X Schedule J Tax Waiver Side Letter
- Schedule K Subordination and Non-Disturbance Agreement
- X Schedule L Insurance Requirements
- X Schedule M Certificate of Independent Legal Advice and/or Representation

39. DATES OF EXPIRY

- 39.1 The Security documents shall be properly executed and delivered to the Lender's solicitors, where applicable, in registerable form no later than three (3) business days prior to the First Advance Date and the advance of funds must take place no later than the First Advance Date.
- 39.2 If on or before the date specified in Section 39.1 the security documents provided to the Borrower or its solicitors have not been so delivered, the Lender may at any time thereafter, in its sole discretion, terminate its obligations under this Commitment and may retain the Standby Deposit as liquidated damages.
- 39.3 The Lender may, at its sole option from time to time, elect to extend the above-mentioned date by which the Security documents are to be executed and delivered or

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the date by which the Loan is to be advanced or any of the other time periods contained in this Commitment. Notwithstanding any such extension, time shall remain of the essence of this Commitment and all other terms and conditions shall remain unchanged.

40. WAIVER

The terms and conditions contained in this Commitment are inserted for the exclusive benefit of the Lender and may be waived in whole or in part by the Lender at any time. No advance, either singularly or collectively, shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further advances.

The Lender's failure to insist upon a strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the Lender shall have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Commitment and the security documentation.

41. COUNTERPARTS

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

ROMSPEN INVESTMENT CORPORATION

By: 
Name: Blake Cassidy
Title: Managing Partner

I have authority to bind the corporation.

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ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment and submit the Standby Deposit, on this

SURRY, (13th) day of DECEMBER, 20 18.

BORROWER(S)

Conian Developments (La Voda II) Inc.

Per: [Signature]
Name:
Title:

I have authority to bind the Corporation.

GUARANTOR(S)

We hereby accept the terms and conditions of this Commitment and we the Guarantor(s) hereby agree, jointly and severally and unconditionally, to observe and perform all obligations of the Borrower with respect to the Loan.

BC Currency Exchange Inc.

Per: [Signature]
Name:
Title:

I have authority to bind the Corporation.

Conian Developments (La Voda) Inc.

Per: [Signature]
Name:
Title:

I have authority to bind the Corporation.

[Signature]
Guarantor: Rana Khaliq

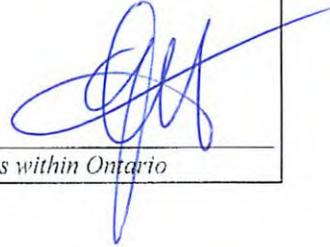
Witness: [Signature]

[Signature]
Guarantor: Robina Khan

[Signature]

Initials [Signature]
Initials [Signature]

This is Exhibit "C" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

Status: Registered

Doc #: CA6963252

RCVD: 2018-07-30 RQST: 2020-06-11 14.31.16

FORM_B_V23

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Jul-30-2018 10:15:29.001

CA6963252 CA6963253

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 49 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Rachel Gabrielle Simone Lehman
35NN5D
Digitally signed by Rachel Gabrielle Simone Lehman
35NN5D
Date: 2018.07.26 10:11:26 -07'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)
RACHEL LEHMAN, BLAKE, CASSELS & GRAYDON LLP, BARRISTERS & SOLICITORS
 595 BURRARD STREET, P.O. BOX 49314 (604) 631-5226 LTO Client No: 11163
 SUITE 2600, THREE BENTALL CENTRE c/m: 70553/90054
 VANCOUVER BC V7X 1L3 Doc ID No: 51087963
 Document Fees: \$143.16 Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
 [PID] [legal description]
030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667
 STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))
CONIAN DEVELOPMENTS INC.
 10469 125B ST Incorporation No
 SURREY BRITISH COLUMBIA BC0707784
 V3V 5A8 CANADA

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))
ROMSPEN INVESTMENT CORPORATION
 162 CUMBERLAND STREET Incorporation No
 SUITE 300 TORONTO ONTARIO A0067154
 CANADA M5R 3N5

5. PAYMENT PROVISIONS:		(b) Interest Rate:	(c) Interest Adjustment	Y	M	D
(a) Principal Amount: \$30,000,000.00	(b) Interest Rate: 10.15% PER ANNUM	(c) Interest Adjustment Date:	18	08	01	
(d) Interest Calculation Period: MONTHLY, NOT IN ADVANCE	(e) Payment Dates: 1ST DAY OF EACH AND EVERY MONTH	(f) First Payment Date:	18	09	01	
(g) Amount of each periodic payment: INTEREST ONLY	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date:	20	08	01	
(j) Assignment of Rents which the applicant wants registered ? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page and paragraph number: Page 35, Paragraph 46	(k) Place of payment: POSTAL ADDRESS IN ITEM 4	(l) Balance Due Date:	20	08	01	

MORTGAGE – PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:
Freehold
Other (specify)

9. MORTGAGE TERMS:

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

(a) Prescribed Standard Mortgage Terms

(b) Filled Standard Mortgage Terms

(c) Express Mortgage Terms

D F Number:

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

N/A

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

N/A

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

RAND L. BUCKLEY
Barrister & Solicitor
200 - 8120 128th Street
Surrey, BC V3W 1R1

Execution Date		
Y	M	D
18	07	17

Borrower(s) Signature(s)

CONIAN DEVELOPMENTS INC. by
its authorized signatory(ies):

Name: Rana Khaliq

Name:

OFFICER CERTIFICATION:

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

MORTGAGE TERMS – PART 2

Dated for reference June 15, 2018

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

- 1.1 "\$" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;
- 1.2 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;
- 1.3 "**Commitment**" means the Commitment dated May 23, 2018 and accepted by the Mortgagor and the Guarantor on May 28, 2018 pursuant to which this Mortgage is provided, and all amendments thereto and renewals or replacements thereof from time to time;
- 1.4 "**Construction Project**" has the meaning given to it in paragraph 11.2;
- 1.5 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;
- 1.6 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 9 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;
- 1.7 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;
- 1.8 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;
- 1.9 "**Event of Default**" means any event set forth in paragraph 31;

- 1.10 "**GAAP**" means generally accepted accounting principles as published in the "CPA Canada Handbook" by the Chartered Professional Accountants of Canada (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;
- 1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "Governmental Bodies" means any one or more of the foregoing collectively;
- 1.12 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;
- 1.13 "**Hazardous Substance**" means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,
- 1.13.1 any such substance as defined or designated under any Environmental Laws;
- 1.13.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and
- 1.13.3 radioactive and toxic substances,
- and "Hazardous Substances" means any one or more of the foregoing collectively;
- 1.14 "**Interest**" means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;
- 1.15 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;
- 1.16 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

- 1.17 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;
- 1.18 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;
- 1.19 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;
- 1.20 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;
- 1.21 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;
- 1.22 "**Mortgage Rate**" means the rate of interest set forth in this Mortgage Form;
- 1.23 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;
- 1.24 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;
- 1.25 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;
- 1.26 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;
- 1.27 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;
- 1.28 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

- 1.29 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;
- 1.30 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;
- 1.31 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and
- 1.32 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

- 3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage.
- 3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:
- 3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:
- (i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

- (ii) a Periodic Payment will be paid on each Payment Date; and
- (iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the payment of the Taxes and of all other monies as herein provided.

- 3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.
- 3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.
- 3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

- 5.1 The Mortgagor covenants with the Mortgagee that:
- 5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;
 - 5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the

foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

- 5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;
- 5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;
- 5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage;
- 5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor; and
- 5.1.7 the Mortgagor will not request, or permit the request or receipt of funds drawn down under any mortgage having priority to this Mortgage without the prior written consent of the Mortgagee which may be arbitrarily withheld.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. **CHANGE OF USE**

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. **REPAIR**

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. **ALTERATIONS OR ADDITIONS**

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. **LANDS INCLUDE ALL ADDITIONS**

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration

equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

- 10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.
- 10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

- 11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Lender will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.
- 11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including,

without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies. The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "Holdback Account" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

- 11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;
 - 11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;
 - 11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;
 - 11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;
 - 11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and
 - 11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.
- 11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.
- 11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment.

Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

- 11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

- 12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:
- 12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;
- 12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;
- 12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;
- 12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.
- 12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;
- 12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-

- compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;
- 12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;
- 12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;
- 12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and
- 12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.
- 12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.
- 12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:
- 12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;
- 12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;
- 12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and

will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

- 14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;
- 14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;
- 14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;
- 14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and
- 14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the

Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies. The Mortgagor will carry such liability, rental, loss of income, business interruption, boiler, plate glass, fire and other insurance coverage as is required by the Mortgagee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Mortgagee. All such policies will provide for loss payable to the Mortgagee, except in the case of third party liability insurance in which case the Mortgagee will be named insured and contain such additional clauses and provisions as the Mortgagee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, will be produced to the Mortgagee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Mortgagee may provide therefor and charge the premium paid therefor and interest thereon at the Mortgage Rate to the Mortgagor and any amounts so paid by the Mortgagee will be payable forthwith to the Mortgagee and will also be a charge upon the Lands and secured by this Mortgage. It is further agreed that the Mortgagee may at any time require any insurance on the Lands to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Mortgagee therefore will be forthwith payable to it, together with interest at the Mortgage Rate (such interest to accrue from the date of the making of such payment) by the Mortgagor (together with any Costs of the Mortgagee as herein set out), and will be a charge upon the Lands and secured by this Mortgage.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforementioned servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

- 16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act, 1774*, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.
- 16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. **REMITTANCE AND APPLICATION OF PAYMENTS**

- 17.1 All payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.
- 17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance

premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. **RECEIPT OF PAYMENT**

Any payment received after 2:00 p.m. (Toronto, Ontario time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. **NO DEEMED RE-INVESTMENT**

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. **PRE-AUTHORIZED CHEQUING PLAN**

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque. Failure to make all payments by pre-authorized cheque will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. **POSTDATED CHEQUES**

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. **DISHONoured CHEQUES**

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to

same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

- 23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee the following:
- 23.1.1 within thirty (30) days after the end of each fiscal quarter of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee;
 - 23.1.2 within thirty (30) days after the end of each fiscal quarter of each Mortgagor and Guarantor which is a corporation or partnership, the annual financial statements of each such corporation or partnership for its immediately preceding fiscal year including, without limitation, the balance sheet of the corporation or partnership as at its fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Mortgagee; and
 - 23.1.3 with respect to each Mortgagor and Guarantor who is an individual and within thirty (30) days after each anniversary of the date of this Commitment, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Mortgagee.
- 23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.
- 23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from,

any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. **EXPROPRIATION**

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. **LETTERS OF CREDIT**

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed to

utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or if ownership of or control and direction over the majority of the shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term

(other than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

- 31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;
- 31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
- 31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;
- 31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;
- 31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagee or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;
- 31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor

pursuant to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

- 31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with GAAP, adequate in the opinion of the Mortgagee;
- 31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of \$100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds \$100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds \$100,000, will not be on appeal or execution thereof will not be effectively stayed;
- 31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;
- 31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;
- 31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;
- 31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or

performed by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

- 31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least \$100,000.

32. ENFORCEMENT

- 32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take legal proceedings and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.
- 32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing for one month, may on one week's notice enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been actually received from the purchasers after the

satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

- 32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.
- 32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and

upon the occurrence of an Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

- 32.5 In addition to the foregoing rights and powers, the Mortgagee may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.
- 32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:
- 32.6.1 take possession of the Lands;
 - 32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;
 - 32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;
 - 32.6.4 make any arrangements or compromises which the Receiver considers expedient;
 - 32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and
 - 32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

- 32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:
- 32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;
 - 32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;
 - 32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and
 - 32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

- 32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.
- 32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

- 33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:
- 33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

- 33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.
- 33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

- 34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands,

including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

- 34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.
- 34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. REALIZATION OF SECURITIES

- 35.1 The Mortgagor acknowledges and agrees that:
- 35.1.1 the Mortgagee may realize upon various securities for the monies advanced or secured hereunder or any part thereof in such order as the Mortgagee may elect and realization by any means upon any security does not bar realization upon any other security or this Mortgage; and
- 35.1.2 the taking of a judgment or judgments on any covenant contained in this Mortgage or on any covenant contained in any other security documents for payment of the monies hereby secured or performance of the obligations herein contained does not operate as a merger of any such covenant or affect the right of the Mortgagee to interest at the rate and times aforesaid on any monies owing to the Mortgagee under any covenant therein or herein set forth and any judgment will provide that interest thereon is to be calculated at the same rate and in the same manner as herein provided until the judgment or judgments are fully paid and satisfied.

36. BANKRUPTCY AND INSOLVENCY ACT

36.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

36.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

37. INDEMNIFICATION

37.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

37.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous

or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

37.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 37:

37.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

37.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

37.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

37.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

38. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

39. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

40. PRIORITY OVER VENDOR'S LIEN

The Mortgagor hereby acknowledges that this Mortgage is intended to have priority over any vendor's lien, whether in favour of the Mortgagor or otherwise, and the Mortgagor covenants that it has done no act to give priority over this Mortgage to any vendor's lien, nor is it aware of any circumstances that could create a vendor's lien. Further, the Mortgagor covenants to do all acts and execute or cause to be executed all documents

required to give this Mortgage priority over any vendor's lien and to give effect to the intent of this clause.

41. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

42. DISCHARGE

42.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

42.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

43. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

44. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such

performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

- 44.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.
- 44.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.
- 44.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.
- 44.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

45. LEASEHOLD MORTGAGE

- 45.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.
- 45.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.
- 45.3 The Mortgagor represents, warrants and covenants that:
- 45.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;
- 45.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;
- 45.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;
- 45.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;
- 45.3.5 a default under the Lease will be an Event of Default; and
- 45.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

46. ASSIGNMENT OF RENTS

- 46.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to

make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

46.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

- 46.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.
- 46.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.
- 46.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 46 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

- 46.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.
- 46.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.
- 46.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.
- 46.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.
- 46.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.
- 46.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.
- 46.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or

otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

- 46.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.
- 46.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.
- 46.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.
- 46.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

47. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

- 47.1 The Mortgagor covenants and agrees with the Mortgagee that:
 - 47.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, and a specific assignment of rents and leases for those tenants specified in the Commitment, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 46 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.
 - 47.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on,

arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

48. CORPORATE STATUS

48.1 In the event that the Mortgagor is a company, corporation or other body corporate, the Mortgagor represents, warrants and agrees with the Mortgagee that:

48.1.1 The Mortgagor is duly incorporated, licensed or authorized to carry on business in the Province of British Columbia and is duly authorized to enter into this Mortgage and to borrow the funds advanced to it by the Mortgagee or secured hereunder.

48.1.2 The Mortgagor is not now in default with respect to the filing of any annual reports or other reports or notices with the Registrar of Companies for the Province of British Columbia, and is in good standing and will, until this Mortgage is fully repaid and discharged, remain in good standing as aforesaid and will carry on its business and administer its affairs in accordance with the provisions of the *Business Corporations Act* (British Columbia) as amended from time to time (or such other statute as may from time to time govern its affairs), and any regulations thereunder.

48.1.3 The Mortgagor acknowledges that the Mortgagee is agreeing to loan the principal sum or extend credit to the Mortgagor on the express understanding and condition that the Mortgagor is not and will not become a company to which the *Companies' Creditors Arrangement Act* (Canada) as amended, or any statute enacted in replacement thereof, applies, and the Mortgagor:

48.1.4 The Mortgagor does not have outstanding an issue of secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of a predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee (which bonds, debentures, debenture stock or other evidences of indebtedness are referred to in this paragraph 48.1.3 as "Prohibited Instruments") other than as agreed to in writing by the Mortgagee;

48.1.5 That it will not at any time issue any Prohibited Instrument;

- 48.1.6 The covenant and agreement set out in the preceding paragraph 48.1.6 is intended to restrict the power and capacity of the Mortgagor to issue any Prohibited Instrument, and to restrict the authority of the directors of the Mortgagor to approve the issuance of any Prohibited Instrument;
- 48.1.7 That any attempt by the Mortgagor to issue any Prohibited Instrument will constitute:
- (i) a deliberate and intentional breach by the Mortgagor of its covenants and agreements with the Mortgagee under this paragraph 48.1.3;
 - (ii) an Event of Default; and
 - (iii) an irrevocable appointment of the Mortgagee as the Mortgagor's agent for the purpose of paying any indebtedness secured or evidenced by any Prohibited Instrument, should the Mortgagee in its sole discretion choose to make such payment,

and the payment by the Mortgagee of any such indebtedness will validly discharge that indebtedness. The Mortgagor will immediately reimburse the Mortgagee in respect of the payment, and the amount to be reimbursed will bear interest at the Mortgage Rate from the date of such payment and will be added to the moneys hereby secured and will be a charge on the Lands; and
 - (iv) that before commencing any application to Court seeking an order for the re-organization of the Mortgagor's financial affairs (whether or not such order is sought pursuant to the provisions of the *Companies' Creditors Arrangement Act*) in any manner which could limit or restrict the Mortgagee's rights and remedies under this Mortgage, the Mortgagor will give to the Mortgagee notice of such application.

49. STRATA TITLE PROVISIONS

- 49.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:
- 49.1.1 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member

by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

- 49.1.2 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the Strata Property Act in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.
- 49.1.3 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the Strata Property Act certifying that no moneys are owing to the Strata Corporation by the Mortgagor.
- 49.2 The Mortgagor will not without the prior written consent of the Mortgagee:
- 49.2.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or
- 49.2.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.
- 49.3 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice,

exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

- 49.4 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.
- 49.5 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.
- 49.6 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:
- 49.6.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;
 - 49.6.2 the manner in which the contribution is payable;
 - 49.6.3 the extent to which the contribution has been paid;
 - 49.6.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;
 - 49.6.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;
 - 49.6.6 the amount of the contingency reserve fund;
 - 49.6.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;
 - 49.6.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and
 - 49.6.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.
- 49.7 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

50. MATERIAL ADVERSE CHANGES

In the event that at any time while any indebtedness remains outstanding pursuant to the provisions of this Mortgage, the Mortgagee discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Mortgagee by or on behalf of the Mortgagor or any Guarantor concerning the Lands or the financial condition and responsibility of the Mortgagor or any Guarantor in the event of any material adverse change in the value of the Lands or the financial status of the Mortgagor or any Guarantor or any lessee on which the Mortgagee relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by the Mortgagor or such Guarantor (if applicable) within thirty (30) days after written notification thereof by the Mortgagee to the Mortgagor or such Guarantor, the Mortgagee will be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

51. PROFESSIONAL MANAGEMENT

Except as otherwise agreed by and between the Mortgagor and the Mortgagee, the Lands must at all times be professionally managed by property managers acceptable to the Mortgagee, failing which the Mortgagee reserves the right, in its sole discretion, to appoint new or other property managers at the sole expense of the Mortgagor. A change in the property managers for Lands will require the prior written consent of the Mortgagee. No management fee will be payable to the manager of the Lands, other than to a professional arm's-length manager approved by the Mortgagee, without the prior written consent of the Mortgagee. No management fees in excess of market fees for similar properties in the general location of the Lands will be payable without the prior written consent of the Mortgagee.

52. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

53. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

54. ADDITIONAL FEES

All advances, in addition to legal fees and disbursements of the Mortgagee's solicitors, will be subject to an administrative processing fee of One Thousand Dollars (\$1,000.00) for each advance made under the Loan in favour of the Mortgagee. The Mortgagor will be permitted one advance per month. If the Mortgagee, in its sole discretion, agrees to make an advance in an amount not less than the minimum amount per advance as specified in this Commitment, an additional processing fee of One Thousand Dollars (\$1,000.00) for any such advance so made will be payable by the Mortgagor.

55. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

56. GUARANTOR

56.1 In consideration of the Mortgagee advancing the principal amount to the Mortgagor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Guarantor hereby covenants, promises and agrees with the Mortgagee to pay or cause to be paid, the principal amount and interest and all other monies due under this Mortgage.

56.2 Each Guarantor hereby agrees with the Mortgagee to perform and observe all covenants, provisos, conditions, agreements and stipulations in this Mortgage made binding upon the Mortgagor.

56.3 Each Guarantor further agrees with the Mortgagee that each such Guarantor's liability hereunder will not be affected by any partial release of this Mortgage or the release or partial release of any or all collateral or other securities held by the Mortgagee, or by the Mortgagee releasing any person, firm or corporation under any covenant under this Mortgage, or by the extension of time for payment, or by an indulgence or waiver given by the Mortgagee, or taking of any note or other obligation for the payment of principal and interest, or by the Mortgagee taking or failing to take any security for such payment or by any act of the Mortgagee done or without notice to each such Guarantor.

56.4 The Mortgagee will not be bound to exhaust its recourses against the Mortgagor or other parties, or any security or securities the Mortgagee may hold before requiring payment by a Guarantor and the Mortgagee may enforce the various remedies under this Mortgage and realize upon various securities in any order the Mortgagee may choose.

57. MISCELLANEOUS

57.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 2:00 p.m. (Toronto, Ontario time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

57.2 Provided that no extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any

covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

- 57.3 Provided that until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.
- 57.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.
- 57.5 The Mortgagee may consolidate separate debts owing by the Mortgagor to the Mortgagee and in that regard may require the Mortgagor to repay any and all moneys due to the Mortgagee, whether or not such moneys are by a separate mortgage or otherwise secured, prior to granting a discharge of the Lands or of this Mortgage. The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.
- 57.6 The provisions of the Commitment which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the Terms of the Commitment will govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.
- 57.7 The Mortgagor acknowledges and agrees that this Mortgage secures a current or running account if item 7 of the Mortgage Form has been completed to indicate so and any portion of the principal money secured by this Mortgage may be advanced or re-advanced by the Mortgagee in one or more sums at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest thereon at the Mortgage Rate as provided in herein.

- 57.8 It is agreed that neither the execution nor registration of this Mortgage nor the advance in part of the principal sum hereby secured binds the Mortgagee to advance the principal sum or any part or further part thereof, but that the advance of the principal sum or any part thereof, from time to time will be at the full discretion of the Mortgagee. Without limiting the generality of the foregoing, the Mortgagor agrees that the Mortgagee will be under no obligation to advance the principal sum or any part thereof if there is any misrepresentation, breach of warranty or default under any of the Terms of this Mortgage by the Mortgagor. The lien and charge hereby created takes effect forthwith upon the execution of these presents by the Mortgagor and in any event whether any part of the principal sum hereby secured is or is not advanced, the full amount of all legal fees, disbursements, costs, charges and expenses incurred by the Mortgagee in respect of the examination of the title to the Lands and of the preparation and registration of this Mortgage and any other security documents and instruments required by the Mortgagee and the valuation and inspection charges in respect thereof will be a charge upon the Lands and be chargeable to the Mortgagor's account under this Mortgage as principal moneys actually advanced and bear interest at the Mortgage Rate and be payable forthwith without any demand and in default of payment the Mortgagee's power of entry and sale and all of the rights and remedies of the Mortgagee hereunder will, at the option of the Mortgagee, be forthwith exercisable.
- 57.9 The Mortgagor covenants and agrees with the Mortgagee that:
- 57.9.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and
- 57.9.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and

will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

- 57.10 The Mortgagee acknowledges and agrees that the payment of interest and any bonus and further consideration to the Mortgagee is a fair payment based on the business terms of this Mortgage loan. The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.
- 57.11 The Mortgagor covenants and agrees with the Mortgagee that any agreement in writing between the Mortgagor and the Mortgagee for the renewal of this Mortgage or extension of the term for repayment of the principal sum, or any part thereof, or for any change in the Mortgage Rate, including an increase in the Mortgage Rate, prior to the execution by the Mortgagee of a discharge or release of this Mortgage, need not be registered, but will be effectual and binding to all intents and purposes on the Lands and on the Mortgagor, and on any

Mortgagee, assignee, or other chargeholder, or transferee who acquires an interest in the Lands or any part thereof subsequent to the date of this Mortgage and will take priority as against such Mortgagee, assignee, or other chargeholder, or transferee when deposited with or held by the Mortgagee, and will not release or affect any covenant or agreement in this Mortgage or collateral hereto.

58. GENERAL (DOCUMENT/DRAFTING ISSUES)

- 58.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.
- 58.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.
- 58.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.
- 58.4 The division of this Mortgage into paragraphs and subparagraphs has likewise been made for the purpose of convenience and such divisions will not, unless the express provisions of this Mortgage provide or the context clearly requires, be taken into account for the purpose of interpreting and giving full effect to the true meaning and intent of the Terms of this Mortgage.
- 58.5 All references in this Mortgage to the words "herein" or "hereunder" will be construed to mean and refer to this Mortgage as a whole and will not be construed to refer only to a specific paragraph, subparagraph or clause of this Mortgage unless the context clearly requires such construction.
- 58.6 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.
- 58.7 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.
- 58.8 Wherever the singular or masculine are used throughout this Mortgage the same will be construed as meaning the plural or the feminine or body corporate where the context or the parties hereto so require.
- 58.9 If any of the Terms of this Mortgage is or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining Terms of this Mortgage.

59. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

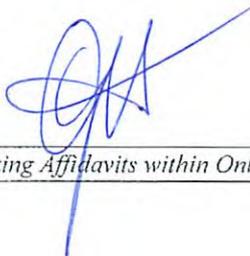
60. CROSS DEFAULT

Without limiting any of the provisions of this Mortgage, including Section 31:

- (a) a default of the Borrower or any affiliate pursuant to any credit facility granted to it by the Mortgagee shall be a deemed default hereunder, and any default hereunder shall be deemed to be a default pursuant to the other security granted by the Borrower or its affiliate. For the purpose of this Section, "affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (British Columbia).

End of Document

This is Exhibit "D" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

Status: Registered

Doc #: CA7263560

RCVD: 2018-12-20 RQST: 2020-06-11 14.31.16

FORM_B_V23

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Dec-20-2018 11:02:10.001

CA7263560 CA7263561

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 52 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Rachel Gabrielle Simone Lehman
35NN5D
Digitally signed by Rachel Gabrielle Simone Lehman
35NN5D
Date: 2018.12.20 09:56:44 -08'00'

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

RACHEL LEHMAN, BLAKE, CASSELS & GRAYDON LLP, BARRISTERS & SOLICITORS
595 BURRARD STREET, P.O. BOX 49314 (604) 631-5226 LTO Client No: 11163
SUITE 2600, THREE BENTALL CENTRE c/m: 70553/90060
VANCOUVER BC V7X 1L3 Doc ID No: 51119775
Document Fees: \$143.16 Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

SEE SCHEDULE

STC? YES

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

CONIAN DEVELOPMENTS (LA VODA II) INC.
10469 125B STREET Incorporation No
SURREY BRITISH COLUMBIA BC1178465
V3V 5A8 CANADA

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

ROMSPEN INVESTMENT CORPORATION
162 GUMBERLAND STREET
SUITE 300 Incorporation No
TORONTO ONTARIO A0067154
CANADA M5R 3N5

5. PAYMENT PROVISIONS:

(a) Principal Amount: \$9,750,000.00	(b) Interest Rate: 11.50% PER ANNUM	(c) Interest Adjustment Date:	Y 19	M 01	D 01
(d) Interest Calculation Period: MONTHLY, NOT IN ADVANCE	(e) Payment Dates: 1ST DAY OF EACH AND EVERY MONTH	(f) First Payment Date:	19	02	01
(g) Amount of each periodic payment: INTEREST ONLY	(h) Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(j) Last Payment Date:	20	01	01
(i) Assignment of Rents which the applicant wants registered? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page and paragraph number: Page 38, Paragraph 46	(k) Place of payment: POSTAL ADDRESS IN ITEM 4	(l) Balance Due Date:	20	01	01

MORTGAGE – PART 1

6. MORTGAGE contains floating charge on land ? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	7. MORTGAGE secures a current or running account ? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
---	---

8. INTEREST MORTGAGED:

Freehold

Other (specify)

9. MORTGAGE TERMS:

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

(a) Prescribed Standard Mortgage Terms

(b) Filed Standard Mortgage Terms D F Number:

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

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

N/A

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

N/A

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

 Rand L. Buckley
 Barrister & Solicitor
 200 - 8120 128th Street
 Surrey, B.C. V3W 1R1

Execution Date		
Y	M	D
18	12	19

Borrower(s) Signature(s)

CONIAN DEVELOPMENTS (LA VODA II) INC. by its authorized signatory(ies):

 Name: Rana W. Khaliq

 Name:

OFFICER CERTIFICATION:

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

Status: Registered
FORM_E_V23

Doc #: CA7263560

RCVD: 2018-12-20 RQST: 2020-06-11 14.31.16

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3 OF 52 PAGES

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

007-131-895 **LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840**

STC? YES

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

011-422-220 **LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

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

000-674-672 **LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

Status: Registered
FORM E_V23

Doc #: CA7263560

RCVD: 2018-12-20 RQST: 2020-06-11 14.31.16

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 52 PAGES

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

011-422-203 **LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

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

011-362-588 **LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

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

001-427-288 **LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

Status: Registered
FORM_E_V23

Doc #: CA7263560

RCVD: 2018-12-20 RQST: 2020-06-11 14.31.16

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 52 PAGES

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

**011-362-596 LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

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

STC? YES

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

STC? YES

MORTGAGE TERMS – PART 2

Dated for reference December 20, 2018

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

- 1.1 "\$" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;
- 1.2 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;
- 1.3 "**Commitment**" means the Commitment dated December 12, 2018 and accepted by the Mortgagor and the Guarantor on December 13, 2018 pursuant to which this Mortgage is provided, and all amendments thereto and renewals or replacements thereof from time to time;
- 1.4 "**Construction Project**" has the meaning given to it in paragraph 11.2;
- 1.5 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;
- 1.6 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 9 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;
- 1.7 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;
- 1.8 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;
- 1.9 "**Event of Default**" means any event set forth in paragraph 31;

- 1.10 **"GAAP"** means generally accepted accounting principles as published in the "CPA Canada Handbook" by the Chartered Professional Accountants of Canada (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;
- 1.11 **"Governmental Body"** means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "Governmental Bodies" means any one or more of the foregoing collectively;
- 1.12 **"Guarantor"** means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;
- 1.13 **"Hazardous Substance"** means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,
- 1.13.1 any such substance as defined or designated under any Environmental Laws;
- 1.13.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and
- 1.13.3 radioactive and toxic substances,
- and "Hazardous Substances" means any one or more of the foregoing collectively;
- 1.14 **"Interest"** means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;
- 1.15 **"Interest Adjustment Date"** means the interest adjustment date set forth in the Mortgage Form;
- 1.16 **"Interest Calculation Period"** means the period or periods for calculation of interest set forth in the Mortgage Form;

- 1.17 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;
- 1.18 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;
- 1.19 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;
- 1.20 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;
- 1.21 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;
- 1.22 "**Mortgage Rate**" means the rate of interest set forth in this Mortgage Form;
- 1.23 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;
- 1.24 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;
- 1.25 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;
- 1.26 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;
- 1.27 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;
- 1.28 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

- 1.29 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;
- 1.30 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;
- 1.31 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and
- 1.32 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISO

- 3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage.
- 3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:
- 3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:
- (i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

- (ii) a Periodic Payment will be paid on each Payment Date; and
- (iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the payment of the Taxes and of all other monies as herein provided.

- 3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.
- 3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.
- 3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

- 5.1 The Mortgagor covenants with the Mortgagee that:
 - 5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;
 - 5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the

foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out of, or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

- 5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;
- 5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;
- 5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage;
- 5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor; and
- 5.1.7 the Mortgagor will not request, or permit the request or receipt of funds drawn down under any mortgage having priority to this Mortgage without the prior written consent of the Mortgagee which may be arbitrarily withheld.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. **CHANGE OF USE**

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. **REPAIR**

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. **ALTERATIONS OR ADDITIONS**

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. **LANDS INCLUDE ALL ADDITIONS**

- 10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration

equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

- 10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.
- 10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

- 11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Lender will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.
- 11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including,

without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies. The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "Holdback Account" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

- 11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;
 - 11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;
 - 11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;
 - 11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;
 - 11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and
 - 11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.
- 11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.
- 11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment.

Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

- 11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

- 12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:
- 12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;
 - 12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;
 - 12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;
 - 12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.
 - 12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;
 - 12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-

- compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;
- 12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;
- 12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;
- 12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and
- 12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.
- 12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.
- 12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:
- 12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;
- 12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;
- 12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and

will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

- 14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;
- 14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;
- 14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;
- 14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and
- 14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the

Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

- 16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies. The Mortgagor will carry such liability, rental, loss of income, business interruption, boiler, plate glass, fire and other insurance coverage as is required by the Mortgagee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Mortgagee. All such policies will provide for loss payable to the Mortgagee, except in the case of third party liability insurance in which case the Mortgagee will be named insured and contain such additional clauses and provisions as the Mortgagee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, will be produced to the Mortgagee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Mortgagee may provide therefor and charge the premium paid therefor and interest thereon at the Mortgage Rate to the Mortgagor and any amounts so paid by the Mortgagee will be payable forthwith to the Mortgagee and will also be a charge upon the Lands and secured by this Mortgage. It is further agreed that the Mortgagee may at any time require any insurance on the Lands to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Mortgagee therefore will be forthwith payable to it, together with interest at the Mortgage Rate (such interest to accrue from the date of the making of such payment) by the Mortgagor (together with any Costs of the Mortgagee as herein set out), and will be a charge upon the Lands and secured by this Mortgage.
- 16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforementioned servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

- 16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the Insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act, 1774*, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.
- 16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

- 17.1 All payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.
- 17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance

premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. **RECEIPT OF PAYMENT**

Any payment received after 2:00 p.m. (Toronto, Ontario time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. **NO DEEMED RE-INVESTMENT**

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. **PRE-AUTHORIZED CHEQUING PLAN**

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque. Failure to make all payments by pre-authorized cheque will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. **POSTDATED CHEQUES**

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. **DISHONoured CHEQUES**

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to

same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

- 23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee the following:
- 23.1.1 within thirty (30) days after the end of each fiscal quarter of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee;
- 23.1.2 within thirty (30) days after the end of each fiscal quarter of each Mortgagor and Guarantor which is a corporation or partnership, the annual financial statements of each such corporation or partnership for its immediately preceding fiscal year including, without limitation, the balance sheet of the corporation or partnership as at its fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Mortgagee; and
- 23.1.3 with respect to each Mortgagor and Guarantor who is an individual and within thirty (30) days after each anniversary of the date of this Commitment, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Mortgagee.
- 23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.
- 23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME: ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from,

any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. **EXPROPRIATION**

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. **LETTERS OF CREDIT**

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed to

utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

- 29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or if ownership of or control and direction over the majority of the shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.
- 29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld.

31. EVENTS OF DEFAULT

- 31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:
- 31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;
- 31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term

(other than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

- 31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;
- 31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
- 31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;
- 31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;
- 31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;
- 31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor

pursuant to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

- 31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with GAAP, adequate in the opinion of the Mortgagee;
- 31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of \$100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds \$100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds \$100,000, will not be on appeal or execution thereof will not be effectively stayed;
- 31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;
- 31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;
- 31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;
- 31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or

performed by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

- 31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least \$100,000.

32. ENFORCEMENT

- 32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take legal proceedings and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.
- 32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing for one month, may on one week's notice enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been actually received from the purchasers after the

satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

- 32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.
- 32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and

upon the occurrence of an Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

- 32.5 In addition to the foregoing rights and powers, the Mortgagee may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.
- 32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:
- 32.6.1 take possession of the Lands;
 - 32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;
 - 32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;
 - 32.6.4 make any arrangements or compromises which the Receiver considers expedient;
 - 32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and
 - 32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

- 32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:
- 32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;
 - 32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;
 - 32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and
 - 32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

- 32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.
- 32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

- 33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:
- 33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

- 33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.
- 33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

- 34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands,

including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

- 34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.
- 34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. REALIZATION OF SECURITIES

- 35.1 The Mortgagor acknowledges and agrees that:
- 35.1.1 the Mortgagee may realize upon various securities for the monies advanced or secured hereunder or any part thereof in such order as the Mortgagee may elect and realization by any means upon any security does not bar realization upon any other security or this Mortgage; and
- 35.1.2 the taking of a judgment or judgments on any covenant contained in this Mortgage or on any covenant contained in any other security documents for payment of the monies hereby secured or performance of the obligations herein contained does not operate as a merger of any such covenant or affect the right of the Mortgagee to interest at the rate and times aforesaid on any monies owing to the Mortgagee under any covenant therein or herein set forth and any judgment will provide that interest thereon is to be calculated at the same rate and in the same manner as herein provided until the judgment or judgments are fully paid and satisfied.

36. BANKRUPTCY AND INSOLVENCY ACT

- 36.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.
- 36.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

37. INDEMNIFICATION

- 37.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.
- 37.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous

or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

37.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 37:

37.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

37.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

37.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

37.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

38. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

39. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

40. PRIORITY OVER VENDOR'S LIEN

The Mortgagor hereby acknowledges that this Mortgage is intended to have priority over any vendor's lien, whether in favour of the Mortgagor or otherwise, and the Mortgagor covenants that it has done no act to give priority over this Mortgage to any vendor's lien, nor is it aware of any circumstances that could create a vendor's lien. Further, the Mortgagor covenants to do all acts and execute or cause to be executed all documents

required to give this Mortgage priority over any vendor's lien and to give effect to the intent of this clause.

41. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

42. DISCHARGE

42.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

42.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

43. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

44. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such

performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

- 44.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.
- 44.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.
- 44.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.
- 44.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

45. LEASEHOLD MORTGAGE

- 45.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "Lease") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.
- 45.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.
- 45.3 The Mortgagor represents, warrants and covenants that:
- 45.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;
- 45.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;
- 45.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;
- 45.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;
- 45.3.5 a default under the Lease will be an Event of Default; and
- 45.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

46. ASSIGNMENT OF RENTS

- 46.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to

make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "Rents") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "Leases") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

46.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

- 46.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.
- 46.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.
- 46.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 46 hereof (herein called the "Assignment"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

- 46.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.
- 46.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.
- 46.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.
- 46.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.
- 46.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.
- 46.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.
- 46.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or

otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

- 46.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.
- 46.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.
- 46.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.
- 46.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

47. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

- 47.1 The Mortgagor covenants and agrees with the Mortgagee that:
 - 47.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, and a specific assignment of rents and leases for those tenants specified in the Commitment, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 46 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.
 - 47.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on,

arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

48. CORPORATE STATUS

- 48.1 In the event that the Mortgagor is a company, corporation or other body corporate, the Mortgagor represents, warrants and agrees with the Mortgagee that:
- 48.1.1 The Mortgagor is duly incorporated, licensed or authorized to carry on business in the Province of British Columbia and is duly authorized to enter into this Mortgage and to borrow the funds advanced to it by the Mortgagee or secured hereunder.
- 48.1.2 The Mortgagor is not now in default with respect to the filing of any annual reports or other reports or notices with the Registrar of Companies for the Province of British Columbia, and is in good standing and will, until this Mortgage is fully repaid and discharged, remain in good standing as aforesaid and will carry on its business and administer its affairs in accordance with the provisions of the *Business Corporations Act* (British Columbia) as amended from time to time (or such other statute as may from time to time govern its affairs), and any regulations thereunder.
- 48.1.3 The Mortgagor acknowledges that the Mortgagee is agreeing to loan the principal sum or extend credit to the Mortgagor on the express understanding and condition that the Mortgagor is not and will not become a company to which the *Companies' Creditors Arrangement Act* (Canada) as amended, or any statute enacted in replacement thereof, applies, and the Mortgagor:
- 48.1.4 The Mortgagor does not have outstanding an issue of secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of a predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee (which bonds, debentures, debenture stock or other evidences of indebtedness are referred to in this paragraph 48.1.3 as "Prohibited Instruments") other than as agreed to in writing by the Mortgagee;
- 48.1.5 That it will not at any time issue any Prohibited Instrument;

- 48.1.6 The covenant and agreement set out in the preceding paragraph 48.1.6 is intended to restrict the power and capacity of the Mortgagor to issue any Prohibited Instrument, and to restrict the authority of the directors of the Mortgagor to approve the issuance of any Prohibited Instrument;
- 48.1.7 That any attempt by the Mortgagor to issue any Prohibited Instrument will constitute:
- (i) a deliberate and intentional breach by the Mortgagor of its covenants and agreements with the Mortgagee under this paragraph 48.1.3;
 - (ii) an Event of Default; and
 - (iii) an irrevocable appointment of the Mortgagee as the Mortgagor's agent for the purpose of paying any indebtedness secured or evidenced by any Prohibited Instrument, should the Mortgagee in its sole discretion choose to make such payment,

and the payment by the Mortgagee of any such indebtedness will validly discharge that indebtedness. The Mortgagor will immediately reimburse the Mortgagee in respect of the payment, and the amount to be reimbursed will bear interest at the Mortgage Rate from the date of such payment and will be added to the moneys hereby secured and will be a charge on the Lands; and
 - (iv) that before commencing any application to Court seeking an order for the re-organization of the Mortgagor's financial affairs (whether or not such order is sought pursuant to the provisions of the *Companies' Creditors Arrangement Act*) in any manner which could limit or restrict the Mortgagee's rights and remedies under this Mortgage, the Mortgagor will give to the Mortgagee notice of such application.

49. STRATA TITLE PROVISIONS

- 49.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:
- 49.1.1 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member

by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

- 49.1.2 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the Strata Property Act in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.
- 49.1.3 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the Strata Property Act certifying that no moneys are owing to the Strata Corporation by the Mortgagor.
- 49.2 The Mortgagor will not without the prior written consent of the Mortgagee:
- 49.2.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or
- 49.2.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.
- 49.3 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice,

exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

- 49.4 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.
- 49.5 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.
- 49.6 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:
- 49.6.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;
- 49.6.2 the manner in which the contribution is payable;
- 49.6.3 the extent to which the contribution has been paid;
- 49.6.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;
- 49.6.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;
- 49.6.6 the amount of the contingency reserve fund;
- 49.6.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;
- 49.6.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and
- 49.6.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.
- 49.7 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

50. MATERIAL ADVERSE CHANGES

In the event that at any time while any indebtedness remains outstanding pursuant to the provisions of this Mortgage, the Mortgagee discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Mortgagee by or on behalf of the Mortgagor or any Guarantor concerning the Lands or the financial condition and responsibility of the Mortgagor or any Guarantor in the event of any material adverse change in the value of the Lands or the financial status of the Mortgagor or any Guarantor or any lessee on which the Mortgagee relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by the Mortgagor or such Guarantor (if applicable) within thirty (30) days after written notification thereof by the Mortgagee to the Mortgagor or such Guarantor, the Mortgagee will be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

51. PROFESSIONAL MANAGEMENT

Except as otherwise agreed by and between the Mortgagor and the Mortgagee, the Lands must at all times be professionally managed by property managers acceptable to the Mortgagee, failing which the Mortgagee reserves the right, in its sole discretion, to appoint new or other property managers at the sole expense of the Mortgagor. A change in the property managers for Lands will require the prior written consent of the Mortgagee. No management fee will be payable to the manager of the Lands, other than to a professional arm's-length manager approved by the Mortgagee, without the prior written consent of the Mortgagee. No management fees in excess of market fees for similar properties in the general location of the Lands will be payable without the prior written consent of the Mortgagee.

52. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

53. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

54. ADDITIONAL FEES

All advances, in addition to legal fees and disbursements of the Mortgagee's solicitors, will be subject to an administrative processing fee of One Thousand Dollars (\$1,000.00) for each advance made under the Loan in favour of the Mortgagee. The Mortgagor will be permitted one advance per month. If the Mortgagee, in its sole discretion, agrees to make an advance in an amount not less than the minimum amount per advance as specified in this Commitment, an additional processing fee of One Thousand Dollars (\$1,000.00) for any such advance so made will be payable by the Mortgagor.

55. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

56. GUARANTOR

56.1 In consideration of the Mortgagee advancing the principal amount to the Mortgagor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Guarantor hereby covenants, promises and agrees with the Mortgagee to pay or cause to be paid, the principal amount and interest and all other monies due under this Mortgage.

56.2 Each Guarantor hereby agrees with the Mortgagee to perform and observe all covenants, provisos, conditions, agreements and stipulations in this Mortgage made binding upon the Mortgagor.

56.3 Each Guarantor further agrees with the Mortgagee that each such Guarantor's liability hereunder will not be affected by any partial release of this Mortgage or the release or partial release of any or all collateral or other securities held by the Mortgagee, or by the Mortgagee releasing any person, firm or corporation under any covenant under this Mortgage, or by the extension of time for payment, or by an indulgence or waiver given by the Mortgagee, or taking of any note or other obligation for the payment of principal and interest, or by the Mortgagee taking or failing to take any security for such payment or by any act of the Mortgagee done or without notice to each such Guarantor.

56.4 The Mortgagee will not be bound to exhaust its recourses against the Mortgagor or other parties, or any security or securities the Mortgagee may hold before requiring payment by a Guarantor and the Mortgagee may enforce the various remedies under this Mortgage and realize upon various securities in any order the Mortgagee may choose.

57. MISCELLANEOUS

57.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 2:00 p.m. (Toronto, Ontario time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

57.2 Provided that no extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any

covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

- 57.3 Provided that until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.
- 57.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.
- 57.5 The Mortgagee may consolidate separate debts owing by the Mortgagor to the Mortgagee and in that regard may require the Mortgagor to repay any and all moneys due to the Mortgagee, whether or not such moneys are by a separate mortgage or otherwise secured, prior to granting a discharge of the Lands or of this Mortgage. The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.
- 57.6 The provisions of the Commitment which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the Terms of the Commitment will govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.
- 57.7 The Mortgagor acknowledges and agrees that this Mortgage secures a current or running account if item 7 of the Mortgage Form has been completed to indicate so and any portion of the principal money secured by this Mortgage may be advanced or re-advanced by the Mortgagee in one or more sums at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest thereon at the Mortgage Rate as provided in herein.

- 57.8 It is agreed that neither the execution nor registration of this Mortgage nor the advance in part of the principal sum hereby secured binds the Mortgagee to advance the principal sum or any part or further part thereof, but that the advance of the principal sum or any part thereof, from time to time will be at the full discretion of the Mortgagee. Without limiting the generality of the foregoing, the Mortgagor agrees that the Mortgagee will be under no obligation to advance the principal sum or any part thereof if there is any misrepresentation, breach of warranty or default under any of the Terms of this Mortgage by the Mortgagor. The lien and charge hereby created takes effect forthwith upon the execution of these presents by the Mortgagor and in any event whether any part of the principal sum hereby secured is or is not advanced, the full amount of all legal fees, disbursements, costs, charges and expenses incurred by the Mortgagee in respect of the examination of the title to the Lands and of the preparation and registration of this Mortgage and any other security documents and instruments required by the Mortgagee and the valuation and inspection charges in respect thereof will be a charge upon the Lands and be chargeable to the Mortgagor's account under this Mortgage as principal moneys actually advanced and bear interest at the Mortgage Rate and be payable forthwith without any demand and in default of payment the Mortgagee's power of entry and sale and all of the rights and remedies of the Mortgagee hereunder will, at the option of the Mortgagee, be forthwith exercisable.
- 57.9 The Mortgagor covenants and agrees with the Mortgagee that:
- 57.9.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and
- 57.9.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and

will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

- 57.10 The Mortgagee acknowledges and agrees that the payment of interest and any bonus and further consideration to the Mortgagee is a fair payment based on the business terms of this Mortgage loan. The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.
- 57.11 The Mortgagor covenants and agrees with the Mortgagee that any agreement in writing between the Mortgagor and the Mortgagee for the renewal of this Mortgage or extension of the term for repayment of the principal sum, or any part thereof, or for any change in the Mortgage Rate, including an increase in the Mortgage Rate, prior to the execution by the Mortgagee of a discharge or release of this Mortgage, need not be registered, but will be effectual and binding to all intents and purposes on the Lands and on the Mortgagor, and on any

Mortgagee, assignee, or other chargeholder, or transferee who acquires an interest in the Lands or any part thereof subsequent to the date of this Mortgage and will take priority as against such Mortgagee, assignee, or other chargeholder, or transferee when deposited with or held by the Mortgagee, and will not release or affect any covenant or agreement in this Mortgage or collateral hereto.

58. GENERAL (DOCUMENT/DRAFTING ISSUES)

- 58.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.
- 58.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.
- 58.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.
- 58.4 The division of this Mortgage into paragraphs and subparagraphs has likewise been made for the purpose of convenience and such divisions will not, unless the express provisions of this Mortgage provide or the context clearly requires, be taken into account for the purpose of interpreting and giving full effect to the true meaning and intent of the Terms of this Mortgage.
- 58.5 All references in this Mortgage to the words "herein" or "hereunder" will be construed to mean and refer to this Mortgage as a whole and will not be construed to refer only to a specific paragraph, subparagraph or clause of this Mortgage unless the context clearly requires such construction.
- 58.6 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.
- 58.7 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.
- 58.8 Wherever the singular or masculine are used throughout this Mortgage the same will be construed as meaning the plural or the feminine or body corporate where the context or the parties hereto so require.
- 58.9 If any of the Terms of this Mortgage is or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining Terms of this Mortgage.

59. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

60. CROSS DEFAULT

Without limiting any of the provisions of this Mortgage, including Section 31:

- (a) a default of the Borrower or any affiliate pursuant to any credit facility granted to it by the Mortgagee shall be a deemed default hereunder, and any default hereunder shall be deemed to be a default pursuant to the other security granted by the Borrower or its affiliate. For the purpose of this Section, "affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (British Columbia).

End of Document

This is Exhibit "E" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference June 15, 2018 made by **CONIAN DEVELOPMENTS INC.** (the "**Debtor**"), having their chief executive offices at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "**Secured Party**"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Debtor on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of May 23, 2018, delivered by the Secured Party, and accepted by the Debtor and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Debtor, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Debtor as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Debtor, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "**Collateral**", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "**Real Property**"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;
- (d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted

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Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges,

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assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and
- (o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

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2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

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- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act,

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omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and
- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise,

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whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

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- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the

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request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "**Notices**") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid

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or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

CONIAN DEVELOPMENTS INC.

Per:  _____

Name: Rama Wasif Khalif

Title: President

Per: _____

Name:

Title:

SCHEDULE A**LOCATION**Civic Address

11079 and 11089 Ravine
Road and 13270-13286
King George Boulevard,
Surrey, B.C.

Legal Description

PID: 030-337-020, LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2
WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

SCHEDULE B

GOODS

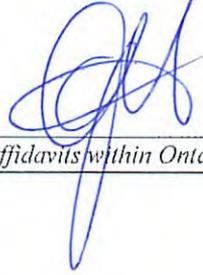
I. EQUIPMENT

II. SERIAL NUMBERED GOODS

SCHEDULE C
INVENTORY

SCHEDULE D
INTELLECTUAL PROPERTY

This is Exhibit "F" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference December 20, 2018 made by **CONIAN DEVELOPMENTS (LA VODA) INC.** (the "Debtor"), having their chief executive offices at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Secured Party"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "Credit Facilities") to those parties collectively listed as "Borrower" in the Commitment (the "Borrower") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "PPSA") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of December 12, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "**Collateral**", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "Security Interest") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "Obligations"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "Negotiable Collateral") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;
- (d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted

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- Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;
- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
 - (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
 - (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
 - (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
 - (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
 - (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
 - (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
 - (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges,

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assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and
- (o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

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2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

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- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act,

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omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and
- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise,

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whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

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- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the

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request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid

or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

CONIAN DEVELOPMENTS (LA VODA)
INC.

Per:  _____
Name:
Title:

Per: ANA KATZ
Name: _____
Title: Director

SCHEDULE A

LOCATION

<u>Civic Address</u>	<u>Legal Description</u>
11037 Ravine Road, Surrey, B.C.	PID: 007-131-895, LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840
11049 Ravine Road, Surrey, B.C.	PID: 011-422-220, LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11057 Ravine Road, Surrey, B.C.	PID: 011-422-203, LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11069 Ravine Road, Surrey, B.C.	PID: 001-427-288, LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11054 132 Street, Surrey, B.C.	PID: 000-674-672, LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11066 132 Street, Surrey, B.C.	PID: 011-362-588, LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11080 132 Street, Surrey, B.C.	PID: 011-362-596, LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

NA/A

SCHEDULE C
INVENTORY

None

SCHEDULE D
INTELLECTUAL PROPERTY

None

This is Exhibit "G" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference December 20, 2018 made by **CONIAN DEVELOPMENTS (LA VODA II) INC.** (the "Debtor"), having their chief executive offices at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Secured Party"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "Credit Facilities") to the Debtor on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "PPSA") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of December 12, 2018, delivered by the Secured Party, and accepted by the Debtor and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Debtor, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Debtor as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Debtor, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 **Grant of Security.** Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "Security Interest") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "Obligations"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "Negotiable Collateral") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;
- (d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted

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- Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;
- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
 - (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
 - (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
 - (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
 - (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
 - (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
 - (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
 - (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges,

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assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and
- (o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

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2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

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- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act,

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omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and
- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise,

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whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

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- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the

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request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid

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or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

CONIAN DEVELOPMENTS (LA VODA II)
INC.

Per: 
Name: _____
Title: Parad Kharig

Per: _____
Name: _____
Title: _____

SCHEDULE A

LOCATION

<u>Civic Address</u>	<u>Legal Description</u>
11037 Ravine Road, Surrey, B.C.	PID: 007-131-895, LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840
11049 Ravine Road, Surrey, B.C.	PID: 011-422-220, LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11057 Ravine Road, Surrey, B.C.	PID: 011-422-203, LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11069 Ravine Road, Surrey, B.C.	PID: 001-427-288, LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11054 132 Street, Surrey, B.C.	PID: 000-674-672, LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11066 132 Street, Surrey, B.C.	PID: 011-362-588, LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11080 132 Street, Surrey, B.C.	PID: 011-362-596, LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

SCHEDULE B

GOODS

I. EQUIPMENT

nil

II. SERIAL NUMBERED GOODS

SCHEDULE C
INVENTORY

nil

SCHEDULE D
INTELLECTUAL PROPERTY

A handwritten signature in cursive script, appearing to be the initials 'ml'.

This is Exhibit "H" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference June 15, 2018 made by B.C. CURRENCY EXCHANGE INC. (the "Debtor"), having their chief executive offices at 10230 - 152nd Street, Surrey, B.C. V3R 6N7, to and in favour of ROMSPEN INVESTMENT CORPORATION (the "Secured Party"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "Credit Facilities") to those parties collectively listed as "Borrower" in the Commitment (the "Borrower") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 **Terms Incorporated for Reference.** All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "PPSA") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 **Defined Terms.** In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"Authorization" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of May 23, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;
- (d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted

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Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges,

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assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and
- (o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

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2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

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- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act,

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omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and
- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise,

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whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

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- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the

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request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid

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or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

B.C. CURRENCY EXCHANGE INC.

Per:  _____

Name: Rama Waisy Khaliq
Title: President

Per: _____

Name:

Title:

SCHEDULE A**LOCATION**Civic Address

11079 and 11089 Ravine
Road and 13270-13286
King George Boulevard,
Surrey, B.C.

Legal Description

PID: 030-337-020, LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2
WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

SCHEDULE C
INVENTORY

SCHEDULE D
INTELLECTUAL PROPERTY

This is Exhibit "I" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference December 20, 2018 made by B.C. CURRENCY EXCHANGE INC. (the "Debtor"), having their chief executive offices at 10230 - 152nd Street, Surrey, B.C. V3R 6N7, to and in favour of ROMSPEN INVESTMENT CORPORATION (the "Secured Party"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "Credit Facilities") to those parties collectively listed as "Borrower" in the Commitment (the "Borrower") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 **Terms Incorporated for Reference.** All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "PPSA") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 **Defined Terms.** In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"Authorization" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of December 12, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 **Grant of Security.** Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "Security Interest") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "Obligations"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "Negotiable Collateral") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;
- (d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted

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Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges,

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assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and
- (o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

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2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

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- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act,

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omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and
- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise,

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whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

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- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the

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request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid

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or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

B.C. CURRENCY EXCHANGE INC.

Per: 

Name:

Title: PAUL DRAIC

Per: 

Name:

Title:

SCHEDULE A

LOCATION

<u>Civic Address</u>	<u>Legal Description</u>
11037 Ravine Road, Surrey, B.C.	PID: 007-131-895, LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840
11049 Ravine Road, Surrey, B.C.	PID: 011-422-220, LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11057 Ravine Road, Surrey, B.C.	PID: 011-422-203, LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11069 Ravine Road, Surrey, B.C.	PID: 001-427-288, LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11054 132 Street, Surrey, B.C.	PID: 000-674-672, LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11066 132 Street, Surrey, B.C.	PID: 011-362-588, LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11080 132 Street, Surrey, B.C.	PID: 011-362-596, LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

SCHEDULE B

GOODS

I. EQUIPMENT

Office equipment located at business

II. SERIAL NUMBERED GOODS

SCHEDULE C
INVENTORY

A handwritten signature in cursive script, appearing to be the initials 'ml', is centered on the page below the section header.

SCHEDULE D
INTELLECTUAL PROPERTY

A handwritten signature in black ink, appearing to be 'md' or similar, is centered on the page.

This is Exhibit "J" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference June 15, 2018 made by **RANA WASIF KHALIQ** (the "**Debtor**"), having his/her registered address at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "**Secured Party**"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to those parties collectively listed as "Borrower" in the Commitment (the "**Borrower**") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"Authorization" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of May 23, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 **Grant of Security.** Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "**Real Property**"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (d) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the

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Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

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- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not make any change in the principal nature of its business; and
- (o) the Debtor will not change its name; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion,

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perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;
- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

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- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;
- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or

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obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

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- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such

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amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

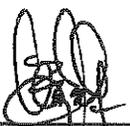
Witness


RAND-L. BUCKLEY
Barrister & Solicitor

Name 200 - 8120 128th Street
Surrey B.C. V3W 1R1

Address

Occupation


RANA WASIF KHALID

SCHEDULE A**LOCATION**Civic Address

11079 and 11089 Ravine
Road and 13270-13286
King George Boulevard,
Surrey, B.C.

Legal Description

PID: 030-337-020, LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2
WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

SCHEDULE C
INVENTORY

SCHEDULE D
INTELLECTUAL PROPERTY

This is Exhibit "K" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference December 20, 2018 made by **RANA WASIF KHALIQ** (the "**Debtor**"), having his/her registered address at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "**Secured Party**"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to those parties collectively listed as "Borrower" in the Commitment (the "**Borrower**") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of December 12, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "Security Interest") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "Obligations"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (d) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the

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Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

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- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not make any change in the principal nature of its business; and
- (o) the Debtor will not change its name; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion,

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perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;
- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

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- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;
- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or

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obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

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- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such

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amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

SCHEDULE A

LOCATION

<u>Civic Address</u>	<u>Legal Description</u>
11037 Ravine Road, Surrey, B.C.	PID: 007-131-895, LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840
11049 Ravine Road, Surrey, B.C.	PID: 011-422-220, LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11057 Ravine Road, Surrey, B.C.	PID: 011-422-203, LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11069 Ravine Road, Surrey, B.C.	PID: 001-427-288, LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11054 132 Street, Surrey, B.C.	PID: 000-674-672, LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11066 132 Street, Surrey, B.C.	PID: 011-362-588, LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11080 132 Street, Surrey, B.C.	PID: 011-362-596, LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

nil

SCHEDULE C
INVENTORY

nil

SCHEDULE D
INTELLECTUAL PROPERTY

nil

This is Exhibit "L" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference June 15, 2018 made by **ROBINA KHAN** (the "**Debtor**"), having his/her registered address at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "**Secured Party**"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to those parties collectively listed as "**Borrower**" in the Commitment (the "**Borrower**") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of May 23, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "**Real Property**"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (d) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the

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Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

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- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not make any change in the principal nature of its business; and
- (o) the Debtor will not change its name; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion,

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perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;
- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

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- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;
- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or

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obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

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- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such

amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

Name

RAJDEEP S. GILL
Barrister & Solicitor
RAJ GILL LAW CORPORATION

Address

#206 - 12085 80 AVE
SURREY, B.C. V3W 0E8
TELE 604-693-6470

Occupation


ROBINA KHAN

SCHEDULE A**LOCATION**Civic Address

11079 and 11089 Ravine
Road and 13270-13286
King George Boulevard,
Surrey, B.C.

Legal Description

PID: 030-337-020, LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2
WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

SCHEDULE B**GOODS****I. EQUIPMENT****II. SERIAL NUMBERED GOODS**

SCHEDULE C
INVENTORY

SCHEDULE D
INTELLECTUAL PROPERTY

This is Exhibit "M" referred to in the affidavit of
W. Roitman sworn before me at Toronto this 29
day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SECURITY AGREEMENT

This Security Agreement dated for reference December 20, 2018 made by **ROBINA KHAN** (the "Debtor"), having his/her registered address at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Secured Party"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "Credit Facilities") to those parties collectively listed as "Borrower" in the Commitment (the "Borrower") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the *British Columbia Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "PPSA") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"Authorization" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of December 12, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "Security Interest") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "Obligations"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "Negotiable Collateral") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (d) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the

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Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
- (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
- (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
- (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
- (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
- (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
- (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
- (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

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- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not make any change in the principal nature of its business; and
- (o) the Debtor will not change its name; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion,

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perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;
- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

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- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;
- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or

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obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

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- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such

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amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:



Witness

RAJDEEP S. GILL
Barrister & Solicitor
Name _____
RAJ GILL LAW CORPORATION
#205 - 12885 80 AVE
SURREY, B.C. V3W 0E6
Address TEL: 604-593-6470

Occupation _____



ROBINA KHAN

SCHEDULE A

LOCATION

<u>Civic Address</u>	<u>Legal Description</u>
11037 Ravine Road, Surrey, B.C.	PID: 007-131-895, LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840
11049 Ravine Road, Surrey, B.C.	PID: 011-422-220, LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11057 Ravine Road, Surrey, B.C.	PID: 011-422-203, LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11069 Ravine Road, Surrey, B.C.	PID: 001-427-288, LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11054 132 Street, Surrey, B.C.	PID: 000-674-672, LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11066 132 Street, Surrey, B.C.	PID: 011-362-588, LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11080 132 Street, Surrey, B.C.	PID: 011-362-596, LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

SCHEDULE B

GOODS

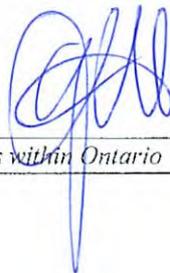
I. EQUIPMENT

II. SERIAL NUMBERED GOODS

SCHEDULE C
INVENTORY

SCHEDULE D
INTELLECTUAL PROPERTY

This is Exhibit "N" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
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SECURITY AGREEMENT

This Security Agreement dated for reference December 20, 2018 made by **CONIAN DEVELOPMENTS INC.** (the "**Debtor**"), having their chief executive offices at 10469 - 125B St, Surrey, B.C. V3V 5A8, to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "**Secured Party**"), a corporation incorporated under the laws of the Province of Ontario, as lender under the Commitment hereinafter referred to, having an office at 300-162 Cumberland Street, Toronto, ON M5R 3N5 (facsimile: (416) 966-1161).

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to those parties collectively listed as "Borrower" in the Commitment (the "**Borrower**") on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"Book Accounts" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and **"Book Account"** means any one of them;

"Business" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"Business Day" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"Collateral" has the meaning set forth in Section 2.1;

"Commitment" means the commitment letter dated as of December 12, 2018, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, as amended, supplemented, extended or otherwise modified or restated from time to time;

"Consent" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"Contract"** means any one of them;

"Credit Documents" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, a Guarantor or a Subsidiary or an Affiliate thereof

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hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"Guarantor" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"Intellectual Property" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"Inventory" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"Lands" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located in Surrey, British Columbia and more particularly described in Schedule A hereto;

"Law" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Mortgage" means the mortgage of the Lands dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"Negotiable Collateral" has the meaning set forth in Section 2.3(b);

"Obligations" has the meaning set forth in Section 2.2(a);

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"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"Permitted Liens" means:

- (i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;
- (ii) the Liens granted by the Debtor in favour of the Secured Party;
- (iii) the interest of any Person under any purchase money security interest;
- (iv) public and statutory Liens for charges not yet due arising by operation of Law; and
- (v) any Lien permitted in writing by the Secured Party;

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"PPSA" has the meaning set forth in Section 1.1;

"Security" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"Security Agreement" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"Security Documents" means this Security Agreement and the other documents referred to in Section 9 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"Security Interest" has the meaning set forth in Section 2.2(a);

"Subsidiaries" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2 SECURITY

2.1 Grant of Security. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired (collectively, the "Collateral", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

- (a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;
- (b) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;
- (c) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;
- (d) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;
- (e) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(e) inclusive;
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (f) inclusive or the proceeds therefrom; and
- (h) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:
 - (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "Real Property"); and
 - (ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (g) inclusive.

2.2 Obligations Secured.

- (a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "Security Interest") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "Obligations"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.
- (b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling,

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transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

- (a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "Negotiable Collateral") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.
- (c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

- (a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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- (b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.
- (e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.
- (f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Secured Party's Care and Custody of Collateral.

- (a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.
- (b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

- (a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;
- (b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;
- (c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;
- (d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and
- (e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

- (a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted

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- Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;
- (b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;
 - (c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;
 - (d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;
 - (e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;
 - (f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;
 - (g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;
 - (h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;
 - (i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges,

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assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

- (j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;
- (l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and
- (m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;
- (n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and
- (o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

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2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3 ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

- (a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;
- (c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;
- (d) collection of any proceeds arising in respect of the Collateral;
- (e) collection, realization or sale of or other dealing with the Book Accounts or any of them;
- (f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;
- (g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

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- (h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;
- (i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and
- (m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

- (a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;
- (b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;
- (c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;
- (d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act,

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omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

- (e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and
- (g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

- (a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.
- (b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise,

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whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

- (a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.
- (c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

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- (a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

- (a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.
- (b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4 GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the

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request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "Notices") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid

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or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

CONIAN DEVELOPMENTS INC.

Per:  _____

Name: _____

Title: _____

Per: _____

Name: Paula Linnick

Title: DIRECTOR

SCHEDULE A

LOCATION

<u>Civic Address</u>	<u>Legal Description</u>
11037 Ravine Road, Surrey, B.C.	PID: 007-131-895, LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840
11049 Ravine Road, Surrey, B.C.	PID: 011-422-220, LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11057 Ravine Road, Surrey, B.C.	PID: 011-422-203, LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11069 Ravine Road, Surrey, B.C.	PID: 001-427-288, LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
11054 132 Street, Surrey, B.C.	PID: 000-674-672, LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11066 132 Street, Surrey, B.C.	PID: 011-362-588, LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
11080 132 Street, Surrey, B.C.	PID: 011-362-596, LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

SCHEDULE B

GOODS

I. **EQUIPMENT**

II. **SERIAL NUMBERED GOODS**

nil

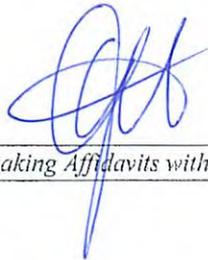
SCHEDULE C
INVENTORY

nil

SCHEDULE D
INTELLECTUAL PROPERTY

nil

This is Exhibit "O" referred to in the affidavit of W. Roitman sworn before me at Toronto this 24 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SHARE PLEDGE AGREEMENT

This Pledge Agreement is dated for reference June 15, 2018

TO: Name: ROMSPEN INVESTMENT CORPORATION
 Address: 162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5
 Attention: Blake Cassidy
 Facsimile: (416) 966-1161

RECITALS:

- A. CONIAN DEVELOPMENTS INC. (the "Company") is, or may become, indebted or liable to ROMSPEN INVESTMENT CORPORATION (the "Creditor") pursuant to the terms of a commitment letter dated May 23, 2018 among those Persons collectively listed as "Borrower" in the Commitment (hereafter defined) (together, the "Borrower"), those Persons collectively listed as "Guarantor" in the Commitment (hereafter defined) (together, the "Guarantor") and the Creditor (as amended, supplemented, restated or replaced from time to time, the "Commitment").
- B. The parties set out in Schedule B (the "Pledgor") own all the issued and outstanding shares in the Company, as described in Schedule B hereto.
- C. It is a condition of the advance of the said credit facilities under the Commitment by the Creditor to the Borrower that, in addition to other security being taken, the Pledgor execute and deliver this Share Pledge Agreement to the Creditor as collateral security for the payment and performance of the Secured Liabilities.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Pledgor, the Pledgor agrees with and in favour of the Creditor as follows:

1. **Definitions.** In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Commitment or in the Mortgage, and the following terms have the following meanings:

"**Agreement**" means this agreement, including the schedules and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Borrower**" has the meaning set out in the recitals hereto.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia or Toronto.

"**Cash Distributions**" has the meaning set out in Section 8 of this Agreement.

"**Certificated Security**", "**Investment Property**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**", "**Security**", "**Security Certificate**", "**Security Entitlement**", and "**Uncertificated Security**" have the meanings given to them in the PPSA.

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“Collateral” means:

- (a) the Pledged Property;
- (b) all certificates and instruments evidencing or representing the Pledged Property;
- (c) all interest, dividends and distributions (whether in cash, kind or stock) received or receivable upon or in respect of any of the Pledged Property and all moneys or other property payable or paid on account of any return or repayment of capital in respect of any of the Pledged Property or otherwise distributed in respect thereof or which will in any way be charged to, or payable or paid out of, the capital of any Pledged Issuer on account of any such Pledged Property;
- (d) all other property that may at any time be received or receivable by or otherwise distributed to the Company in respect of, or in substitution for, or in exchange or replacement for, any of the foregoing; and
- (e) all Proceeds of any of the foregoing.

“Commitment” has the meaning set out in the recitals hereto.

“Control” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlled”** has meanings correlative thereto.

“Credit Documents” means this Pledge Agreement, the Commitment, the Mortgage, the other security documents referenced in the Commitment and all other documents to be executed and delivered to the Creditor by the Borrower, the Guarantor, the Pledgor or a Subsidiary or an Affiliate thereof hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time.

“Creditor” has the meaning set out in the recitals hereto.

“Company” has the meaning set out in the recitals hereto.

“Event of Default” means any “Event of Default” as defined in the Mortgage.

“Guarantor” has the meaning set out in the recitals hereto.

“Issuer” has the meaning given to that term in the STA.

“Laws” means all federal, provincial, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any governmental authority binding on or affecting the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority); and **“Law”** means any one or more of the foregoing.

"Lien" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"Mortgage" means the mortgage of lands described in the Commitment dated as of the date hereof granted by Conian Developments Inc. in favour of the Creditor, as amended, supplemented or otherwise replaced from time to time.

"Organizational Documents" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"Permitted Liens" means the Security Interests and all other Liens permitted in writing by the Creditor.

"Person" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"Pledged Property" means all assets, property and undertaking described in Schedule A.

"Pledged Certificated Securities" means any and all Collateral that is a Certificated Security.

"Pledged Issuer" means, at any time, any Person which is at such time an Issuer with respect to any Pledged Securities or Pledged Security Entitlements, including, but not limited to the Company.

"Pledged Issuer's Jurisdiction" means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44(2) of the STA.

"Pledged Security Certificates" means any and all Security Certificates representing the Pledged Certificated Securities.

"Pledged Securities" means any and all Collateral that is a Security.

"Pledged Securities Accounts" means any and all Collateral that is a Securities Account.

"Pledged Securities Intermediary" means, at any time, any Person which is at such time a Securities Intermediary at which a Pledged Securities Account is maintained.

"Pledged Securities Intermediary's Jurisdiction" means, with respect to any Securities Intermediary, its jurisdiction as determined under section 45(2) of the STA.

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"Pledged Security Entitlements" means any and all Collateral that is a Security Entitlement.

"Pledged Uncertificated Securities" means any and all Collateral that is an Uncertificated Security.

"PPSA" means the *Personal Property Security Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"Release Date" means the date on which all the Secured Liabilities have been indefeasibly paid and discharged in full and the Borrower, the Guarantor and the Pledgor have no further obligations to the Creditor under this Pledge Agreement, the Commitment or any other Credit Documents pursuant to which further Secured Liabilities might arise.

"Secured Liabilities" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) at any time due or accruing due or owing by the Pledgor, the Borrower or the Guarantor to the Creditor in connection with or with respect to this Pledge Agreement, the Commitment or any other Credit Documents or otherwise howsoever incurred and whether incurred as principal or surety.

"Security Interests" means the Liens created by the Pledgor in favour of the Creditor under this Agreement.

"STA" means the *Securities Transfer Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"Uncertificated Security" means a Security that is not represented by a Certificate.

2. **Grant of Security Interests.** As general and continuing collateral security for the due payment and performance of the Secured Liabilities, the Pledgor hereby charges, hypothecates and pledges to and deposits with the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. **Attachment; No Obligation to Advance.** The Pledgor confirms that value has been given by the Creditor to the Pledgor, that the Pledgor has rights in the Collateral existing at the date of this Agreement (other than after-acquired property) and that the Pledgor and the Creditor have not agreed to postpone the time for attachment of the Security Interests to any of the Collateral. The Security Interests will have effect and be deemed to be effective whether or not the Secured Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditor shall oblige the Creditor to make any financial accommodation or further financial accommodation available to the Pledgor, the Borrower, the Guarantor or any other Person.

4. **Representations and Warranties.** The Pledgor represents and warrants to the Creditor that, as of the date of this Agreement:

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- (a) Pledgor Information. All of the information set out in Schedule B is accurate and complete.
- (b) Title; No Other Security Interests. Except for Permitted Liens, the Pledgor owns the Collateral free and clear of any Liens. The Pledgor is the recorded and beneficial owner of all Collateral that is Investment Property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens.
- (c) Authority. The Pledgor has full power and authority to grant to the Creditor the Security Interests and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any agreement or instrument to which the Pledgor is a party or by which the Pledgor or any of the Collateral is bound.
- (d) Consents. Except for any consent that has been obtained and is in full force and effect, no consent of any Person is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement. For the purposes of complying with any transfer restrictions contained in the Organizational Documents of any Pledged Issuer, the Pledgor hereby irrevocably consents to any transfer of the Pledged Securities of such Pledged Issuer.
- (e) Execution and Delivery. This Agreement has been duly executed and delivered by the Pledgor and is a valid and binding obligation of the Pledgor enforceable against the Pledgor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar Laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.
- (f) Partnerships, Limited Liability Companies. The terms of any interest in a partnership or limited liability company that is Collateral expressly provide that such interest is a "security" for the purposes of the STA.
- (g) Warrants, Options, etc. There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Securities.
- (h) No Required Disposition. There is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Pledgor would be required to sell or otherwise dispose of any Pledged Securities or under which any Pledged Issuer thereof has any obligation to issue any Securities of such Pledged Issuer to any Person.

5. Survival of Representations and Warranties. All representations and warranties made by the Pledgor in this Agreement (a) are material, (b) will be considered to have been relied on by the Creditor, and (c) will survive the execution and delivery of this Agreement or any

investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Secured Liabilities until the Release Date.

6. **Covenants.** The Pledgor covenants and agrees with the Creditor that:

- (a) **Further Documentation.** The Pledgor will from time to time, at the expense of the Pledgor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Pledgor acknowledges that this Agreement has been prepared based on the existing Laws in the Province of British Columbia and that a change in such Laws, or the Laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Pledgor agrees that the Creditor will have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Pledgor will immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such Laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Pledgor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Liens similar to, and having the same effect as, the Security Interests.
- (b) **Limitations on Other Liens.** The Pledgor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Liens, and the Pledgor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.
- (c) **Limitations on Dispositions of Collateral.** The Pledgor will not, without the Creditor's prior written consent, sell or otherwise dispose of any of the Collateral.
- (d) **Amalgamation, Merger or Consolidation.** The Pledgor will not permit any Pledged Issuer to amalgamate, merge or consolidate unless all of the outstanding capital stock of the surviving or resulting corporation is, upon such amalgamation, merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding shares of any other constituent corporation.
- (e) **Pledged Certificated Securities.** The Pledgor will deliver to the Creditor any and all Pledged Security Certificates and other materials as may be required from time to time to provide the Creditor with control over all Pledged Certificated Securities in the manner provided under section 23 of the STA. At the request of the Creditor, the Pledgor will cause all Pledged Security Certificates to be registered in the name of the Creditor or its nominee.

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- (f) Pledged Uncertificated Securities. The Pledgor will deliver to the Creditor any and all such documents, agreements and other materials as may be required from time to time to provide the Creditor with control over all Pledged Uncertificated Securities in the manner provided under section 24 of the STA.
- (g) Pledged Security Entitlements. The Pledgor will deliver to the Creditor any and all such documents, agreements and other materials as may be required from time to time to provide the Creditor with control over all Pledged Security Entitlements in the manner provided under section 25 or 26 of the STA.
- (h) Partnerships, Limited Liability Companies. The Pledgor will ensure that the terms of any interest in a partnership or limited liability company that is Collateral will expressly provide that such interest is a "security" for the purposes of the STA.
- (i) Transfer Restrictions. If the constituting documents of any Pledged Issuer restrict the transfer of the Securities of such Pledged Issuer, then the Pledgor will deliver to the Creditor a certified copy of a resolution of the directors, shareholders, unitholders or partners of such Pledged Issuer, as applicable, consenting to the transfer(s) contemplated by this Agreement, including any prospective transfer of the Collateral by the Creditor upon a realization on the Security Interests.
- (j) Notices. The Pledgor will advise the Creditor promptly, in reasonable detail, of any:
 - (i) acquisition after the date of this Agreement of any right, title or interest in any Pledged Property, together with all applicable information set out in Schedule B with respect thereto;
 - (ii) change to a Pledged Securities Intermediary's Jurisdiction, or Pledged Issuer's Jurisdiction;
 - (iii) change in the location of the jurisdiction of domicile of the Pledgor;
 - (iv) Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral; or
 - (v) occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests.

The Pledgor will not effect or permit any of the changes referred to in clauses (ii) through (v) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected first priority Security Interest in respect of all of the Collateral.

7. Voting Rights. Unless an Event of Default has occurred and is continuing, the Pledgor will be entitled to exercise all voting power from time to time exercisable in respect of the Pledged Securities and Pledged Security Entitlements and give consents, waivers and

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ratifications in respect thereof; provided, however, that no vote will be cast or consent, waiver or ratification given or action taken which would be, or would have a reasonably likelihood of being, prejudicial to the interests of the Creditor or which would have the effect of reducing the value of the Collateral as security for the Secured Liabilities or imposing any restriction on the transferability of any of the Collateral. Unless an Event of Default has occurred and is continuing, the Creditor shall, from time to time at the request and expense of the Pledgor, execute or cause to be executed, in respect of all Pledged Securities that are registered in the name of the Creditor or its nominee, valid proxies appointing the Pledgor as its (or its nominee's) proxy to attend, vote and act for and on behalf of the Creditor or such nominee, as the case may be, at any and all meetings of the applicable Pledged Issuer's shareholders or debt holders, all Pledged Securities that are registered in the name of the Creditor or such nominee, as the case may be, and to execute and deliver, consent to or approve or disapprove of or withhold consent to any resolutions in writing of shareholders or debt holders of the applicable Pledged Issuer for and on behalf of the Creditor or such nominee, as the case may be. Immediately upon the occurrence and during the continuance of any Event of Default, all such rights of the Pledgor to vote and give consents, waivers and ratifications will cease and the Creditor or its nominee will be entitled to exercise all such voting rights and to give all such consents, waivers and ratifications.

8. **Dividends; Interest.** The Pledgor shall not be entitled to receive any cash dividends, interest, principal payments or any other forms of cash distribution on the Pledged Securities or Pledged Security Entitlements which it is otherwise entitled to receive (collectively, the "**Cash Distributions**") without the prior written consent of the Creditor, which consent may be unreasonably withheld in its sole discretion. Furthermore, any and all stock and/or liquidating dividends, distributions of property, returns of capital or other distributions made on or in respect of the Pledged Securities or Pledged Security Entitlements, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any Pledged Issuer or received in exchange for the Pledged Securities, Pledged Security Entitlements or any part thereof or as a result of any amalgamation, merger, consolidation, acquisition or other exchange of property to which any Pledged Issuer may be a party or otherwise, and any and all cash and other property received in exchange for any Pledged Securities or Pledged Security Entitlements will be and become part of the Collateral subject to the Security Interests and, if received by the Pledgor, will forthwith be delivered to the Creditor or its nominee (accompanied, if appropriate, by proper instruments of assignment and/or stock powers of attorney executed by the Pledgor in accordance with the Creditor's instructions) to be held subject to the terms of this Agreement; and if any of the Pledged Security Certificates have been registered in the name of the Creditor or its nominee, the Creditor will execute and deliver (or cause to be executed and delivered) to the Pledgor all such dividend orders and other instruments as the Pledgor may request for the purpose of enabling the Pledgor to receive the Cash Distributions which the Pledgor is authorized to receive and retain pursuant to this Section (i.e. with the prior written consent of the Creditor). If an Event of Default has occurred and is continuing, all rights of the Pledgor pursuant to this Section will cease and the Creditor will have the sole and exclusive right and authority to receive and retain the cash dividends, interest, principal payments and other forms of cash distribution which the Pledgor would otherwise be authorized to retain pursuant to this Section. Any money and other property paid over to or received by the Creditor pursuant to the provisions of this Section will be retained by the Creditor as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement.

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9. Rights on Event of Default. If an Event of Default has occurred and is continuing, then and in every such case all of the Secured Liabilities shall, at the option of the Creditor, become immediately due and payable and the Security Interests shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under applicable Law may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

- (a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.
- (b) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality, except as required by applicable Law, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (c) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.
- (d) Purchase by Creditor. At any public sale, and to the extent permitted by Law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Pledgor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Secured Liabilities then due and payable to it as a credit against the purchase price.
- (e) Transfer of Collateral. Transfer any Collateral that is Investment Property into the name of the Creditor or its nominee.
- (f) Voting. Vote any or all of the Pledged Securities (whether or not transferred to the Creditor or its nominee) and Pledged Security Entitlements and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof.
- (g) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Collateral that is Investment Property as if the Creditor were the absolute owner of such Investment Property.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable Law) to or on the Pledgor or any other Person, and the Pledgor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable Law. None of the above rights or remedies will be exclusive

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of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Pledgor acknowledges and agrees that any action taken by the Creditor hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

10. **Realization Standards.** To the extent that applicable Law imposes duties on the Creditor to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditor to dispose of the Collateral in any such manner, the Pledgor acknowledges and agrees that it is not commercially unreasonable for the Creditor to (or not to) (a) to the extent deemed appropriate by the Creditor, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditor in the collection or disposition of any of the Collateral, (b) dispose of Collateral in whole or in part, (c) dispose of Collateral to a customer of the Creditor, and (d) establish an upset or reserve bid price in respect of Collateral.

11. **Securities Laws.** The Creditor is authorized, in connection with any offer or sale of any Pledged Securities or Pledged Security Entitlements, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable Law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. In addition to and without limiting Section 10, the Pledgor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Pledgor for any discount allowed by reason of the fact that such Pledged Securities or Pledged Security Entitlements are sold in compliance with any such limitation or restriction. If the Creditor chooses to exercise its right to sell any or all Pledged Securities or Pledged Security Entitlements, upon written request, the Pledgor will cause each applicable Pledged Issuer to furnish to the Creditor all such information as the Creditor may request in order to determine the number of shares and other instruments included in the Collateral which may be sold by the Creditor in exempt transactions under any Laws governing securities, and the rules and regulations of any applicable securities regulatory body thereunder, as the same are from time to time in effect.

12. **[Intentionally Deleted].**

13. **Application of Proceeds.** All Proceeds of Collateral received by the Creditor may be applied to discharge or satisfy any expenses (including expenses of enforcing the Creditor's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Secured Liabilities or be applied to such of the Secured Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by Law.

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14. **Continuing Liability of Pledgor.** The Pledgor will remain liable for any Secured Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

15. **Creditor's Appointment as Attorney-in-Fact.** Effective upon the occurrence and during the continuance of an Event of Default, the Pledgor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Pledgor's true and lawful attorney-in-fact with full power and authority in the place of the Pledgor and in the name of the Pledgor or in its own name, from time to time in the Creditor's discretion, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the effect of this Section, the Pledgor grants the Creditor an irrevocable proxy to vote the Pledged Securities and Pledged Security Entitlements and to exercise all other rights, powers, privileges and remedies to which a holder thereof would be entitled (including giving or withholding written consents of shareholders, calling special meetings of shareholders and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Securities or Pledged Security Entitlements on the books and records of a Pledged Issuer or Pledged Securities Intermediary, as applicable, upon the occurrence of an Event of Default. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification statements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate. The Pledgor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditor or any of the Creditor's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditor pursuant to this Section.

16. **Performance by Creditor of Pledgor's Obligations.** If the Pledgor fails to perform or comply with any of the obligations of the Pledgor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Pledgor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Secured Liabilities and will be secured by the Security Interests.

17. **Interest.** If any amount payable by the Pledgor to the Creditor under this Agreement is not paid when due, the Pledgor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times to 10.15% per annum. All amounts payable by the Pledgor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Secured Liabilities and will be secured by the Security Interests.

18. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

19. **Rights of Creditor; Limitations on Creditor's Obligations.**

- (a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Pledgor or any other Person for any failure or delay in exercising any of the rights of the Pledgor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any agent of the Creditor will be liable for any, and the Pledgor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any agent of the Creditor) caused for any reason other than the gross negligence or wilful misconduct of the Creditor or such agent of the Creditor.
- (b) **Use of Agents.** The Creditor may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

20. **Dealings by Creditor.** The Creditor will not be obliged to exhaust its recourse against the Pledgor, the Borrower, the Guarantor or any other Person or against any other security it may hold in respect of the Secured Liabilities or any part thereof before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Pledgor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Secured Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

21. **Communication.** Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Pledgor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Pledgor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

22. **Release of Information.** The Pledgor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor (i) to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of the Secured Liabilities, and (iii) as required by applicable Law.

23. **Expenses; Indemnity; Waiver.**

- (a) The Pledgor shall pay (i) all reasonable out-of-pocket expenses incurred by the Creditor, including the reasonable fees, charges and disbursements of counsel for the Creditor and all applicable taxes, in connection with the preparation and administration of this Agreement, (ii) all reasonable out-of-pocket expenses incurred by the Creditor, including the reasonable fees, charges and disbursements of counsel for the Creditor and applicable taxes, in connection with any amendments, modifications or waivers of the provisions hereof, and (iii) all out-of-pocket expenses incurred by the Creditor, including the fees, charges and disbursements of any counsel for the Creditor and all applicable taxes, in connection with the assessment, enforcement or protection of their rights in connection with this Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Secured Liabilities.
- (b) The Pledgor shall indemnify the Creditor against, and hold the Creditor harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable taxes to which the Creditor may become subject arising out of or in connection with (i) the execution or delivery of this Agreement and the performance by the Pledgor of its obligations hereunder, (ii) any actual or prospective claim, litigation, investigation or proceeding relating to this Agreement or the Secured Liabilities, whether based on contract, tort or any other theory and regardless of whether the Creditor is a party thereto, (iii) any other aspect of this Agreement, or (iv) the enforcement of the Creditor's rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries; provided that such indemnity shall not, as to the Creditor, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or wilful misconduct of or material breach of this Agreement by the Creditor.
- (c) The Pledgor shall not assert, and hereby waives (to the fullest extent permitted by applicable Law), (i) any claim against the Creditor (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the

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methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

- (d) All amounts due under this Section shall be payable not later than three Business Days after written demand therefor.
- (e) The indemnifications set out in this Section will survive the Release Date and the release or extinguishment of the Security Interests.

24. **Release of Pledgor.** Upon the written request of the Pledgor given at any time on or after the Release Date, the Creditor shall at the expense of the Pledgor, release the Pledgor and the Collateral from the Security Interests. Upon such release, and at the request and expense of the Pledgor, the Creditor shall execute and deliver to the Pledgor such releases and discharges as the Pledgor may reasonably request.

25. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Pledgor or any other Person to the Creditor, all of which other security shall remain in full force and effect.

26. **Alteration or Waiver.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Pledgor to pay the Secured Liabilities, nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

27. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the Laws of the Province of British Columbia. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Pledgor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable Law, the Pledgor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

28. **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such

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agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement, Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. Any reference in this Agreement to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Security Interest to any Permitted Lien. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

29. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Pledgor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Pledgor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of its rights and obligations hereunder to any Person that replaces it in its capacity as such. If the Pledgor or the Creditor is an individual, then the term "Pledgor" or "Creditor", as applicable, will also include his or her heirs, administrators and executors.

30. **Acknowledgment of Receipt/Waiver.** The Pledgor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable Law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

31. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Pledgor by facsimile or other electronic form of transmission shall be as effective as delivery by the Pledgor of a manually executed copy of this Agreement by the Pledgor.

[Signature page follows]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness



RAND L. BUCKLEY

Name *Barrister & Solicitor*

200 - 8120 128th Street
R.G. V3W 1R1

Address

Occupation



RANA WASIR KHALIQ

SCHEDULE APLEDGED PROPERTY

- A. All Investment Property in which the Pledgor now or in the future has any right, title or interest, including, but not limited to all of the issued and outstanding shares in the Company.
- B. All Securities in which the Pledgor now or in the future has any right, title or interest.
- C. All Securities Accounts in which the Pledgor now or in the future has any right, title or interest whatsoever, and all Securities Entitlements carried therein from time to time.
- D. The Securities Accounts described in Schedule B and all Securities Entitlements carried therein from time to time.

SCHEDULE BPLEDGOR & PLEDGED PROPERTY INFORMATION**Pledged Certificated Securities:**

<u>Name</u>	<u>Cert. No.</u>	<u>Shares</u>
Rana Wasif Khaliq	<u>1A</u>	100
Rana Wasif Khaliq	<u>1B</u>	100

Pledged Securities Accounts:

This is Exhibit "P" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

SHARE PLEDGE AGREEMENT

This Pledge Agreement is dated for reference December 20, 2018

TO: Name: **ROMSPEN INVESTMENT CORPORATION**
 Address: **162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5**
 Attention: Blake Cassidy
 Facsimile: (416) 966-1161

RECITALS:

- A. **CONIAN DEVELOPMENTS (LA VODA II) INC.** (the "**Company**") is, or may become, indebted or liable to **ROMSPEN INVESTMENT CORPORATION** (the "**Creditor**") pursuant to the terms of a commitment letter dated December 12, 2018 among those Persons collectively listed as "**Borrower**" in the Commitment (hereafter defined) (together, the "**Borrower**"), those Persons collectively listed as "**Guarantor**" in the Commitment (hereafter defined) (together, the "**Guarantor**") and the Creditor (as amended, supplemented, restated or replaced from time to time, the "**Commitment**").
- B. The parties set out in Schedule B (the "**Pledgor**") own all the issued and outstanding shares in the Company, as described in Schedule B hereto.
- C. It is a condition of the advance of the said credit facilities under the Commitment by the Creditor to the Borrower that, in addition to other security being taken, the Pledgor execute and deliver this Share Pledge Agreement to the Creditor as collateral security for the payment and performance of the Secured Liabilities.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Pledgor, the Pledgor agrees with and in favour of the Creditor as follows:

1. **Definitions.** In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Commitment or in the Mortgage, and the following terms have the following meanings:

"**Agreement**" means this agreement, including the schedules and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Borrower**" has the meaning set out in the recitals hereto.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia or Toronto.

"**Cash Distributions**" has the meaning set out in Section 10 of this Agreement.

"**Certificated Security**", "**Investment Property**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**", "**Security**", "**Security Certificate**", "**Security Entitlement**", and "**Uncertificated Security**" have the meanings given to them in the PPSA.

"Collateral" means:

- (a) the Pledged Property;
- (b) all certificates and instruments evidencing or representing the Pledged Property;
- (c) all interest, dividends and distributions (whether in cash, kind or stock) received or receivable upon or in respect of any of the Pledged Property and all moneys or other property payable or paid on account of any return or repayment of capital in respect of any of the Pledged Property or otherwise distributed in respect thereof or which will in any way be charged to, or payable or paid out of, the capital of any Pledged Issuer on account of any such Pledged Property;
- (d) all other property that may at any time be received or receivable by or otherwise distributed to the Company in respect of, or in substitution for, or in exchange or replacement for, any of the foregoing; and
- (e) all Proceeds of any of the foregoing.

"Commitment" has the meaning set out in the recitals hereto.

"Control" means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlled"** has meanings correlative thereto.

"Credit Documents" means this Pledge Agreement, the Commitment, the Mortgage, the other security documents referenced in the Commitment and all other documents to be executed and delivered to the Creditor by the Borrower, the Guarantor, the Pledgor or a Subsidiary or an Affiliate thereof hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time.

"Creditor" has the meaning set out in the recitals hereto.

"Company" has the meaning set out in the recitals hereto.

"Event of Default" means any "Event of Default" as defined in the Mortgage.

"Guarantor" has the meaning set out in the recitals hereto.

"Issuer" has the meaning given to that term in the STA.

"Laws" means all federal, provincial, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any governmental authority binding on or affecting the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority); and **"Law"** means any one or more of the foregoing.

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"Lien" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"Mortgage" means the mortgage of lands described in the Commitment dated as of the date hereof granted by Conian Developments (La Voda II) Inc. in favour of the Creditor, as amended, supplemented or otherwise replaced from time to time.

"Organizational Documents" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"Permitted Liens" means the Security Interests and all other Liens permitted in writing by the Creditor.

"Person" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"Pledged Property" means all assets, property and undertaking described in Schedule A.

"Pledged Certificated Securities" means any and all Collateral that is a Certificated Security.

"Pledged Issuer" means, at any time, any Person which is at such time an Issuer with respect to any Pledged Securities or Pledged Security Entitlements, including, but not limited to the Company.

"Pledged Issuer's Jurisdiction" means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44(2) of the STA.

"Pledged Security Certificates" means any and all Security Certificates representing the Pledged Certificated Securities.

"Pledged Securities" means any and all Collateral that is a Security.

"Pledged Securities Accounts" means any and all Collateral that is a Securities Account.

"Pledged Securities Intermediary" means, at any time, any Person which is at such time a Securities Intermediary at which a Pledged Securities Account is maintained.

"Pledged Securities Intermediary's Jurisdiction" means, with respect to any Securities Intermediary, its jurisdiction as determined under section 45(2) of the STA.

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"Pledged Security Entitlements" means any and all Collateral that is a Security Entitlement.

"Pledged Uncertificated Securities" means any and all Collateral that is an Uncertificated Security.

"PPSA" means the *Personal Property Security Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"Release Date" means the date on which all the Secured Liabilities have been indefeasibly paid and discharged in full and the Borrower, the Guarantor and the Pledgor have no further obligations to the Creditor under this Pledge Agreement, the Commitment or any other Credit Documents pursuant to which further Secured Liabilities might arise.

"Secured Liabilities" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) at any time due or accruing due or owing by the Pledgor, the Borrower or the Guarantor to the Creditor in connection with or with respect to this Pledge Agreement, the Commitment or any other Credit Documents or otherwise howsoever incurred and whether incurred as principal or surety.

"Security Interests" means the Liens created by the Pledgor in favour of the Creditor under this Agreement.

"STA" means the *Securities Transfer Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"Uncertificated Security" means a Security that is not represented by a Certificate.

2. **Grant of Security Interests.** As general and continuing collateral security for the due payment and performance of the Secured Liabilities, the Pledgor hereby charges, hypothecates and pledges to and deposits with the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. **Guarantee Agreement.** The Pledgor hereby absolutely, irrevocably and unconditionally guarantees to the Creditor, payment forthwith after demand as hereinafter provided, of the debts or liabilities whether direct, contingent or otherwise, present or future, matured or not which the Company, a corporation incorporated under the laws of British Columbia, has incurred or is under or may incur or be under to the Creditor, whether arising from dealings between the Creditor and the Company or from any dealings or proceedings by which the Company may become in any manner whatsoever liable to the Creditor the payment of all costs, expenses and solicitor's fees incurred by the Creditor in connection with any default on the part of the Company in making payment to the Creditor.

4. **Limited Liability.** The liability of the Pledgor hereunder shall be limited to the value of the Pledged Property.

5. **Attachment; No Obligation to Advance.** The Pledgor confirms that value has been given by the Creditor to the Pledgor, that the Pledgor has rights in the Collateral existing at the

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date of this Agreement (other than after-acquired property) and that the Pledgor and the Creditor have not agreed to postpone the time for attachment of the Security Interests to any of the Collateral. The Security Interests will have effect and be deemed to be effective whether or not the Secured Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditor shall obligate the Creditor to make any financial accommodation or further financial accommodation available to the Pledgor, the Borrower, the Guarantor or any other Person.

6. **Representations and Warranties.** The Pledgor represents and warrants to the Creditor that, as of the date of this Agreement:

- (a) **Pledgor Information.** All of the information set out in Schedule B is accurate and complete.
- (b) **Title; No Other Security Interests.** Except for Permitted Liens, the Pledgor owns the Collateral free and clear of any Liens. The Pledgor is the recorded and beneficial owner of all Collateral that is Investment Property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens.
- (c) **Authority.** The Pledgor has full power and authority to grant to the Creditor the Security Interests and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any agreement or instrument to which the Pledgor is a party or by which the Pledgor or any of the Collateral is bound.
- (d) **Consents.** Except for any consent that has been obtained and is in full force and effect, no consent of any Person is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement. For the purposes of complying with any transfer restrictions contained in the Organizational Documents of any Pledged Issuer, the Pledgor hereby irrevocably consents to any transfer of the Pledged Securities of such Pledged Issuer.
- (e) **Execution and Delivery.** This Agreement has been duly executed and delivered by the Pledgor and is a valid and binding obligation of the Pledgor enforceable against the Pledgor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar Laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.
- (f) **Partnerships, Limited Liability Companies.** The terms of any interest in a partnership or limited liability company that is Collateral expressly provide that such interest is a "security" for the purposes of the STA.
- (g) **Warrants, Options, etc.** There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property

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that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Securities.

- (h) No Required Disposition. There is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Pledgor would be required to sell or otherwise dispose of any Pledged Securities or under which any Pledged Issuer thereof has any obligation to issue any Securities of such Pledged Issuer to any Person.

7. Survival of Representations and Warranties. All representations and warranties made by the Pledgor in this Agreement (a) are material, (b) will be considered to have been relied on by the Creditor, and (c) will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Secured Liabilities until the Release Date.

8. Covenants. The Pledgor covenants and agrees with the Creditor that:

- (a) Further Documentation. The Pledgor will from time to time, at the expense of the Pledgor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Pledgor acknowledges that this Agreement has been prepared based on the existing Laws in the Province of British Columbia and that a change in such Laws, or the Laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Pledgor agrees that the Creditor will have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Pledgor will immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such Laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Pledgor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Liens similar to, and having the same effect as, the Security Interests.
- (b) Limitations on Other Liens. The Pledgor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Liens, and the Pledgor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.
- (c) Limitations on Dispositions of Collateral. The Pledgor will not, without the Creditor's prior written consent, sell or otherwise dispose of any of the Collateral.
- (d) Amalgamation, Merger or Consolidation. The Pledgor will not permit any Pledged Issuer to amalgamate, merge or consolidate unless all of the

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outstanding capital stock of the surviving or resulting corporation is, upon such amalgamation, merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding shares of any other constituent corporation.

- (e) Pledged Certificated Securities. The Pledgor will deliver to the Creditor any and all Pledged Security Certificates and other materials as may be required from time to time to provide the Creditor with control over all Pledged Certificated Securities in the manner provided under section 23 of the STA. At the request of the Creditor, the Pledgor will cause all Pledged Security Certificates to be registered in the name of the Creditor or its nominee.
- (f) Pledged Uncertificated Securities. The Pledgor will deliver to the Creditor any and all such documents, agreements and other materials as may be required from time to time to provide the Creditor with control over all Pledged Uncertificated Securities in the manner provided under section 24 of the STA.
- (g) Pledged Security Entitlements. The Pledgor will deliver to the Creditor any and all such documents, agreements and other materials as may be required from time to time to provide the Creditor with control over all Pledged Security Entitlements in the manner provided under section 25 or 26 of the STA.
- (h) Partnerships, Limited Liability Companies. The Pledgor will ensure that the terms of any interest in a partnership or limited liability company that is Collateral will expressly provide that such interest is a "security" for the purposes of the STA.
- (i) Transfer Restrictions. If the constating documents of any Pledged Issuer restrict the transfer of the Securities of such Pledged Issuer, then the Pledgor will deliver to the Creditor a certified copy of a resolution of the directors, shareholders, unitholders or partners of such Pledged Issuer, as applicable, consenting to the transfer(s) contemplated by this Agreement, including any prospective transfer of the Collateral by the Creditor upon a realization on the Security Interests.
- (j) Notices. The Pledgor will advise the Creditor promptly, in reasonable detail, of any:
 - (i) acquisition after the date of this Agreement of any right, title or interest in any Pledged Property, together with all applicable information set out in Schedule B with respect thereto;
 - (ii) change to a Pledged Securities Intermediary's Jurisdiction, or Pledged Issuer's Jurisdiction;
 - (iii) change in the location of the jurisdiction of domicile of the Pledgor;
 - (iv) Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral; or

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- (v) occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests.

The Pledgor will not effect or permit any of the changes referred to in clauses (ii) through (v) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected first priority Security Interest in respect of all of the Collateral.

9. **Voting Rights.** Unless an Event of Default has occurred and is continuing, the Pledgor will be entitled to exercise all voting power from time to time exercisable in respect of the Pledged Securities and Pledged Security Entitlements and give consents, waivers and ratifications in respect thereof; provided, however, that no vote will be cast or consent, waiver or ratification given or action taken which would be, or would have a reasonably likelihood of being, prejudicial to the interests of the Creditor or which would have the effect of reducing the value of the Collateral as security for the Secured Liabilities or imposing any restriction on the transferability of any of the Collateral. Unless an Event of Default has occurred and is continuing, the Creditor shall, from time to time at the request and expense of the Pledgor, execute or cause to be executed, in respect of all Pledged Securities that are registered in the name of the Creditor or its nominee, valid proxies appointing the Pledgor as its (or its nominee's) proxy to attend, vote and act for and on behalf of the Creditor or such nominee, as the case may be, at any and all meetings of the applicable Pledged Issuer's shareholders or debt holders, all Pledged Securities that are registered in the name of the Creditor or such nominee, as the case may be, and to execute and deliver, consent to or approve or disapprove of or withhold consent to any resolutions in writing of shareholders or debt holders of the applicable Pledged Issuer for and on behalf of the Creditor or such nominee, as the case may be. Immediately upon the occurrence and during the continuance of any Event of Default, all such rights of the Pledgor to vote and give consents, waivers and ratifications will cease and the Creditor or its nominee will be entitled to exercise all such voting rights and to give all such consents, waivers and ratifications.

10. **Dividends; Interest.** The Pledgor shall not be entitled to receive any cash dividends, interest, principal payments or any other forms of cash distribution on the Pledged Securities or Pledged Security Entitlements which it is otherwise entitled to receive (collectively, the "Cash Distributions") without the prior written consent of the Creditor, which consent may be unreasonably withheld in its sole discretion. Furthermore, any and all stock and/or liquidating dividends, distributions of property, returns of capital or other distributions made on or in respect of the Pledged Securities or Pledged Security Entitlements, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any Pledged Issuer or received in exchange for the Pledged Securities, Pledged Security Entitlements or any part thereof or as a result of any amalgamation, merger, consolidation, acquisition or other exchange of property to which any Pledged Issuer may be a party or otherwise, and any and all cash and other property received in exchange for any Pledged Securities or Pledged Security Entitlements will be and become part of the Collateral subject to the Security Interests and, if received by the Pledgor, will forthwith be delivered to the Creditor or its nominee (accompanied, if appropriate, by proper instruments of assignment and/or stock powers of attorney executed by the Pledgor in accordance with the Creditor's instructions) to be held subject to the terms of this Agreement; and if any of the Pledged Security Certificates have been registered in the name of

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the Creditor or its nominee, the Creditor will execute and deliver (or cause to be executed and delivered) to the Pledgor all such dividend orders and other instruments as the Pledgor may request for the purpose of enabling the Pledgor to receive the Cash Distributions which the Pledgor is authorized to receive and retain pursuant to this Section (i.e. with the prior written consent of the Creditor). If an Event of Default has occurred and is continuing, all rights of the Pledgor pursuant to this Section will cease and the Creditor will have the sole and exclusive right and authority to receive and retain the cash dividends, interest, principal payments and other forms of cash distribution which the Pledgor would otherwise be authorized to retain pursuant to this Section. Any money and other property paid over to or received by the Creditor pursuant to the provisions of this Section will be retained by the Creditor as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement.

11. **Rights on Event of Default.** If an Event of Default has occurred and is continuing, then and in every such case all of the Secured Liabilities shall, at the option of the Creditor, become immediately due and payable and the Security Interests shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under applicable Law may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

- (a) **Rights under PPSA, etc.** Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.
- (b) **Dispose of Collateral.** Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality, except as required by applicable Law, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (c) **Court-Approved Disposition of Collateral.** Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.
- (d) **Purchase by Creditor.** At any public sale, and to the extent permitted by Law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Pledgor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Secured Liabilities then due and payable to it as a credit against the purchase price.
- (e) **Transfer of Collateral.** Transfer any Collateral that is Investment Property into the name of the Creditor or its nominee.
- (f) **Voting.** Vote any or all of the Pledged Securities (whether or not transferred to the Creditor or its nominee) and Pledged Security Entitlements and give or

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withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof.

- (g) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Collateral that is Investment Property as if the Creditor were the absolute owner of such Investment Property.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable Law) to or on the Pledgor or any other Person, and the Pledgor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable Law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Pledgor acknowledges and agrees that any action taken by the Creditor hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

12. Realization Standards. To the extent that applicable Law imposes duties on the Creditor to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditor to dispose of the Collateral in any such manner, the Pledgor acknowledges and agrees that it is not commercially unreasonable for the Creditor to (or not to) (a) to the extent deemed appropriate by the Creditor, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditor in the collection or disposition of any of the Collateral, (b) dispose of Collateral in whole or in part, (c) dispose of Collateral to a customer of the Creditor, and (d) establish an upset or reserve bid price in respect of Collateral.

13. Securities Laws. The Creditor is authorized, in connection with any offer or sale of any Pledged Securities or Pledged Security Entitlements, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable Law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. In addition to and without limiting Section 12, the Pledgor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Pledgor for any discount allowed by reason of the fact that such Pledged Securities or Pledged Security Entitlements are sold in compliance with any such limitation or restriction. If the Creditor chooses to exercise its right to sell any or all Pledged Securities or Pledged Security Entitlements, upon written request, the Pledgor will cause each applicable Pledged Issuer to furnish to the Creditor all such information as the Creditor may request in order to determine the number of shares and other instruments included in the Collateral which may be sold by the Creditor in exempt transactions under any Laws governing securities, and the rules and regulations of any applicable securities regulatory body thereunder, as the same are from time to time in effect.

14. [Intentionally Deleted].

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15. **Application of Proceeds.** All Proceeds of Collateral received by the Creditor may be applied to discharge or satisfy any expenses (including expenses of enforcing the Creditor's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Secured Liabilities or be applied to such of the Secured Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by Law.

16. **Continuing Liability of Pledgor.** The Pledgor will remain liable for any Secured Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

17. **Creditor's Appointment as Attorney-in-Fact.** Effective upon the occurrence and during the continuance of an Event of Default, the Pledgor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Pledgor's true and lawful attorney-in-fact with full power and authority in the place of the Pledgor and in the name of the Pledgor or in its own name, from time to time in the Creditor's discretion, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the effect of this Section, the Pledgor grants the Creditor an irrevocable proxy to vote the Pledged Securities and Pledged Security Entitlements and to exercise all other rights, powers, privileges and remedies to which a holder thereof would be entitled (including giving or withholding written consents of shareholders, calling special meetings of shareholders and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Securities or Pledged Security Entitlements on the books and records of a Pledged Issuer or Pledged Securities Intermediary, as applicable, upon the occurrence of an Event of Default. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification statements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate. The Pledgor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditor or any of the Creditor's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditor pursuant to this Section.

18. **Performance by Creditor of Pledgor's Obligations.** If the Pledgor fails to perform or comply with any of the obligations of the Pledgor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Pledgor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Secured Liabilities and will be secured by the Security Interests.

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19. **Interest.** If any amount payable by the Pledgor to the Creditor under this Agreement is not paid when due, the Pledgor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times to 11.50% per annum. All amounts payable by the Pledgor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Secured Liabilities and will be secured by the Security Interests.

20. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

21. **Rights of Creditor; Limitations on Creditor's Obligations.**

- (a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Pledgor or any other Person for any failure or delay in exercising any of the rights of the Pledgor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any agent of the Creditor will be liable for any, and the Pledgor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any agent of the Creditor) caused for any reason other than the gross negligence or wilful misconduct of the Creditor or such agent of the Creditor.
- (b) **Use of Agents.** The Creditor may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

22. **Dealings by Creditor.** The Creditor will not be obliged to exhaust its recourse against the Pledgor, the Borrower, the Guarantor or any other Person or against any other security it may hold in respect of the Secured Liabilities or any part thereof before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Pledgor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Secured Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

23. **Communication.** Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of

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the Pledgor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Pledgor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

24. **Release of Information.** The Pledgor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor (i) to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of the Secured Liabilities, and (iii) as required by applicable Law.

25. **Expenses; Indemnity; Waiver.**

- (a) The Pledgor shall pay (i) all reasonable out-of-pocket expenses incurred by the Creditor, including the reasonable fees, charges and disbursements of counsel for the Creditor and all applicable taxes, in connection with the preparation and administration of this Agreement, (ii) all reasonable out-of-pocket expenses incurred by the Creditor, including the reasonable fees, charges and disbursements of counsel for the Creditor and applicable taxes, in connection with any amendments, modifications or waivers of the provisions hereof, and (iii) all out-of-pocket expenses incurred by the Creditor, including the fees, charges and disbursements of any counsel for the Creditor and all applicable taxes, in connection with the assessment, enforcement or protection of their rights in connection with this Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Secured Liabilities.
- (b) The Pledgor shall indemnify the Creditor against, and hold the Creditor harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable taxes to which the Creditor may become subject arising out of or in connection with (i) the execution or delivery of this Agreement and the performance by the Pledgor of its obligations hereunder, (ii) any actual or prospective claim, litigation, investigation or proceeding relating to this Agreement or the Secured Liabilities, whether based on contract, tort or any other theory and regardless of whether the Creditor is a party thereto, (iii) any other aspect of this Agreement, or (iv) the enforcement of the Creditor's rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries; provided that such indemnity shall not, as to the Creditor, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence (it being

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acknowledged that ordinary negligence does not necessarily constitute gross negligence) or wilful misconduct of or material breach of this Agreement by the Creditor.

- (c) The Pledgor shall not assert, and hereby waives (to the fullest extent permitted by applicable Law), (i) any claim against the Creditor (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.
- (d) All amounts due under this Section shall be payable not later than three Business Days after written demand therefor.
- (e) The indemnifications set out in this Section will survive the Release Date and the release or extinguishment of the Security Interests.

26. **Release of Pledgor.** Upon the written request of the Pledgor given at any time on or after the Release Date, the Creditor shall at the expense of the Pledgor, release the Pledgor and the Collateral from the Security Interests. Upon such release, and at the request and expense of the Pledgor, the Creditor shall execute and deliver to the Pledgor such releases and discharges as the Pledgor may reasonably request.

27. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Pledgor or any other Person to the Creditor, all of which other security shall remain in full force and effect.

28. **Alteration or Waiver.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Pledgor to pay the Secured Liabilities, nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

29. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the Laws of the Province of British Columbia. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Pledgor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable Law, the Pledgor irrevocably waives any objection (including any

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claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

30. **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement, Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. Any reference in this Agreement to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Security Interest to any Permitted Lien. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

31. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Pledgor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Pledgor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of its rights and obligations hereunder to any Person that replaces it in its capacity as such. If the Pledgor or the Creditor is an individual, then the term "Pledgor" or "Creditor", as applicable, will also include his or her heirs, administrators and executors.

32. **Acknowledgment of Receipt/Waiver.** The Pledgor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable Law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

33. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Pledgor by facsimile or other electronic form of transmission shall be as effective as delivery by the Pledgor of a manually executed copy of this Agreement by the Pledgor.

[Signature page follows]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

CONIAN DEVELOPMENTS INC.

Per: _____

Name: _____

Title: _____


Ronald Khalig
Director

Per: _____

Name: _____

Title: _____

SCHEDULE APLEDGED PROPERTY

- A. All Investment Property in which the Pledgor now or in the future has any right, title or interest, including, but not limited to all of the issued and outstanding shares in the Company.
- B. All Securities in which the Pledgor now or in the future has any right, title or interest.
- C. All Securities Accounts in which the Pledgor now or in the future has any right, title or interest whatsoever, and all Securities Entitlements carried therein from time to time.
- D. The Securities Accounts described in Schedule B and all Securities Entitlements carried therein from time to time.

SCHEDULE BPLEDGOR & PLEDGED PROPERTY INFORMATION

Pledged Certificated Securities:

<u>Name</u>	<u>Cert. No.</u>	<u>Shares</u>
Conian Developments Inc.	<u>2</u>	100

Pledged Securities Accounts:

This is Exhibit "Q" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference December 20, 2018 made by **CONIAN DEVELOPMENTS (LA VODA) INC.** (the "Guarantor"), to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments (La Voda II) Inc. (the "**Borrower**") has entered into a commitment letter with the Lender dated December 12, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other

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person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by

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the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10469 - 125B St, Surrey, B.C. V3V 5A8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

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

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of Canada and is in good standing, in all jurisdictions where the Guarantor carries on business;
- (b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and
- (c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) the constating documents of the Guarantor;
 - (ii) any law applicable or binding on the Guarantor; or
 - (iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to

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perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or
 - (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

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19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

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(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

CONIAN DEVELOPMENTS (LA VODA)
INC.

Per: _____

Name: _____

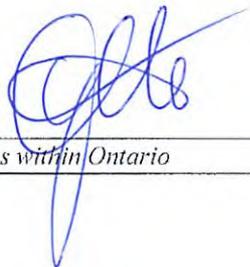
Title: _____

Per: _____

Name: _____

Title: _____

This is Exhibit "R" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference June 15, 2018 made by B.C. CURRENCY EXCHANGE INC. (the "Guarantor"), to and in favour of ROMSPEN INVESTMENT CORPORATION (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments Inc. (the "Borrower") has entered into a commitment letter with the Lender dated May 23, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "Commitment"), wherein the Lender has agreed to advance certain credit facilities (the "Credit Facilities") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or

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any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as

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conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10230 - 152nd Street, Surrey, B.C. V3R 6N7, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations

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is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of Canada and is in good standing, in all jurisdictions where the Guarantor carries on business;
- (b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and
- (c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) the constating documents of the Guarantor;
 - (ii) any law applicable or binding on the Guarantor; or
 - (iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

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- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or
 - (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt

by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

B.C. CURRENCY EXCHANGE INC.

Per:  _____

Name: Rama Wasif Khalig

Title: President

Per: _____

Name:

Title:

This is Exhibit "S" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference December 20, 2018 made by **B.C. CURRENCY EXCHANGE INC.** (the "Guarantor"), to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments (La Voda II) Inc. (the "**Borrower**") has entered into a commitment letter with the Lender dated December 12, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other

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person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by

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the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10230 - 152nd Street, Surrey, B.C. V3R 6N7, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

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

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of Canada and is in good standing, in all jurisdictions where the Guarantor carries on business;
- (b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and
- (c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) the constating documents of the Guarantor;
 - (ii) any law applicable or binding on the Guarantor; or
 - (iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to

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perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or
 - (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

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19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

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(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

B.C. CURRENCY EXCHANGE INC.

Per: 

Name:

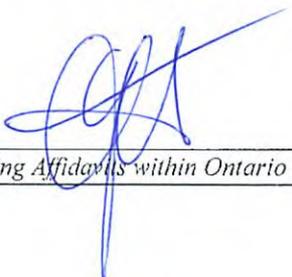
Title: RANA KHANIQ.

Per: DIRECTOR.

Name:

Title:

This is Exhibit "T" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference June 15, 2018 made by **RANA WASIF KHALIQ** (the "Guarantor"), to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments Inc. (the "Borrower") has entered into a commitment letter with the Lender dated May 23, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "Commitment"), wherein the Lender has agreed to advance certain credit facilities (the "Credit Facilities") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or

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any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as

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conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10469 - 125B St, Surrey, B.C. V3V 5A8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations

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is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) has full right, power and capacity to enter into and perform its obligations under this Guarantee and any security given in respect hereof; and
- (b) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any law applicable or binding on the Guarantor; or
 - (ii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or
- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

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- (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

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21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original

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Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

Name

RAND L. BUCKLEY
Barrister & Solicitor

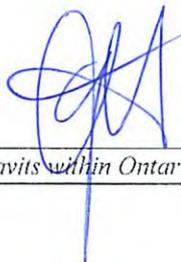
Address

200 - 8120 126th Street
Vancouver, B.C. V6W 1R1

Occupation


RANA WASIF KHALIQ

This is Exhibit "U" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference December 20, 2018 made by RANA WASIF KHALIQ (the "Guarantor"), to and in favour of ROMSPEN INVESTMENT CORPORATION (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments (La Voda II) Inc. (the "Borrower") has entered into a commitment letter with the Lender dated December 12, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "Commitment"), wherein the Lender has agreed to advance certain credit facilities (the "Credit Facilities") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or

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any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as

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conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10469 - 125B St, Surrey, B.C. V3V 5A8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations

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is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) has full right, power and capacity to enter into and perform its obligations under this Guarantee and any security given in respect hereof; and
- (b) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any law applicable or binding on the Guarantor; or
 - (ii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or
- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

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- (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

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21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("Notices") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "Original Currency") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "Judgment Currency"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original

- 8 -

Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

_____)
 Name **RAND L. BUCKLEY**)
 Barrister & Solicitor)
 200 - 8120 128th Street)
 C. 100 P. O. V3W 1R1)
 Address _____)
 _____)
 Occupation _____)



RANA WASIF KHALIQ

This is Exhibit "V" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference June 15, 2018 made by **ROBINA KHAN** (the "Guarantor"), to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments Inc. (the "**Borrower**") has entered into a commitment letter with the Lender dated May 23, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or

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any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as

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conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10469 - 125B St, Surrey, B.C. V3V 5A8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations

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is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) has full right, power and capacity to enter into and perform its obligations under this Guarantee and any security given in respect hereof; and
- (b) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any law applicable or binding on the Guarantor; or
 - (ii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or
- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

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- (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

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21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original

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Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:



Witness

RAJDEEP S. GILL
Name *Barrister & Solicitor*
RAJ GILL LAW CORPORATION
#205 - 12885 80 AVE
SURREY, B.C. V3W 0E6
Address TEL: 604-603-6470

Occupation



ROBINA KHAN

This is Exhibit "W" referred to in the affidavit of
W. Roitman sworn before me at Toronto this 29
day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference December 20, 2018 made by **ROBINA KHAN** (the "Guarantor"), to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments (La Voda II) Inc. (the "**Borrower**") has entered into a commitment letter with the Lender dated December 12, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or

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any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as

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conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10469 - 125B St, Surrey, B.C. V3V 5A8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations

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is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) has full right, power and capacity to enter into and perform its obligations under this Guarantee and any security given in respect hereof; and
- (b) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any law applicable or binding on the Guarantor; or
 - (ii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or
- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

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- (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. **Interest Act (Canada).** For the purposes of the *Interest Act (Canada)*, as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
- (c) divided by 360 days or 365 days, as the case may be.

16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code (Canada)*), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)*.

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original

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Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:



Witness

RAJDEEP S. GILL
Barrister & Solicitor

Name **RAJ GILL LAW CORPORATION**
#205 - 12885 80 AVE
SURREY, B.C. V3W 0E6
Address TEL: 604-593-6574

Occupation


ROBINA KHAN

This is Exhibit "X" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference December 20, 2018 made by **CONIAN DEVELOPMENTS INC.** (the "Guarantor"), to and in favour of **ROMSPEN INVESTMENT CORPORATION** (the "Lender"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Conian Developments (La Voda II) Inc. (the "Borrower") has entered into a commitment letter with the Lender dated December 12, 2018 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "Commitment"), wherein the Lender has agreed to advance certain credit facilities (the "Credit Facilities") to the Borrower.

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

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

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

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

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

- (a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or

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any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "Security and Supporting Agreements") or otherwise;

- (b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;
- (c) any defence, counter-claim or right of set-off available to the Borrower;
- (d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;
- (e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;
- (f) the assignment of all or any part of the benefits of this Guarantee;
- (g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

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

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as

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conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 10469 - 125B St, Surrey, B.C. V3V 5A8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

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

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

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

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

- (a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;
- (b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;
- (c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and
- (d) apply to the Guaranteed Obligations any sums from time to time received.

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

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

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations

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is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

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

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

- (a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of Canada and is in good standing, in all jurisdictions where the Guarantor carries on business;
- (b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and
- (c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

- (a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;
- (b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and
- (c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

- (d) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) the constating documents of the Guarantor;
 - (ii) any law applicable or binding on the Guarantor; or
 - (iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

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- (e) result in, or require or permit:
 - (i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or
 - (ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.
15. **Interest Act (Canada).** For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:
- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be,
 - (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and
 - (c) divided by 360 days or 365 days, as the case may be.
16. **Criminal Code (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:
- (a) first, by reducing the amount or rate of interest required to be paid to the Lender; and
 - (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).
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21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown on the first page of the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

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23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt

by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[Signature page follows]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

CONIAN DEVELOPMENTS INC.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

This is Exhibit "Y" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

James D Burns*
 Jeffrey B Lightfoot*
 Christopher P Weafer*
 Gregory J Tucker, QC* ** ***
 Laura A Wright
 James H McBeath*
 Scott W Urquhart
 Pamela E Sheppard*
 Jocelyn M Bellerud*
 Brian Y K Cheng**
 Georgia Barnard
 Rose-Mary L Basham, QC, Associate Counsel*
 Josephine M Nadel, QC, Associate Counsel*
 Hon Walter S Owen, QC, QC, LLD (1981)
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Allison R Kuchta*
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 James W Zaitsoff*
 Daniel H Coles* *
 Sameer Kamboj
 Patrick J Weafer
 Brittnay S Dumanowski

* Law Corporation
 * Also of the Yukon Bar
 ** Also of the Alberta Bar
 *** Also of the Ontario Bar
 ** Also of the Washington Bar

OWEN BIRD
 LAW CORPORATION

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 Canada V7X 1J5

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 Fax 604 688-2827
 Website www.owenbird.com

Direct Line: 604 691-7521
 Direct Fax: 604 632-4447
 E-mail: sstephens@owenbird.com
 Our File: 30354/0026

June 8, 2020

VIA REGISTERED AND REGULAR MAIL

Conian Developments (La Voda) Inc.
 c/o 10469 125B Street
 Surrey, B.C. V3V 5A8

Dear Sirs/Mesdames:

Re: Debts Due to Romspen Investment Corporation

We are counsel to Romspen Investment Corporation (“Romspen”).

We are informed that Conian Developments (La Voda) Inc. (formerly, Conian Developments Inc.) is in default of its obligations to Romspen, including on account of failure to remit payments when due, registration of subordinate charges against the mortgaged property, material adverse change and the filing a bankruptcy proposal by one of the guarantors. Romspen hereby exercises its right to demand repayment of the indebtedness. We are informed that the following sets out the indebtedness as at June 8, 2020:

Outstanding Balance	Per Diem Interest	Legal Fees
\$6,339,300.87	\$1,758.54	\$1,500

Demand is hereby made for the immediate payment to our offices by way of certified cheque or bank draft payable to “Owen Bird Law Corporation, In Trust,” in the sum of \$6,340,800.87 as at June 8, 2020 plus accrued interest to and including the date funds are received in our offices. Any payment less than the full amount outstanding may be accepted by Romspen, but such payments shall not vitiate this demand for full payment and Romspen reserves its right to take whatever steps it deems appropriate to recover the full amount owed notwithstanding such payments.

Unless we are in receipt of the sum of \$6,340,800.87 as at June 8, 2020 plus interest accrued to and including the date funds are received in our offices on or before noon, June 22, 2020, our client may instruct us to commence proceedings against you forthwith thereafter without further notice to recover the full amounts owing plus costs. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.

June 8, 2020
Page 2

OWEN · BIRD
LAW CORPORATION

Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION

Scott H. Stephens

SHS/lg

Encl: Notice of Intention to Enforce Security

cc: client

cc: guarantors

FORM 86

Notice of Intention to Enforce Security
[Subsection 244(1)]

To: Conian Developments (La Voda II) Inc., Conian Developments Inc., Conian Developments (La Voda) Inc., Rana Wasif Khaliq and Robina Khan (the "insolvent persons")

Take notice that:

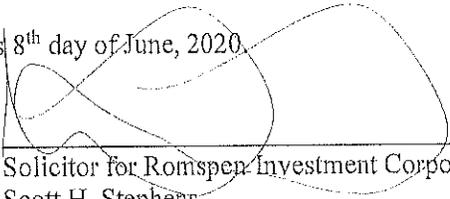
1. Romspen Investment Corporation, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

All real and personal property interests of the insolvent persons charged in favour of Romspen Investment Corporation
2. The security that is to be enforced is the following:

The mortgage, general security agreements and all other security granted by the insolvent persons to Romspen Investment Corporation
3. The total amount of the indebtedness secured by the security is:

\$9,983,933.39 as at June 8, 2020 plus interest accrued and costs incurred thereafter
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 persons consent to an earlier enforcement.

DATED at Vancouver, British Columbia this 8th day of June, 2020.



 Solicitor for Romspen Investment Corporation,
 Scott H. Stephens

Name and Address of Solicitor for Romspen Investment Corporation:

Scott H. Stephens, Owen Bird Law Corporation, P.O. Box 49130, Three Bentall Centre,
 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5, Tel.: 604-691-7521.

ACKNOWLEDGEMENT, CONSENT AND WAIVER

THE UNDERSIGNED HEREBY:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act*;
3. Waives all notice and cure provisions contained in the security referred to in the above Form 86 Notice; and
4. Consents to the immediate enforcement by Romspen Investment Corporation of the security referred to in the above Form 86 Notice.

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Conian Developments (La Voda) Inc. on the ____ day of June, 2020 by its authorized signatory:

Print name:
Title:

Print name:
Title:

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Rana Wasif Khaliq on the ____ day of June, 2020:

Print name:
Title:

RANA WASIF KHALIQ

Executed by Robina Khan on the ____ day of June, 2020;

ROBINA KHAN

James D Burns*
 Jeffrey B Lightfoot*
 Christopher P Weafer*
 Gregory J Tucker, QC** **
 Laura A Wright
 James H McBeath*
 Scott W Urquhart
 Pamela B Sheppard*
 Jocelyn M Bellerud*
 Brian Y K Cheng**
 Georgia Barnard

Rose-Mary L Basham, QC, Associate Counsel*
 Josephine M Nadel, QC, Associate Counsel*
 Hon Walter S Owen, QC, QC, LLD (1981)
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Alan A Prydenlund, QC* *
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 Terence W Yu*
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 Paul A Brackstone* *
 James W Zaisloff*
 Daniel H Coles* *
 Sameer Kanhoj
 Patrick J Weafer
 Britney S Dimanowski
 + Law Corporation
 * Also of the Yukon Bar
 ** Also of the Alberta Bar
 *** Also of the Ontario Bar
 ** Also of the Washington Bar

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 Website www.owenbird.com

Direct Line: 604 691-7521
 Direct Fax: 604 632-4447
 E-mail: sstephens@owenbird.com
 Our File: 30354/0026

June 8, 2020

VIA REGISTERED AND REGULAR MAIL

Rana Wasif Khaliq
 Robina Khan
 c/o 10469 – 125B Street
 Surrey, B.C. V3V 5A8

Dear Sir or Madam:

Re: Debts Due to Romspen Investment Corporation

We are counsel to Romspen Investment Corporation (“Romspen”).

Romspen has exercised its right to demand payment of the indebtedness of Conian Developments (La Voda) Inc. (formerly, Conian Developments Inc.) and, accordingly, the indebtedness is now due and payable. The amount due is the sum of \$6,340,800.87 as of June 8, 2020. Interest, fees and costs continue to accrue.

Demand is hereby made under your guarantee for immediate payment to our offices by way of certified cheque or bank draft payable to “Owen Bird Law Corporation, In Trust” for the amount due thereunder. Unless we are in receipt of the sum of \$6,340,800.87 as of June 8, 2020 plus accrued interest, fees and costs to and including the date funds are received in our offices on or before noon, June 22, 2020, our client may instruct us to commence proceedings against you forthwith thereafter without further notice to recover the full amount owing under your guarantee. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION

Scott H. Stephens

SHS/lg

Encl: Demand letter to borrower and Notice of Intention to Enforce Security
 cc: client

{01620164;1}



INTERLAW MEMBER OF INTERLAW, AN INTERNATIONAL ASSOCIATION
 OF INDEPENDENT LAW FIRMS IN MAJOR WORLD CENTRES



James D Burns*
 Jeffrey B Lightfoot*
 Christopher P Weafer*
 Gregory J Tucker, QC* ** **
 Laura A Wright
 James H McBeath*
 Scott W Urquhart
 Pamela B Sheppard*
 Jocelyn M Bellerud*
 Brian Y K Chung**
 Georgia Barnard

Rose-Mary L Basham, QC, Associate Counsel*
 Josephine M Nadell, QC, Associate Counsel*
 Hon Walter S Owen, QC, QC, LL.D (1981)
 John I Bird, QC (2005)

Duncan J Manson*
 Daniel W Butnnett, QC*
 Ronald G Paion*
 Gary M Yaffe*
 Harley J Harris*
 Jennifer M Williams*
 Barbara B Janzen
 George J Royer*
 Tony R Anderson
 Charlene R Joanes
 Lucky D Johnl

Alan A Frydenlund, QC*⁴
 Harvey S Delaney*
 Paul J Brown*
 Heather B Macdonachie
 Jonathan L Williams*
 Kari F Richardson*
 Scott F Stephens*
 David W P Moriarty
 Katharina R Spotzl*
 Steffi M Boyce
 H Halley Graham

Allison R Kuchta*
 James L Carplek*
 Patrick J Haberl*
 Terence W Yu*
 Michael P Robson*
 Paul A Bruckstone*⁴
 James W Zaltsoff*
 Daniel H Coles*⁴
 Sameer Kamboj
 Patrick J Weafer
 Brittney S Dumanowski

* Law Corporation
⁴ Also of the Yukon Bar
⁴² Also of the Alberta Bar
⁴²² Also of the Ontario Bar
⁴²² Also of the Washington Bar

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 Website www.owenbird.com

Direct Line: 604 691-7521
 Direct Fax: 604 632-4447
 E-mail: sstephens@owenbird.com
 Our File: 30354/0026

June 8, 2020

VIA REGISTERED AND REGULAR MAIL

Conian Developments (La Voda) Inc.
 c/o 10469 125B Street
 Surrey, B.C. V3V 5A8

Dear Sirs/Mesdames:

Re: Debts Due to Romspen Investment Corporation

We are counsel to Romspen Investment Corporation (“Romspen”).

We are informed that Conian Developments (La Voda) Inc. (formerly, Conian Developments Inc.) is in default of its obligations to Romspen, including on account of failure to remit payments when due, registration of subordinate charges against the mortgaged property, material adverse change and the filing a bankruptcy proposal by one of the guarantors. Romspen hereby exercises its right to demand repayment of the indebtedness. We are informed that the following sets out the indebtedness as at June 8, 2020:

Outstanding Balance	Per Diem Interest	Legal Fees
\$6,339,300.87	\$1,758.54	\$1,500

Demand is hereby made for the immediate payment to our offices by way of certified cheque or bank draft payable to “Owen Bird Law Corporation, In Trust,” in the sum of \$6,340,800.87 as at June 8, 2020 plus accrued interest to and including the date funds are received in our offices. Any payment less than the full amount outstanding may be accepted by Romspen, but such payments shall not vitiate this demand for full payment and Romspen reserves its right to take whatever steps it deems appropriate to recover the full amount owed notwithstanding such payments.

Unless we are in receipt of the sum of \$6,340,800.87 as at June 8, 2020 plus interest accrued to and including the date funds are received in our offices on or before noon, June 22, 2020, our client may instruct us to commence proceedings against you forthwith thereafter without further notice to recover the full amounts owing plus costs. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.



June 8, 2020
Page 2

OWEN BIRD
LAW CORPORATION

Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION

Scott H. Stephens

SHS/lg

Encl: Notice of Intention to Enforce Security

cc: client

cc: guarantors

FORM 86

Notice of Intention to Enforce Security
[Subsection 244(1)]

To: Conian Developments (La Voda II) Inc., Conian Developments Inc., Conian Developments (La Voda) Inc., Rana Wasif Khaliq and Robina Khan (the "insolvent persons")

Take notice that:

1. Romspen Investment Corporation, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

All real and personal property interests of the insolvent persons charged in favour of Romspen Investment Corporation

2. The security that is to be enforced is the following:

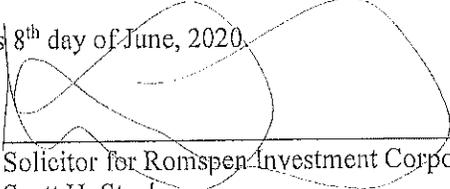
The mortgage, general security agreements and all other security granted by the insolvent persons to Romspen Investment Corporation

3. The total amount of the indebtedness secured by the security is:

\$9,983,933.39 as at June 8, 2020 plus interest accrued and costs incurred thereafter

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 persons consent to an earlier enforcement.

DATED at Vancouver, British Columbia this 8th day of June, 2020.



 Solicitor for Romspen Investment Corporation,
 Scott H. Stephens

Name and Address of Solicitor for Romspen Investment Corporation:

Scott H. Stephens, Owen Bird Law Corporation, P.O. Box 49130, Three Bentall Centre,
 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5, Tel.: 604-691-7521.

ACKNOWLEDGEMENT, CONSENT AND WAIVER

THE UNDERSIGNED HEREBY:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act*;
3. Waives all notice and cure provisions contained in the security referred to in the above Form 86 Notice; and
4. Consents to the immediate enforcement by Romspen Investment Corporation of the security referred to in the above Form 86 Notice.

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Conian Developments (La Voda) Inc. on the ____ day of June, 2020 by its authorized signatory:

 Print name:
 Title:

 Print name:
 Title:

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Rana Wasif Khaliq on the ____ day of June, 2020:

 Print name:
 Title:

 RANA WASIF KHALIQ

Executed by Robina Khan on the ____ day of June, 2020:

 ROBINA KHAN

This is Exhibit "Z" referred to in the affidavit of W. Roitman sworn before me at Toronto this 29 day of June 2020.



A Commissioner for taking Affidavits within Ontario

JOEL MICKELSON
Barrister & Solicitor
162 Cumberland Street, Suite 300
Toronto ON M5R 3N5
Direct Line: 416.928.4870

James D Burns*
 Jeffrey B Lightfoot*
 Christopher P Weafer*
 Gregory J Tucker, QC** ** **
 Laura A Wright
 James H McBeath*
 Barbara E Janzen
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 Josephine M Nadel, QC, Associate Counsel*
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Alan A Prydenlund, QC* *
 Harvey S Delaney*
 Paul J Brown*
 Heather E Macdonachio
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 Pamela E Sheppard*
 Jocelyn M Bellerud*
 Brian Y K Cheng**
 Georgia Barnard

* Law Corporation
 * Also of the Yukon Bar
 ** Also of the Alberta Bar
 *** Also of the Ontario Bar
 ** Also of the Washington Bar

OWEN BIRD

LAW CORPORATION

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 Website www.owenbird.com

Direct Line: 604 691-7521
 Direct Fax: 604 632-4447
 E-mail: sstephens@owenbird.com
 Our File: 30354/0026

June 8, 2020

VIA REGISTERED AND REGULAR MAIL

Conian Developments (La Voda II) Inc.
 c/o 10469 125B Street
 Surrey, B.C. V3V 5A8

Dear Sirs/Mesdames:

Re: Debt Due to Romspen Investment Corporation

We are counsel to Romspen Investment Corporation ("Romspen").

We are informed that Conian Developments (La Voda II) Inc. is in default of its obligations to Romspen, including on account of failure to remit payments when due, registration of subordinate charges against the mortgaged property, material adverse change and the filing a bankruptcy proposal by one of the guarantors. Romspen hereby exercises its right to demand repayment of the indebtedness. We are informed that the following sets out the indebtedness as at June 8, 2020:

Outstanding Balance	Per Diem Interest	Legal Fees
\$9,982,433.39	\$3,180.70	\$1,500

Demand is hereby made for the immediate payment to our offices by way of certified cheque or bank draft payable to "Owen Bird Law Corporation, In Trust," in the sum of \$9,983,933.39 as at June 8, 2020 plus accrued interest to and including the date funds are received in our offices. Any payment less than the full amount outstanding may be accepted by Romspen, but such payments shall not vitiate this demand for full payment and Romspen reserves its right to take whatever steps it deems appropriate to recover the full amount owed notwithstanding such payments.

Unless we are in receipt of the sum of \$9,983,933.39 as at June 8, 2020 plus interest accrued to and including the date funds are received in our offices on or before noon, June 22, 2020, our client may instruct us to commence proceedings against you forthwith thereafter without further notice to recover the full amounts owing plus costs. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.

Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

{01620139;1}



INTERLAW MEMBER OF INTERLAW, AN INTERNATIONAL ASSOCIATION OF INDEPENDENT LAW FIRMS IN MAJOR WORLD CENTRES



June 8, 2020
Page 2

OWEN BIRD
LAW CORPORATION

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION



Scott H. Stephens

SHS/lg

Encl: Notice of Intention to Enforce Security

cc: client

cc: guarantors

FORM 86

Notice of Intention to Enforce Security
[Subsection 244(1)]

To: Conian Developments (La Voda II) Inc., Conian Developments Inc., Conian Developments (La Voda) Inc., Rana Wasif Khaliq and Robina Khan (the "insolvent persons")

Take notice that:

1. Romspen Investment Corporation, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

All real and personal property interests of the insolvent persons charged in favour of Romspen Investment Corporation

2. The security that is to be enforced is the following:

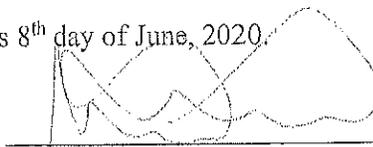
The mortgage, general security agreements and all other security granted by the insolvent persons to Romspen Investment Corporation

3. The total amount of the indebtedness secured by the security is:

\$9,983,933.39 as at June 8, 2020 plus interest accrued and costs incurred thereafter

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 persons consent to an earlier enforcement.

DATED at Vancouver, British Columbia this 8th day of June, 2020.



Solicitor for Romspen Investment Corporation,
 Scott H. Stephens

Name and Address of Solicitor for Romspen Investment Corporation:

Scott H. Stephens, Owen Bird Law Corporation, P.O. Box 49130, Three Bentall Centre,
 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5, Tel.: 604-691-7521.

ACKNOWLEDGEMENT, CONSENT AND WAIVER

THE UNDERSIGNED HEREBY:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act*;
3. Waives all notice and cure provisions contained in the security referred to in the above Form 86 Notice; and
4. Consents to the immediate enforcement by Romspen Investment Corporation of the security referred to in the above Form 86 Notice.

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Conian Developments (La Voda) Inc. on the ____ day of June, 2020 by its authorized signatory:

Print name:
Title:

Print name:
Title:

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Rana Wasif Khaliq on the ____ day of June, 2020:

Print name:
Title:

RANA WASIF KHALIQ

Executed by Robina Khan on the ____ day of June, 2020:

ROBINA KHAN

James D Burns*
 Jeffrey B Jightfoot*
 Christopher P Weafer*
 Gregory J Tucker, QC** **
 Laura A Wright
 James H McBeath*
 Barbara E Juuzen
 George J Roper*
 Tony R Anderson
 Charlene R Janes
 Lucky D Johal

Rose-Mary L Basham, QC, Associate Counsel*
 Josephine M Nadel, QC, Associate Counsel*
 Hon Walter S Owen, QC, QC, LLD (1981)
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 Georgla Barnard

* Law Corporation
 * Also of the Yukon Bar
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 Website www.owenbird.com

Direct Line: 604 691-7521
 Direct Fax: 604 632-4447
 E-mail: sstephens@owenbird.com
 Our File: 30354/0026

June 8, 2020

VIA REGISTERED AND REGULAR MAIL

Conian Developments Inc.
 Conian Developments (La Voda) Inc.
 Rana Wasif Khaliq
 Robina Khan
 c/o 10469 – 125B Street
 Surrey, B.C. V3V 5A8

Dear Sir or Madam:

Re: Debt Due to Romspen Investment Corporation

We are counsel to Romspen Investment Corporation (“Romspen”).

Romspen has exercised its right to demand payment of the indebtedness of Conian Developments (La Voda II) Inc. and, accordingly, the indebtedness is now due and payable. The amount due is the sum of \$9,983,933.39 as of June 8, 2020. Interest, fees and costs continue to accrue.

Demand is hereby made under your guarantee for immediate payment to our offices by way of certified cheque or bank draft payable to “Owen Bird Law Corporation, In Trust” for the amount due thereunder. Unless we are in receipt of the sum of \$9,983,933.39 as of June 8, 2020 plus accrued interest, fees and costs to and including the date funds are received in our offices on or before noon, June 22, 2020, our client may instruct us to commence proceedings against you forthwith thereafter without further notice to recover the full amount owing under your guarantee. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION



Scott H. Stephens

SHS/Ag

Encl: Demand letter to borrower and Notice of Intention to Enforce Security
 cc: client

{01620149;1}



INTERLAW MEMBER OF INTERLAW, AN INTERNATIONAL ASSOCIATION
 OF INDEPENDENT LAW FIRMS IN MAJOR WORLD CENTRES



James D Burns*
 Jeffrey B Lightfoot*
 Christopher P Weafer*
 Gregory J Tucker, QC* ** **
 Laura A Wright
 James H McBeath*
 Barbara E Janzen
 George J Roper*
 Tony R Anderson
 Charlene R Joanes
 Lucky D Johal

Duncan J Manson*
 Daniel W Burnett, QC*
 Ronald G Paton*
 Gary M Yaffe*
 Harley J Harris*
 Jennifer M Williams*
 Scott H Stephens*
 David W P Moriarty
 Katharina R Spetzl*
 Steffi M Boyce
 H Hailey Graham

Alan A Frydenlund, QC**
 Harvey S Delaney*
 Paul J Brown*
 Heather E Macconachio
 Jonathan L Williams*
 Karl F Richardson*
 James W Zaitsoff*
 Daniel H Coles* **
 Sameer Kamboj
 Patrick J Weafer
 Britney S Dumanovski

Allison R Kuchta*
 James L Carpick*
 Patrick J Haberl*
 Terence W Yu*
 Michael F Robson*
 Paul A Brackstone* **
 Pamela E Sheppard*
 Jocelyn M Bellerud*
 Brian Y K Cheng**
 Georgia Barnard

Rose-Mary L Basham, QC, Associate Counsel*
 Josephine M Nadel, QC, Associate Counsel*
 Hon Walter S Owen, QC, QC, LLD (1981)
 John I Bird, QC (2005)

* Law Corporation
 * Also of the Yukon Bar
 ** Also of the Alberta Bar
 ** Also of the Ontario Bar
 ** Also of the Washington Bar

OWEN BIRD
 LAW CORPORATION

PO Box 49130
 Three Bentall Centre
 2900-595 Burrard Street
 Vancouver, BC
 Canada V7X 1J5

Telephone 604 688-0401
 Fax 604 688-2827
 Website www.owenbird.com

Direct Line: 604 691-7521
 Direct Fax: 604 632-4447
 E-mail: sstephens@owenbird.com
 Our File: 30354/0026

June 8, 2020

VIA REGISTERED AND REGULAR MAIL

Conian Developments (La Voda II) Inc.
 c/o 10469 125B Street
 Surrey, B.C. V3V 5A8

Dear Sirs/Mesdames:

Re: Debt Due to Romspen Investment Corporation

We are counsel to Romspen Investment Corporation ("Romspen").

We are informed that Conian Developments (La Voda II) Inc. is in default of its obligations to Romspen, including on account of failure to remit payments when due, registration of subordinate charges against the mortgaged property, material adverse change and the filing a bankruptcy proposal by one of the guarantors. Romspen hereby exercises its right to demand repayment of the indebtedness. We are informed that the following sets out the indebtedness as at June 8, 2020:

Outstanding Balance	Per Diem Interest	Legal Fees
\$9,982,433.39	\$3,180.70	\$1,500

Demand is hereby made for the immediate payment to our offices by way of certified cheque or bank draft payable to "Owen Bird Law Corporation, In Trust," in the sum of \$9,983,933.39 as at June 8, 2020 plus accrued interest to and including the date funds are received in our offices. Any payment less than the full amount outstanding may be accepted by Romspen, but such payments shall not vitiate this demand for full payment and Romspen reserves its right to take whatever steps it deems appropriate to recover the full amount owed notwithstanding such payments.

Unless we are in receipt of the sum of \$9,983,933.39 as at June 8, 2020 plus interest accrued to and including the date funds are received in our offices on or before noon, June 22, 2020, our client may instruct us to commence proceedings against you forthwith thereafter without further notice to recover the full amounts owing plus costs. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.

Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

{01620139;1}



INTERLAW MEMBER OF INTERLAW, AN INTERNATIONAL ASSOCIATION
 OF INDEPENDENT LAW FIRMS IN MAJOR WORLD CENTRES



June 8, 2020
Page 2

OWEN · BIRD
LAW CORPORATION

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION



Scott H. Stephens

SHS/lg

Encl: Notice of Intention to Enforce Security

cc: client

cc: guarantors

FORM 86

Notice of Intention to Enforce Security
[Subsection 244(1)]

To: Conian Developments (La Voda II) Inc., Conian Developments Inc., Conian Developments (La Voda) Inc., Rana Wasif Khaliq and Robina Khan (the "insolvent persons")

Take notice that:

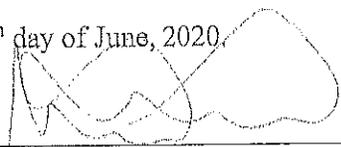
1. Romspen Investment Corporation, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

All real and personal property interests of the insolvent persons charged in favour of Romspen Investment Corporation
2. The security that is to be enforced is the following:

The mortgage, general security agreements and all other security granted by the insolvent persons to Romspen Investment Corporation
3. The total amount of the indebtedness secured by the security is:

\$9,983,933.39 as at June 8, 2020 plus interest accrued and costs incurred thereafter
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 persons consent to an earlier enforcement.

DATED at Vancouver, British Columbia this 8th day of June, 2020,



 Solicitor for Romspen Investment Corporation,
 Scott H. Stephens

Name and Address of Solicitor for Romspen Investment Corporation:

Scott H. Stephens, Owen Bird Law Corporation , P.O. Box 49130, Three Bentall Centre,
 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5, Tel.: 604-691-7521.

ACKNOWLEDGEMENT, CONSENT AND WAIVER

THE UNDERSIGNED HEREBY:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act*;
3. Waives all notice and cure provisions contained in the security referred to in the above Form 86 Notice; and
4. Consents to the immediate enforcement by Romspen Investment Corporation of the security referred to in the above Form 86 Notice.

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Conian Developments (La Voda) Inc. on the ____ day of June, 2020 by its authorized signatory:

Print name:
Title:

Print name:
Title:

Executed by Conian Developments (La Voda II) Inc. on the ____ day of June, 2020 by its authorized signatory:

Executed by Rana Wasif Khaliq on the ____ day of June, 2020:

Print name:
Title:

RANA WASIF KHALIQ

Executed by Robina Khan on the ____ day of June, 2020:

ROBINA KHAN

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

ROMSPEN
INVESTMENT
CORPORATION

Petitioner

AND:

CONIAN
DEVELOPMENTS (LA
VODA) INC. et al

Respondents

A F F I D A V I T

OWEN BIRD LAW CORPORATION

P.O. Box 49130

Three Bentall Centre

2900 - 595 Burrard Street

Vancouver, BC V7X 1J5

Attention: Scott H. Stephens

File No. 30354-0026

TAB 4



FORM 109 (RULE 22-2 (2) AND (7))

This is the 1st Affidavit
of A. L. Hooper in this case
and was made on June __, 2020

No. VLC-S-S-206552
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN
DEVELOPMENTS (LA VODA II) INC., CONIAN
DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC.,
RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL,
PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING
INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING
INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD.,
MEGA CRANES LTD., EXCHANGE BANK OF CANADA,
WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA
PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING
SERVICES INCORPORATED, RITU KARMA ENTERPRISES
CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD.,
W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC.,
NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK
DISPOSAL SERVICES INC., SIDHU IQBAL SINGH,
NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD.,
TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007)
LTD., MSD ENGINEERING INC., WEDLER ENGINEERING
LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA
ENTERPRISES LTD.

Respondents

AFFIDAVIT

I, Andrew Lawrie Hooper, of c/o 2900 – 595 Burrard Street, in the City of Vancouver, in the Province of British Columbia, AFFIRM THAT:

1. I have directly or indirectly acted as a consultant and contractor to Romspen Investment Corporation (“**Romspen**”), and as such have personal knowledge of the matters and facts hereinafter deposed to, except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. Capitalized terms herein are as defined in the petition.

3. I have been in the construction development business for most of my adult life. From 1988 to 2018 I owned Quality Homes, a company that developed and sold over 1300 units across 19 separate projects ranging from single family homes, to multi-family town homes, to low and high-rise condominium buildings. Since 2016 I have been with Gibraltar Project Consultants Ltd., a consulting firm that advises development companies and financial institutions in respect of construction projects. Our involvement varies depending on the circumstances, but includes engaging professionals, review of systems in place, assembly of construction teams, review and monitoring of contract issuances and quantity surveying, draw request preparation and project cost estimations and accounting. I have directly or indirectly acted as a consultant and/or contractor to Romspen (or its related companies) in respect of various real estate development workouts.

4. I have read paragraph 26 under Part 2 of the petition and confirm that the facts set out therein are true.

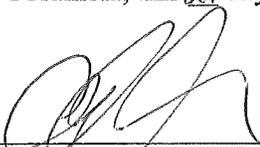
5. I attended the project site on the La Voda Lands on June 23, 2020. My observations regarding the issues that require urgent attention are set out in the document attached as Exhibit “A”. That document also sets out proposed solutions and cost estimates for the implementation of the proposed solutions.

6. During my site visit on June 23, 2020 I took photographs, including:

- a. Exhibit “**B**”: the elevator shaft filling with water and draining into the parkade.

- b. Exhibit "C": prefabricated wall panels, plywood for sheeting of the floors and other materials left unsecured and exposed to weather.
- c. Exhibit "D": the basement corridor filling with water.
- d. Exhibit "E": the exterior of the main building with upper floors starting to weather (the sheeting on the upper floor is rotting and will need to be replaced).
- e. Exhibit "F": second floor plywood delaminating.
- f. Exhibit "G": exposed sheeting for the next floors.
- g. Exhibit "H": top floor without roof and with materials unsecured and exposed to weather.

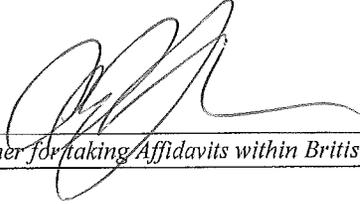
AFFIRMED BEFORE ME at ^{ABBOTSFORD}~~Vancouver~~,)
 British Columbia, this ²³ day of June,)
 2020.)


 _____)
 A Commissioner for taking Affidavits)
 within British Columbia)


 _____)
 ANDREW LAWRIE HOOPER)

ALICIA DAWN EDWARDS
Legal Assistant, RDM Lawyers LLP
 33695 South Fraser Way
 Abbotsford, BC V2S 2C1
A Commissioner for Taking Affidavits
 Expiry Date: NOV. 31, 2022

This is Exhibit "A" referred to in the affidavit of A.
Hooper sworn before me at ~~Vancouver~~ this 29 day
of June 2020. ~~ABBOTSFORD~~



A Commissioner for taking Affidavits within British Columbia

June 25, 2020

La Voda Site Evaluation to maintain integrity of Site and Works-in-Place

As per my site inspection of the La Voda development on June 23, 2020, I am enclosing my recommendations for the maintaining the integrity of the current Works-in-Place and overall site.

- 1) **Issue:** Parkade and Lower Floor levels flood when continuous rain event(s) occur. The existing sump pump is not sufficient to remove water. At the time of my visit there had not been significant rain for 3 days and there was still over 12 inches of water on average over a significant portion of the Garage, deeper in the elevator shaft recess areas. This will become stagnant quickly as temperatures rise, and the increase in humidity will facilitate mold growth on surface and upper floor structures in very short order.

Solution: Install one larger surface sump pump at the lowest point in the garage that will tie into the existing sump pump activation switch. When water level triggers the current pump, the larger secondary will engage as well, keeping moisture at acceptable levels. This will in all probability need to be kept in place until all surface access points for water ingress to the buildings have been sealed. Large volume fans will need to be brought in to dry out the structure and to ensure cross ventilation and humidity mitigation.

There will need to be a portable storm detention tank brought in to pump the additional overflow waters into. From there water will be discharged into the municipal storm system until such time as the building proper can be tied into the municipal storm and sanitary sewer systems.

Cost: Pump and Hose assemblies,	\$4,500
3 Fans @1200 plus extension cords	\$ 4,200
Storm detention tank and disbursement pump	\$22,000
Permit for temp connection to City infrastructure to discharge from tank into municipal storm drain	\$5,000(est)
Labour for above	\$5,000
Electrician	\$3,000 (est)

- 2) **Issue:** No Roof on structures so water is chasing to the lower level and parkade with any rain event. Standing water on all floors as per photos. If allowed to continue, flooring plywood will continue to deteriorate and delaminate. This has already begun, and will require all sub-floor sheeting to be replaced if not addressed in the near term.

Solution: Build a temporary ridge beam assembly on the current top floor to facilitate tenting of the area with industrial vinyl tarps to keep moisture from entering the building.

Cost: Wood for ridge beam construction	\$15,000
Vinyl Tarps 100 x 40 est 10 req at \$1000 ea	\$10,000
Screws, fasteners, misc	\$ 1,000
Labour	\$10,000

- 3) **Issue :** Exterior degradation of building sheeting caused by lack of moisture barrier on building. The OSB sheeting material has been exposed to the elements for longer than recommended and has absorbed significant moisture. OSB expands significantly in this environment and begins to rot from the inside out. If left as-is for another 30-45 days, much of the sheeting will need to be replaced on the building.

Solution: Proceed with the installation of the Tyvek or like materialled product over the building exterior to protect the sheeting from the elements and halt further product degradation. This will be followed by sheeting off all window and door openings with OSB to prevent moisture entering into the building and to deter unauthorized access into the building proper.

Cost: Tyvek or equivalent product, installed	\$115,000 est
OSB and Labour to make secure openings	\$17,500

- 4) **Issue:** Pre-manufactured panels, floor systems, beams and moment wall assemblies are on-site in an unsecured environment, fully exposed to the elements. The wall assemblies will have the same issue as the installed assemblies if not covered or placed into a shelter, (parkade perhaps).

Solution a): A crane truck, forklift and crew could be hired to load the panels, beams etc to the parkade entrance. They could then be forklifted in the parkade and stacked. When construction commences, process is reversed.

Solution b). Consolidate all materials at grade into one location and secure with fencing, then Tarp the top and sides to prevent further degradation of materials and also secure it from theft.

Cost: a): Crane/Hihab truck, forklift or skidsteer,	\$40,000
Labour	\$15,000
Gate to secure parkade	\$ 8,500

Option b): Zoom-boom forklift to move and consolidate materials, with operator	\$7,800
Security fencing around consolidated material	\$3,000
Tarps	\$3,600
Labour	\$5,000

We may be able to utilize the onsite crane to move materials for the storage, but I'm not sure it would be more cost effective than what is laid out above.

- 5) **Issue:** Site security. On my last site visit of June 23, 2020, the perimeter fencing had been made secure, and there was a security guard back on site.

Solutions: Ensure that the security is 24/7 and that only authorized access is permitted to site. Install motion sensor lighting and video security cameras

Cost:	Monthly around-the-clock security	\$30,000
	Security fencing	\$ 4,000
	Camera system (installed)	\$ 8,500

	Co-ordination of installation of above	\$7,000
	Site Management (monthly)	\$3,500

This is Exhibit "B" referred to in the affidavit of A. Hooper sworn before me at ~~Vancouver~~ this 29 day of June 2020. ABBOTSFORD



A Commissioner for Taking Affidavits within British Columbia



This is Exhibit "C" referred to in the affidavit of A. Hooper sworn before me at ~~Vancouver~~ ^{ABBOTSFORD} this 29 day of June 2020.



A Commissioner for taking Affidavits within British Columbia





This is Exhibit "D" referred to in the affidavit of A. Hooper sworn before me at ~~Vancouver~~ this 29 day of June 2020. Abbotsford



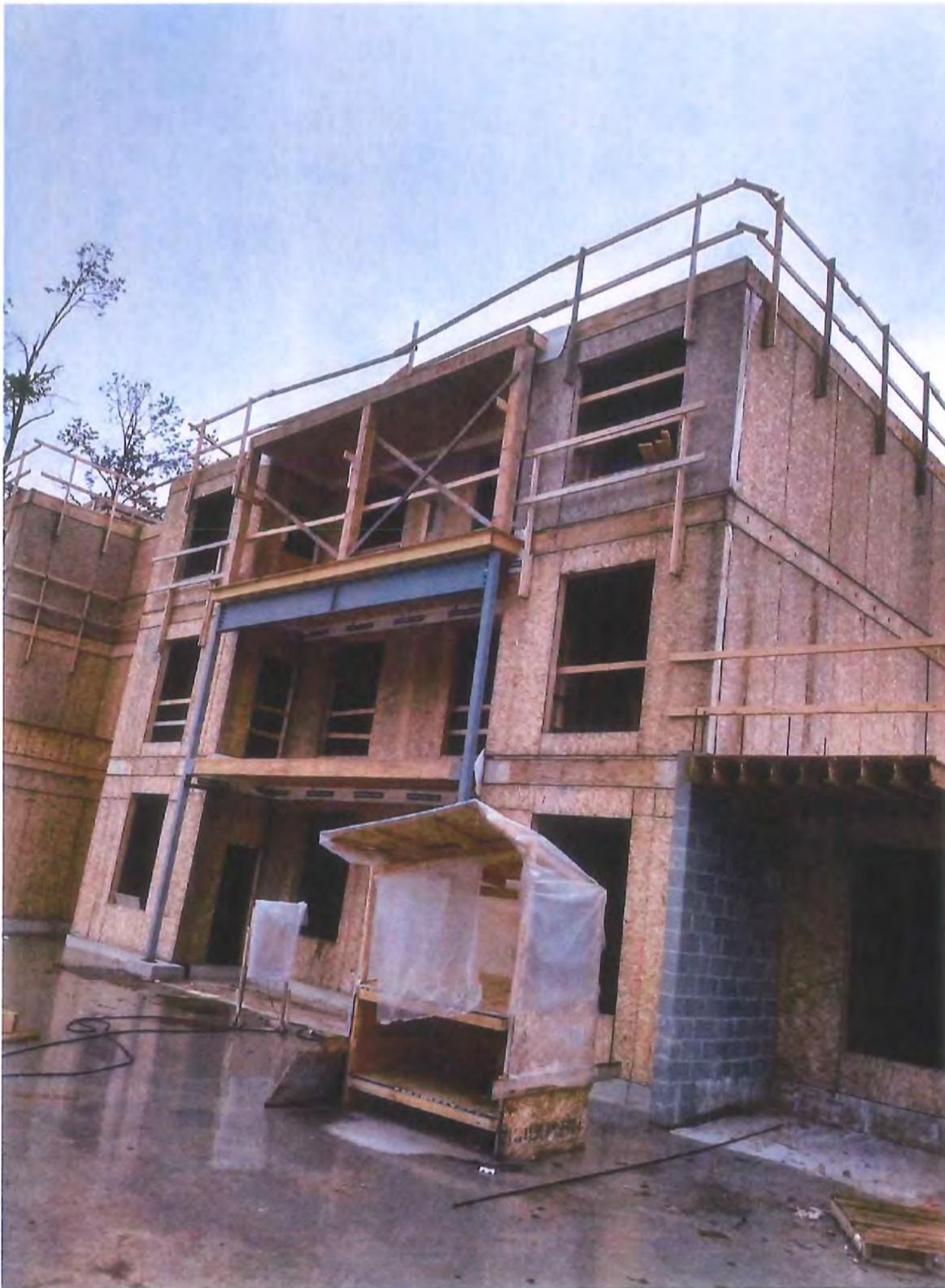
A Commissioner for taking Affidavits within British Columbia



This is Exhibit "E" referred to in the affidavit of A.
Hooper sworn before me at ~~Vancouver~~ this 29 day
of June 2020. Abbotsford



A Commissioner for taking Affidavits within British Columbia



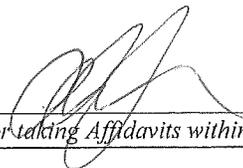
This is Exhibit "F" referred to in the affidavit of A.
Hooper sworn before me at ~~Vancouver~~ ^{Abbotsford} this 29 day
of June 2020.



A Commissioner for taking Affidavits within British Columbia



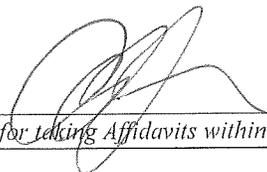
This is Exhibit "G" referred to in the affidavit of A. Hooper sworn before me at ~~Vancouver~~ this 24 day of June 2020. ABBOTSFORD



A Commissioner for taking Affidavits within British Columbia



This is Exhibit "H" referred to in the affidavit of A. Hooper sworn before me at ~~Vancouver~~ ^{Abbotsford} this 29 day of June 2020.



A Commissioner for taking Affidavits within British Columbia



No. No. VLC-S-S-206552
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN
DEVELOPMENTS (LA VODA II) INC., CONIAN
DEVELOPMENTS INC., RANA WASIF KHALIQ, ROBINA
KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016
LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX
INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD.,
MIDVALLEY REBAR LTD., MEGA CRANES LTD.,
EXCHANGE BANK OF CANADA, WEST COAST STEEL
LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATING
LTD., RONA INC., KC'S PUMPING SERVICES
INCORPORATED, RITU KARMA ENTERPRISES CORP., W.S.
FIRE PROTECTION LTD., ACTIVE PHARMA INC.,
NARINDER KHEHRA aka NARINDER KKHEHRA and CBA
ENTERPRISES LTD.

Respondents

AFFIDAVIT

OWEN BIRD LAW CORPORATION

P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5

Attention: Scott H. Stephens
File No. 30354-0026

TAB 5



FORM 109 (RULE 22-2 (2) AND (7))

This is the 1st Affidavit
of L. Grillandini in this case
and was made on June 29, 2020

Court File No. **VLC-S-S-206552**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN
DEVELOPMENTS (LA VODA II) INC., CONIAN
DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC.,
RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL,
PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING
INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING
INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD.,
MEGA CRANES LTD., EXCHANGE BANK OF CANADA,
WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA
PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING
SERVICES INCORPORATED, RITU KARMA ENTERPRISES
CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD.,
W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC.,
NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK
DISPOSAL SERVICES INC., SIDHU IQBAL SINGH,
NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD.,
TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007)
LTD., MSD ENGINEERING INC., WEDLER ENGINEERING
LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA
ENTERPRISES LTD.

Respondents

AFFIDAVIT

I, Lynette Grillandini, of 2900 – 595 Burrard Street, in the City of Vancouver, in the
Province of British Columbia, AFFIRM THAT:

1. I am a legal assistant with Owen Bird Law Corporation, solicitors for the petitioner, Romspen Investment Corporation, and as such have personal knowledge of the matters and facts hereinafter deposed to, except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. Capitalized terms herein are as defined in the petition.

3. Attached as Exhibit “A” is a company search for La Voda.

4. Attached as Exhibit “B” is a company search for La Voda II.

5. Attached as Exhibit “C” is a company search for BCCE.

6. Attached as Exhibit “D” is a company search for Conian.

7. Attached as Exhibit “E” is a title search for the La Voda Lands.

8. Attached as Exhibit “F” are title searches for the La Voda II Lands.

9. Attached as Exhibit “G” is a copy of Ajit Singh Gill’s second mortgage and assignment of rents registered against the La Voda Lands under nos. CA6971248 and CA6971249.

10. Attached as Exhibit “H” are copies of CBA Enterprises Ltd.’s second mortgage and assignment of rents registered against the La Voda II Lands under nos. CA7452771 and CA7452772.

11. Attached as Exhibit “I” is a copy of a CBL registered under no. CA8178428.

12. Attached as Exhibit “J” is a copy of a CPL registered under no. CA8180937.

13. Attached as Exhibit “K” is a copy of a CBL registered under no. CA8181433.

14. Attached as Exhibit “L” is a copy of a CPL registered under no. CA8221859.

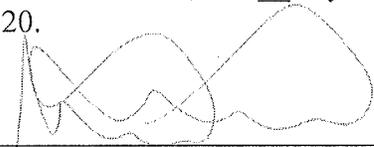
15. Attached as Exhibit “M” is a copy of a CBL registered under no. CA8190872.

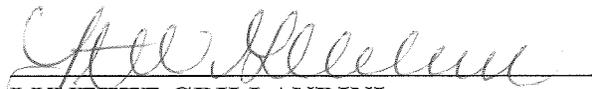
16. Attached as Exhibit “N” is a copy of a CBL registered under no. CA8206670.

17. Attached as Exhibit “**O**” is a copy of a CBL registered under no. CA8199815.
18. Attached as Exhibit “**P**” is a copy of a CBL registered under no. CA8202013.
19. Attached as Exhibit “**Q**” is a copy of a CBL registered under no. CA8202741.
20. Attached as Exhibit “**R**” is a copy of a CPL registered under no. CA8202855.
21. Attached as Exhibit “**S**” is a copy of a CBL registered under no. CA8205248.
22. Attached as Exhibit “**T**” is a copy of a CBL registered under no. CA8205554.
23. Attached as Exhibit “**U**” is a copy of a CBL registered under no. CA8206290.
24. Attached as Exhibit “**V**” is a copy of a CBL registered under no. CA8208311.
25. Attached as Exhibit “**W**” is a copy of a CBL registered under no. CA8213240.
26. Attached as Exhibit “**X**” is a copy of a CPL registered under no. CA8214240.
27. Attached as Exhibit “**Y**” is a copy of a CBL registered under no. CA8214409.
28. Attached as Exhibit “**Z**” is a copy of a CBL registered under no. CA8214655.
29. Attached as Exhibit “**AA**” is a copy of a CPL registered under no. CA8215677.
30. Attached as Exhibit “**BB**” is a copy of a CBL registered under no. CA8222510.
31. Attached as Exhibit “**CC**” is a copy of a CBL registered under no. CA8222977.
32. Attached as Exhibit “**DD**” is a copy of a CPL registered under no. CA8209936.
33. Attached as Exhibit “**EE**” is a copy of a CBL registered under no. WX2149361.
34. Attached as Exhibit “**FF**” is a copy of a CBL registered under no. CA8266625.
35. Attached as Exhibit “**GG**” is a copy of a CBL registered under no. WX2148662.

- 36. Attached as Exhibit “HH” is a copy of a CBL registered under no. CA8237717.
- 37. Attached as Exhibit “II” is a copy of CBL registered under no. CA8258808.
- 38. Attached as Exhibit “JJ” is a copy of a CPL registered under no. CA8243620.
- 39. Attached as Exhibit “KK” is a personal property registry search for La Voda.
- 40. Attached as Exhibit “LL” is a personal property registry search for La Voda II.
- 41. Attached as Exhibit “MM” is a personal property registry search for BCCE.
- 42. Attached as Exhibit “NN” is a personal property registry search for Conian.
- 43. Attached as Exhibit “OO” is a personal property registry search for Khaliq.
- 44. Attached as Exhibit “PP” is a personal property registry search for Khan.
- 45. Attached as Exhibits “QQ” and “RR” are Bowra’s consent to act and a letter from Mario Mainella of Bowra to Mr. Stephens setting out, among other things, Bowra’s experience in respect of real estate developments.

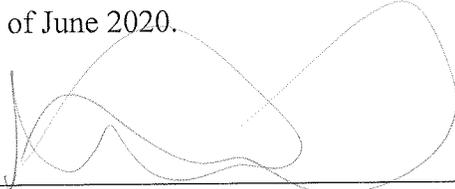
AFFIRMED BEFORE ME at Vancouver,)
 British Columbia, this ___ day of June,)
 2020.)


 _____)
 A Commissioner for taking Affidavits)
 within British Columbia)


 _____)
LYNETTE GRILLANDINI)

SCOTT H. STEPHENS
Barrister & Solicitor
 P.O. Box 49130
 2900-595 BARRARD STREET
 VANCOUVER, B.C. V7X 1J5
 (604) 691-7521

This is Exhibit "A" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia



BC Company Summary

For
CONIAN DEVELOPMENTS (LA VODA) INC.

Date and Time of Search: June 03, 2020 03:24 PM Pacific Time
Currency Date: February 28, 2020

ACTIVE

Incorporation Number: BC0707784
Name of Company: CONIAN DEVELOPMENTS (LA VODA) INC.
Recognition Date and Time: Incorporated on November 02, 2004 04:30 PM Pacific Time **In Liquidation:** No
Last Annual Report Filed: November 02, 2019 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
CONIAN DEVELOPMENTS INC.	October 02, 2018
0707784 B.C. LTD.	September 20, 2016

DISSOLUTION/RESTORATION INFORMATION

Filing/Event	Date of Filing
Full Restoration	March 02, 2010
System Dissolution - Fail to File	April 27, 2009

REGISTERED OFFICE INFORMATION

Mailing Address:	Delivery Address:
10469 - 125B ST	10469 - 125B ST
SURREY BC V3V 5A8	SURREY BC V3V 5A8
CANADA	CANADA

RECORDS OFFICE INFORMATION

Mailing Address:	Delivery Address:
10469 - 125B ST	10469 - 125B ST
SURREY BC V3V 5A8	SURREY BC V3V 5A8
CANADA	CANADA

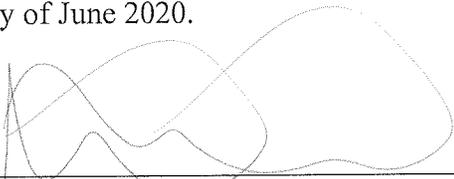
DIRECTOR INFORMATION**Last Name, First Name, Middle Name:**

Khaliq, Rana Wasif

Mailing Address:10469 - 125B ST
SURREY BC V3V 5A8
CANADA**Delivery Address:**10469 - 125B ST
SURREY BC V3V 5A8
CANADA

NO OFFICER INFORMATION FILED AS AT November 02, 2019.

This is Exhibit "B" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.

A handwritten signature in black ink, consisting of several overlapping loops and a vertical stroke on the left side.

A Commissioner for taking Affidavits within British Columbia



BC Registry
Services

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

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

BC Company Summary

For
CONIAN DEVELOPMENTS (LA VODA II) INC.

Date and Time of Search: June 03, 2020 03:31 PM Pacific Time
Currency Date: February 28, 2020

ACTIVE

Incorporation Number: BC1178465
Name of Company: CONIAN DEVELOPMENTS (LA VODA II) INC.
Recognition Date and Time: Incorporated on September 06, 2018 11:20 AM Pacific Time **In Liquidation:** No
Last Annual Report Filed: September 06, 2019 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
1178465 B.C. LTD.	November 30, 2018

REGISTERED OFFICE INFORMATION

Mailing Address:	Delivery Address:
10469 125B STREET SURREY BC V3V 5A8 CANADA	10469 125B STREET SURREY BC V3V 5A8 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:	Delivery Address:
10469 125B STREET SURREY BC V3V 5A8 CANADA	10469 125B STREET SURREY BC V3V 5A8 CANADA

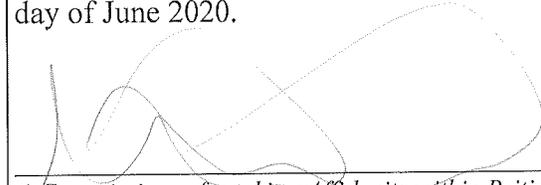
DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Khaliq, Rana W.

Mailing Address:	Delivery Address:
10469 125B STREET SURREY BC V3V 5A8 CANADA	10469 125B STREET SURREY BC V3V 5A8 CANADA

NO OFFICER INFORMATION FILED AS AT September 06, 2019.

This is Exhibit "C" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia



BC Registry
Services

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

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

Extraprovincial Company Summary

For
B.C. CURRENCY EXCHANGE INC.

Date and Time of Search: June 03, 2020 03:32 PM Pacific Time

Currency Date: February 28, 2020

ACTIVE

Registration Number in BC: A0102839

Name of Extraprovincial Company: B.C. CURRENCY EXCHANGE INC.

Registration Date and Time: Registered in British Columbia on June 15, 2017 01:06 PM Pacific Time

Last Annual Report Filed: June 15, 2019 **Receiver:** No

FOREIGN JURISDICTION INFORMATION

Identifying Number in Foreign Jurisdiction:
1007489-6

Name in Foreign Jurisdiction:
B.C. CURRENCY EXCHANGE INC.

Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction:

April 06, 2017

Foreign Jurisdiction:

FEDERAL

HEAD OFFICE INFORMATION

Mailing Address:
10230 - 152 STREET
SURREY BC V3R 6N7
CANADA

Delivery Address:
10230 - 152 STREET
SURREY BC V3R 6N7
CANADA

ATTORNEY INFORMATION

Last Name, First Name, Middle Name:

Buckley, Rand

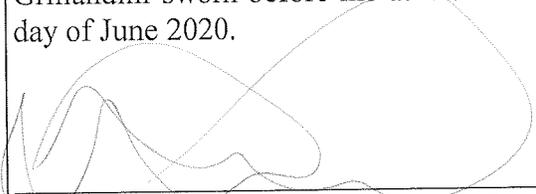
Mailing Address:
#200, 8120 - 128 STREET
SURREY BC V3W 1R1
CANADA

Delivery Address:
#200, 8120 - 128 STREET
SURREY BC V3W 1R1
CANADA

DIRECTOR INFORMATION

Directors are not recorded for extraprovincial registration types. Go to the incorporating jurisdiction for director information.

This is Exhibit "D" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia



BC Registry
Services

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

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

BC Company Summary

For
CONIAN DEVELOPMENTS INC.

Date and Time of Search: June 03, 2020 03:23 PM Pacific Time
Currency Date: February 28, 2020

ACTIVE

Incorporation Number: BC0780075
Name of Company: CONIAN DEVELOPMENTS INC.
Recognition Date and Time: Incorporated on January 17, 2007 01:43 PM Pacific Time **In Liquidation:** No
Last Annual Report Filed: January 17, 2020 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
0780075 B.C. LTD.	October 05, 2018

REGISTERED OFFICE INFORMATION

Mailing Address:	Delivery Address:
10469 125 B STREET SURREY BC V3V 5A8 CANADA	10469 125 B STREET SURREY BC V3V 5A8 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:	Delivery Address:
10469 125 B STREET SURREY BC V3V 5A8 CANADA	10469 125 B STREET SURREY BC V3V 5A8 CANADA

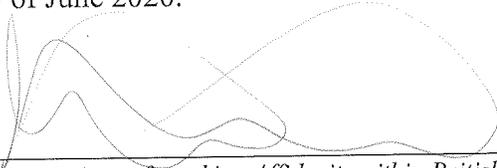
DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
KHALIQ, RANA W

Mailing Address:	Delivery Address:
10469 125 B STREET SURREY BC V3V 5A8 CANADA	10469 125 B STREET SURREY BC V3V 5A8 CANADA

NO OFFICER INFORMATION FILED AS AT January 17, 2020.

This is Exhibit "E" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

TITLE SEARCH PRINT

2020-06-29, 07:00:57

File Reference: 303540026

Requestor: Lynette Grillandini

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

Land Title District NEW WESTMINSTER
 Land Title Office NEW WESTMINSTER

Title Number CA7242616
 From Title Number CA6448015

Application Received 2018-12-11

Application Entered 2018-12-27

Registered Owner in Fee Simple
 Registered Owner/Mailing Address: CONIAN DEVELOPMENTS (LA VODA) INC., INC.NO. BC0707784
 10469 125B STREET
 SURREY, BC
 V3V 5A8

Taxation Authority Surrey, City of

Description of Land
 Parcel Identifier: 030-337-020
 Legal Description:
 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
 NEW WESTMINSTER DISTRICT PLAN EPP73667

Legal Notations
 THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL
 GOVERNMENT ACT, SEE CA6594349

Charges, Liens and Interests
 Nature: UNDERSURFACE AND OTHER EXC & RES
 Registration Number: BB3049718
 Registration Date and Time: 2017-05-02 16:27
 Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
 Remarks: PURSUANT TO SECTION 50 LAND ACT SEE CA5937532
 AND SECTION 35 COMMUNITY CHARTER
 RIGHT OF RESUMPTION CANCELLED, SEE CA5974899
 PART FORMERLY THAT PART OF SECTION 15 SHONW ON
 PLAN EPP65732

TITLE SEARCH PRINT

2020-06-29, 07:00:57

File Reference: 303540026

Requestor: Lynette Grillandini

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6350987
 Registration Date and Time: 2017-10-04 16:35
 Registered Owner: CITY OF SURREY
 Remarks: PART ON PLAN EPP73666
 CONTAINING 24.9 SQUARE METRES

Nature: COVENANT
 Registration Number: CA6350989
 Registration Date and Time: 2017-10-04 16:35
 Registered Owner: CITY OF SURREY
 Remarks: PART FORMERLY LOT 2 SECTION 15 BLOCK 5 PLAN 9739

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6350991
 Registration Date and Time: 2017-10-04 16:35
 Registered Owner: CITY OF SURREY
 Remarks: PART ON PLAN EPP73666
 CONTAINING 40.2 SQUARE METRES

Nature: COVENANT
 Registration Number: CA6350993
 Registration Date and Time: 2017-10-04 16:35
 Registered Owner: CITY OF SURREY
 Remarks: PART FORMERLY LOT 1 SECTION 15 BLOCK 5 PLAN 9739

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6350999
 Registration Date and Time: 2017-10-04 16:35
 Registered Owner: CITY OF SURREY
 Remarks: PART ON PLAN EPP73666
 CONTAINING 9.0 SQUARE METRES

Nature: COVENANT
 Registration Number: CA6351001
 Registration Date and Time: 2017-10-04 16:35
 Registered Owner: CITY OF SURREY
 Remarks: PART FORMERLY LOT A SECTION 15 BLOCK 5 PLAN 13911

Nature: COVENANT
 Registration Number: CA6448010
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY
 Remarks: PART FORMERLY LOT B SECTION 15 BLOCK 5 PLAN 13911

TITLE SEARCH PRINT

2020-06-29, 07:00:57

File Reference: 303540026

Requestor: Lynette Grillandini

Nature: COVENANT
 Registration Number: CA6448012
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY
 Remarks: PART FORMERLY LOT B SECTION 15 BLOCK 5 PLAN 13911

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6448016
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY

Nature: COVENANT
 Registration Number: CA6448018
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY

Nature: COVENANT
 Registration Number: CA6448020
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY
 Remarks: PART ON PLAN EPP73896

Nature: COVENANT
 Registration Number: CA6448022
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY

Nature: COVENANT
 Registration Number: CA6448024
 Registration Date and Time: 2017-11-16 12:18
 Registered Owner: CITY OF SURREY

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6463135
 Registration Date and Time: 2017-11-23 12:05
 Registered Owner: CITY OF SURREY
 Remarks: PART IN PLAN EPP73666 CONTAINING 19.2 SQ M

Nature: COVENANT
 Registration Number: CA6463136
 Registration Date and Time: 2017-11-23 12:05
 Registered Owner: CITY OF SURREY
 Remarks: PART FORMERLY THAT PART OF SECTION 15 BLOCK 5 SHOWN ON PLAN EPP65732

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Nature: MORTGAGE
 Registration Number: CA6963252
 Registration Date and Time: 2018-07-30 10:15
 Registered Owner: ROMSPEN INVESTMENT CORPORATION
 INCORPORATION NO. A0067154

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA6963253
 Registration Date and Time: 2018-07-30 10:15
 Registered Owner: ROMSPEN INVESTMENT CORPORATION
 INCORPORATION NO. A0067154

Nature: MORTGAGE
 Registration Number: CA6971248
 Registration Date and Time: 2018-07-31 17:44
 Registered Owner: AJIT SINGH GILL

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA6971249
 Registration Date and Time: 2018-07-31 17:44
 Registered Owner: AJIT SINGH GILL

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8178428
 Registration Date and Time: 2020-05-07 11:42
 Registered Owner: PACIFIC EDGE FORMING 2016 LTD.
 INCORPORATION NO. BC1089226

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8180937
 Registration Date and Time: 2020-05-08 13:50
 Registered Owner: KUZCO LIGHTING INC.

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8181433
 Registration Date and Time: 2020-05-09 08:53
 Registered Owner: GRAESTONE READY MIX INC.
 INCORPORATION NO. BC0386028

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8190872
 Registration Date and Time: 2020-05-14 19:54
 Registered Owner: TTF SCAFFOLDING INC.
 INCORPORATION NO. BC0770168

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8199815
 Registration Date and Time: 2020-05-21 09:57
 Registered Owner: E.S.R. ELECTRIC LTD.
 INCORPORATION NO. BC0780759

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8202013
 Registration Date and Time: 2020-05-22 10:11
 Registered Owner: MIDVALLEY REBAR LTD.
 INCORPORATION NO. BC1055097

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8202741
 Registration Date and Time: 2020-05-22 12:45
 Registered Owner: MEGA CRANES LTD. INC. #A0057925

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8202855
 Registration Date and Time: 2020-05-22 13:14
 Registered Owner: EXCHANGE BANK OF CANADA
 INCORPORATION NO. NA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8205248
 Registration Date and Time: 2020-05-25 14:25
 Registered Owner: WEST COAST STEEL LTD.
 INCORPORATION NO. BC0896635

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8205554
 Registration Date and Time: 2020-05-25 15:57
 Registered Owner: DULAI ROOFING LTD
 INCORPORATION NO. BC0355771

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8206290
 Registration Date and Time: 2020-05-26 08:47
 Registered Owner: AAA PLUMBING & HEATING LTD.
 INCORPORATION NO. BC0805091

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8206670
 Registration Date and Time: 2020-05-26 10:38
 Registered Owner: TTF SCAFFOLDING INC.
 INCORPORATION NO. BC0770168

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8208311
 Registration Date and Time: 2020-05-27 09:52
 Registered Owner: RONA INC.
 INCORPORATION NO. A0101294

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8213240
 Registration Date and Time: 2020-05-28 14:33
 Registered Owner: KC'S PUMPING SERVICES INCORPORATED
 INCORPORATION NO. BC0825835

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8214240
 Registration Date and Time: 2020-05-29 09:13
 Registered Owner: RITU KARMA ENTERPRISES CORP.
 INCORPORATION NO. BC1074543
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8214409
 Registration Date and Time: 2020-05-29 09:28
 Registered Owner: D. J. MASONARY LTD.
 INCORPORATION NO. BC0771922

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8214655
 Registration Date and Time: 2020-05-29 09:59
 Registered Owner: W.S. FIRE PROTECTION LTD.
 INCORPORATION NO. BC0957275

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8215677
 Registration Date and Time: 2020-05-29 12:00
 Registered Owner: ACTIVE PHARMA INC.
 INCORPORATION NO. BC625072
 Registered Owner: NARINDER KKHEHRA
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8221859
 Registration Date and Time: 2020-06-02 11:52
 Registered Owner: GRAESTONE READY MIX INC
 INCORPORATION NO. BC0386028
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222977
 Registration Date and Time: 2020-06-02 19:00
 Registered Owner: KING STONE SLINGER LTD.
 INCORPORATION NO. BC1130048

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: WX2148662
 Registration Date and Time: 2020-06-08 14:16
 Registered Owner: TIDES CONSULTING LTD.

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8237717
 Registration Date and Time: 2020-06-11 10:36
 Registered Owner: PRO-FIT STRUCTURES (2007) LTD.
 INCORPORATION NO. BC0785466

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243620
 Registration Date and Time: 2020-06-15 12:05
 Registered Owner: NINDERPAL SINGH SIDHU
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8247172
 Registration Date and Time: 2020-06-16 14:19
 Registered Owner: E.S.R. ELECTRIC LTD.
 INCORPORATION NO. BC0780759

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8258808
 Registration Date and Time: 2020-06-23 11:23
 Registered Owner: MSD ENGINEERING INC.
 INCORPORATION NO. BC0914812

TITLE SEARCH PRINT

File Reference: 303540026

25
2020-06-29, 07:00:57
Requestor: Lynette Grillandini

Duplicate Indefeasible Title

NONE OUTSTANDING

Transfers

NONE

Pending Applications

Parcel Identifier:

030-337-020

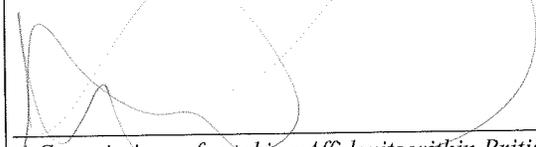
Application Number/Type:

WX2149361 CLAIM OF BUILDERS LIEN

Application Number/Type:

CA8266625 CLAIM OF BUILDERS LIEN

This is Exhibit "F" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

TITLE SEARCH PRINT

2020-06-29, 07:00:58

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$3004619

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

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number CA7263179
From Title Number CA2690935

Application Received 2018-12-20

Application Entered 2019-01-10

Registered Owner in Fee Simple
Registered Owner/Mailing Address: CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465
10469 125B ST
SURREY, BC
V3V 5A8

Taxation Authority Surrey, City of

Description of Land
Parcel Identifier: 007-131-895
Legal Description:
LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH RANGE 2
WEST NEW WESTMINSTER DISTRICT PLAN 34840

Legal Notations NONE

Charges, Liens and Interests

Nature: MORTGAGE
Registration Number: CA7263560
Registration Date and Time: 2018-12-20 11:02
Registered Owner: ROMSPEN INVESTMENT CORPORATION
INCORPORATION NO. A0067154
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA7263561
Registration Date and Time: 2018-12-20 11:02
Registered Owner: ROMSPEN INVESTMENT CORPORATION
INCORPORATION NO. A0067154
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$3004619

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$3004619

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$2963105

2020-06-29, 07:00:59

Requestor: Lynette Grillandini

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

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	CA7263185
From Title Number	CA2690959
Application Received	2018-12-20
Application Entered	2019-01-10
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465 10469 125B ST SURREY, BC V3V 5A8
Taxation Authority	Surrey, City of
Description of Land	
Parcel Identifier:	011-422-220
Legal Description:	LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CA7263560
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7263561
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$2963105

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$2963105

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

2020-06-29, 07:00:59

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$590140

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	CA7263180
From Title Number	CA2690991
Application Received	2018-12-20
Application Entered	2019-01-10
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465 10469 125B ST SURREY, BC V3V 5A8
Taxation Authority	Surrey, City of
Description of Land	
Parcel Identifier:	000-674-672
Legal Description:	LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CA7263560
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7263561
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$590140

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$590140

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

2020-06-29, 07:01:00

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$3240308

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

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	CA7263184
From Title Number	CA2691004
Application Received	2018-12-20
Application Entered	2019-01-10
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465 10469 125B ST SURREY, BC V3V 5A8
Taxation Authority	Surrey, City of
Description of Land	
Parcel Identifier:	011-422-203
Legal Description:	LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CA7263560
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7263561
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$3240308

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$3240308

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$702628

2020-06-29, 07:01:01

Requestor: Lynette Grillandini

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	CA7263181
From Title Number	CA2691025
Application Received	2018-12-20
Application Entered	2019-01-10
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465 10469 125B ST SURREY, BC V3V 5A8
Taxation Authority	Surrey, City of
Description of Land	
Parcel Identifier:	011-362-588
Legal Description:	LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CA7263560
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7263561
Registration Date and Time:	2018-12-20 11:02
Registered Owner:	ROMSPEN INVESTMENT CORPORATION INCORPORATION NO. A0067154
Remarks:	INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$702628

2020-06-29, 07:01:01

Requestor: Lynette Grillandini

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$702628

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

2020-06-29, 07:01:01

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$3517511

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

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number CA7263183
From Title Number CA2691037

Application Received 2018-12-20

Application Entered 2019-01-10

Registered Owner in Fee Simple
Registered Owner/Mailing Address: CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465
10469 125B ST
SURREY, BC
V3V 5A8

Taxation Authority Surrey, City of

Description of Land
Parcel Identifier: 001-427-288
Legal Description:
LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT
PLAN 9739

Legal Notations NONE

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA7263560
Registration Date and Time: 2018-12-20 11:02
Registered Owner: ROMSPEN INVESTMENT CORPORATION
INCORPORATION NO. A0067154
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA7263561
Registration Date and Time: 2018-12-20 11:02
Registered Owner: ROMSPEN INVESTMENT CORPORATION
INCORPORATION NO. A0067154
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$3517511

2020-06-29, 07:01:01

Requestor: Lynette Grillandini

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$3517511

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

2020-06-29, 07:01:02

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$331685

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

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number CA7263182
From Title Number CA2691059

Application Received 2018-12-20

Application Entered 2019-01-10

Registered Owner in Fee Simple
Registered Owner/Mailing Address: CONIAN DEVELOPMENTS (LA VODA II) INC., INC.NO. BC1178465
10469 125B ST
SURREY, BC
V3V 5A8

Taxation Authority Surrey, City of

Description of Land
Parcel Identifier: 011-362-596
Legal Description:
LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH
RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791

Legal Notations NONE

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA7263560
Registration Date and Time: 2018-12-20 11:02
Registered Owner: ROMSPEN INVESTMENT CORPORATION
INCORPORATION NO. A0067154
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA7263561
Registration Date and Time: 2018-12-20 11:02
Registered Owner: ROMSPEN INVESTMENT CORPORATION
INCORPORATION NO. A0067154
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Requestor: Lynette Grillandini

Declared Value \$331685

Nature: MORTGAGE
 Registration Number: CA7452771
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7452772
 Registration Date and Time: 2019-04-17 15:50
 Registered Owner: CBA ENTERPRISES LTD.
 INCORPORATION NO. BC1123192
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455870
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263560 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: PRIORITY AGREEMENT
 Registration Number: CA7455871
 Registration Date and Time: 2019-04-18 15:41
 Remarks: INTER ALIA
 GRANTING CA7263561 PRIORITY OVER CA7452771 AND
 CA7452772

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8209936
 Registration Date and Time: 2020-05-27 14:57
 Registered Owner: KUZCO LIGHTING INC.
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8222510
 Registration Date and Time: 2020-06-02 14:15
 Registered Owner: PEAK DISPOSAL SERVICES INC.
 INCORPORATION NO. BC0728831
 Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8243599
 Registration Date and Time: 2020-06-15 12:02
 Registered Owner: SIDHU IQBAL SINGH
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 303540026

Declared Value \$331685

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8243620
Registration Date and Time:	2020-06-15 12:05
Registered Owner:	NINDERPAL SINGH SIDHU
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

This is Exhibit "G" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.

A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA6971248

RCVD: 2018-07-31 RQST: 2020-06-11 14.03.32

FORM_B_V23

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Jul-31-2018 17:44:45.001

CA6971248 CA6971249

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 6 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Jason Jagjit
Singh Sandhu
BL6YJ8

Digitally signed by Jason Jagjit Singh Sandhu BL6YJ8
DN: c=CA, ou=Jason Jagjit Singh Sandhu BL6YJ8, o=Lawyer, ou=Verify ID at www.juricent.com/LKUP.cdm? id=BL6YJ8
Date: 2018.07.31 17:40:06 -0700

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

Tiwana Deol Sandhu LLP

Barristers and Solicitors

Suite 202, 12899 - 80 Avenue

Surrey

BC V3W 0E6

File Number: 9413-007

Telephone: 604-598-3325

Document Fees: \$143.16

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[legal description]

030-337-020

LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN EPP73667

STC? YES

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

CONIAN DEVELOPMENTS INC. (INC. NO. BC0707784)

10469 - 125B STREET

SURREY

V3V 5A8

BRITISH COLUMBIA

CANADA

Incorporation No

BC0707784

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

AJIT SINGH GILL, BUSINESSPERSON

9030 Holt Road

Surrey

CANADA

BRITISH COLUMBIA

V3V 4H3

5. PAYMENT PROVISIONS:

(a) Principal Amount: \$4,500,000.00	(b) Interest Rate: 13.0% per annum	(c) Interest Adjustment Date:	Y 18	M 07	D 26
(d) Interest Calculation Period: Monthly, not in advance	(e) Payment Dates: 1st day of each month	(f) First Payment Date:	18	09	01
(g) Amount of each periodic payment: \$48,750.00	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date:	18	10	01
(j) Assignment of Rents which the applicant wants registered? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page and paragraph number: SEE SCHEDULE	(k) Place of payment: Postal Address in Item 4	(l) Balance Due Date:	18	10	01

MORTGAGE – PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:
Freehold
Other (specify)

9. MORTGAGE TERMS:

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

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

D F Number:
(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

Mortgage CA6963252 and Assignment of Rents CA6963253 registered in favor of Romspen Investment Corporation

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

Stefan Charles
Barrister & Solicitor
200-8120 128th Street
Surrey, B.C. V3W 1R1

Execution Date		
Y	M	D
18	07	26

Borrower(s) Signature(s)

Conian Developments Inc.
by it's authorized signatory:

Per: Rana Wasif Khaliq

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.

5. PAYMENT PROVISIONS:**(b) Interest Rate:**

The Mortgagee has agreed to make loans (individually an "Advance" and collectively the "Advances") to the Mortgagor in the aggregate principal amount up to but not exceeding the Principal Amount as set forth in paragraph 5(a) herein. Each Advance shall bear interest on the unpaid principal amount thereof from the date of the Advance (the "Advance Date") at the interest rate of 13.00% per annum, calculated monthly, in advance, both before and after maturity, default or judgement, from the Advance Date until the Balance Due Date.

(j) Assignment of Rents

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the Loan, the Mortgagor does HEREBY ASSIGN, TRANSFER AND SET OVER unto the Mortgagee, ALL AND SINGULAR the rents of the Lands and premises thereon (the "Premises"), demised or to be demised to the tenant or tenants under any and all leases, whether written or verbal, made or to be made, with respect to the Premises (hereinafter referred to as the "Leases") TO HAVE AND TO HOLD and to receive the same unto the Mortgagee, its successors and assigns.

PROVIDED that nothing herein contained shall be deemed to have the effect of making Mortgagee responsible for the performance of any covenants, terms or conditions either by the Mortgagor or tenants pertaining to the Leases and that the Mortgagee shall not by virtue of these provisions be deemed a mortgagee in possession of the Premises.

AND PROVIDED FURTHER that the Mortgagee shall only be liable to account for such monies as may actually come into its hands by virtue of these provisions, and that such monies when so received by it shall be applied on account of the Loan.

AND PROVIDED FURTHER that the Mortgagee shall only be liable to account for such monies as may actually come into its hands by virtue of these provisions, and that such monies when so received by it shall be applied on account of the Loan.

AND PROVIDED FURTHER that until default shall have been made in payment of any instalment of principal or of interest as provided in the Mortgage or any renewal thereof, or until the breach of any covenant contained in the Mortgage, the mortgagor shall be entitled to receive all rents payable under the Leases and shall not be liable to account therefor to the Mortgagee, but immediately upon default in payment of either principal or interest being made, or upon a breach on the part of the Mortgagor of any covenant contained in the Mortgage, and so often as either may occur, the Mortgagee upon notice to the said tenants shall be entitled to all rents falling due subsequent to the date of service of such notice pursuant to the terms hereof.

The Mortgagor hereby further covenants and agrees with the Mortgagee that:

1. The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any rent or rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

2. This indenture shall be deemed to apply to and have effect in respect of any further lease, renewal of lease, agreement for lease or right of occupancy of the Premises or any part or parts thereof which may exist during the currency of the Mortgage, whether in substitution for or in addition to the Leases, or any of them.
3. There is or has been no right of set-off, previous assignment, commutation or prepayment of or with respect to the said rents and that there has been no cancellation or variation of the terms, covenants, provisos or conditions of any of the Leases, or any extension of any of the Leases, and
4. The Mortgagor will not without the consent in writing of the Mortgagee, permit any cancellation, surrender, subletting, purported further assignment, or variation of any of the Leases, or of the terms, covenants, provisos or conditions thereof.

10. ADDITIONAL OR MODIFIED TERMS:

The Mortgage is closed for a term of two (2) months from the advance date (the "Mortgage Term"). The Mortgagor may, at its option, repay the whole amount of the Mortgage provided that the Mortgagor shall pay to the Mortgagee (a) all interest accrued and payable to the date of payment, and (b) all interest payable for the remainder of the Mortgage Term. For purposes of clarification, the Mortgagor agrees and acknowledge that, notwithstanding prior prepayment of the Mortgage, the Mortgagor shall pay interest to the Mortgagee for a period of NO LESS THAN two (2) months.

The Mortgagor shall provide a series of postdated cheques to cover the monthly payments and in the event that any cheque is not honoured by the Mortgagor's financial institution, the Mortgagor shall pay to the Mortgagee as compensation for the Mortgagee's reasonable costs and expenses incurred as a result of such dishonoured cheque in the sum of \$250.00 for each dishonoured cheque.

The Mortgagor agrees to pay, whenever this mortgage is paid in full and released from the land, a discharge fees of \$150.00 will be applicable along with any fees to Mortgagee's solicitor.

The Mortgagor may not sell, transfer, assign, further encumber, or in any way deal with their interest in the land without first securing the written consent of the Mortgagee and should the Mortgagor sell, transfer, assign, or in any way deal with the said land the balance of principal and interest due and owing under this mortgage shall forthwith become due and payable at the option of the Mortgagee and further, this clause shall remain in full force and effect so long as any monies are outstanding hereunder, notwithstanding that such written consent may have been given from time to time.

The taking of a judgment or judgments under any of the covenants herein contained shall not operate as merger of the rights of the Mortgagee under the said covenant or of the Mortgagee's security by way of a charge against the said lands, or affect the Mortgagee's right to interest at the aforesaid rate on any monies due and owing to the Mortgagee under the covenant contained herein, it be understood and agreed that the said rate of interest shall be payable on any judgment taken thereon.

Provided that no extension of time given by the Mortgagee to the Mortgagor, or any one claiming under him, or any other dealing by the Mortgagee with the owner of the equity of redemption of the said lands, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any co-

covenantor, guarantor, surety, or any other person liable for the payment of monies hereby secured.

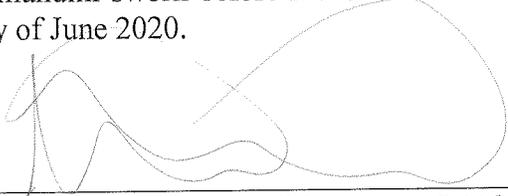
That if the proceedings have been taken by the Mortgagor or any action whatsoever in commenced by the Mortgagee under this mortgage because of default of payment in any of the monies secured or payable hereunder or any of the terms and conditions of the mortgage, the Mortgagee shall be entitled to require payment, in addition to all other monies secured and payable hereunder, of a bonus equal to three months interest at the rate aforesaid upon the principal money hereby secured, and the Mortgagor shall not be entitled to require a discharge of this mortgage without such prepayment. Further it is agreed that all costs and expenses of the Mortgagee incurred endeavouring to collect any money under this mortgage including all legal costs on a solicitor and client basis whether legal proceeds are instituted or not, shall be added to the principal and be payable forthwith by the Mortgagor.

That if any one or more of the provisions contained in this mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagor, not in affect any or all other provisions of this mortgage and this mortgage shall be construed as if such invalid., illegal or unenforceable provisions had never been contained herein.

All monies payable hereunder shall be paid in lawful money of Canada to the Lender at the hereinbefore noted address, or such other place as the Lender may, in writing, from time to time designate, on any business day from Monday to Friday inclusive such week, prior to 3:00 p.m. in the afternoon (Saturday is not considered to be a business day). Any payment made hereunder which is not received prior to 3:00 p.m. in the afternoon as aforesaid shall be deemed to have been received by the Lender on the next business day.

END OF DOCUMENT

This is Exhibit "H" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Apr-17-2019 15:50:30.001

CA7452771

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 8 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Kin Ip Lo 67XYVT	Digitally signed by Kin Ip Lo 67XYVT
	Date: 2019.04.17 15:45:25 -07'00'

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

Gary K. Lo Law Corporation
5728 East Boulevard

File: 2019-4107-CBA
Phone: 604-261-3771

Vancouver BC V6M 4M4
Document Fees: \$74.16

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

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

CONIAN DEVELOPMENTS (LA VODA II) INC.

10469 125B ST
SURREY BRITISH COLUMBIA
V3V5A8 CANADA

Incorporation No.
BC1178465

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

CBA ENTERPRISES LTD.

13616 MARINE DRIVE
WHITE ROCK BRITISH COLUMBIA
CANADA V4B 1A4

Incorporation No
BC1123192

5. PAYMENT PROVISIONS:

(a) Principal Amount: \$2,100,000.00	(b) Interest Rate: 12% per annum	(c) Interest Adjustment Date:	Y 19	M 4	D 12
(d) Interest Calculation Period: Calculated daily, compounded semi-annually	(e) Payment Dates: See Schedule	(f) First Payment Date:	19	5	12
(g) Amount of each periodic payment: Interest Only	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date:	20	4	12
(j) Assignment of Rents which the applicant wants registered? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> If YES, page and paragraph number:	(k) Place of payment: Postal Address in Item 4	(l) Balance Due Date:	20	4	12

MORTGAGE – PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:

Fee Simple
Other (specify)

9. MORTGAGE TERMS:

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

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

D F Number:
(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

See Schedule

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

First Mortgage and Assignment of Rents in favour of Romspen Investment Corporation
CA7263560 and CA7263561.

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

SEAN HOGAN
Barrister & Solicitor
200 - 8120 128th Street
Surrey, B.C. V8W 1R1

Execution Date		
Y	M	D
19	04	10

Borrower(s) Signature(s)

Conian Developments (La Voda II)
Inc. by its authorized signatory:

Name: Rana Wasif Khaliq

OFFICER CERTIFICATION:

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

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

SEAN HOGAN
Barrister & Solicitor
200 - 8120 128th Street
Surrey, B.C. V8W 1R1

Y	M	D
19	04	10

Rana Wasif Khaliq
GUARANTOR

OFFICER CERTIFICATION:

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

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 8 PAGES

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

007-131-895 LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840

STC? YES

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

011-422-220 LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739

STC? YES

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

011-422-203 LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739

STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 8 PAGES

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

001-427-288 **LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

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

000-674-672 **LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

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

011-362-588 **LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 6 OF 8 PAGES

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

011-362-596 **LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER PLAN 8791**

STC? YES

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

STC? YES

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

STC? YES

ORM_E_V24

LAND TITLE ACT
FORM E

PAGE 7 OF 8 PAGES

SCHEDULE

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

5. PAYMENT PROVISIONS:

(e) Payment Dates:

12th day of each month for the period April 12 - July 11, 2019 and thereafter monthly on the last day of each month up until the Maturity Date.

10. ADDITIONAL OR MODIFIED TERMS:

1. Rana Wasif Khaliq, of 10469 125B Street, Surrey, B.C. V3V 5A8, as Guarantor of this mortgage.
2. The terms used in this mortgage form have the same meaning as the terms defined in the standard mortgage terms prescribed for the purposes of s. 219.3, Land Title Act, by s. 7, Land Title (Transfer Forms) Regulation, B.C. Reg. 53/90 (referred to in this mortgage form as the "prescribed standard mortgage terms").
3. The Lender may spend money to perform any of the Borrower's promises and agreements under a prior charge that the Borrower has not performed, and any money so spent shall be added to the principal amount, bear interest from the date that the money was so spent, and be immediately due and payable to the Lender.
4. PROVIDED THAT if the Borrower shall part with possession, sell, agree to sell, or otherwise dispose of the said lands or any part or parts, or if the Borrower shall grant any further charge or encumbrance of the said lands or any part thereof, or if the Borrower receives further advances secured by Prior Mortgage/Assignment of Rents Registration Nos. CA7263560 and CA7263561 after the registration of this mortgage without the prior written consent of the Lender, the whole of the monies hereby secured remaining unpaid shall forthwith become due and payable without notice in like manner and to all intents and purposes as if the due date for payment of same had fully come and expired and all powers and remedies of the Lender hereunder shall be exercisable, at the Lender's option.
5. The Borrower, upon payout of this mortgage in full, agrees to pay to the Lender the sum of \$150.00 for execution of a Discharge of Mortgage plus all legal costs in respect of such Discharge of Mortgage.

JRM_E_V24

LAND TITLE ACT
FORM E

PAGE 8 OF 8 PAGES

SCHEDULE

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

6. If any of the instalment payments made by the Borrower are late, missed or should become void due to non-sufficient funds there will be a \$250.00 charge added to the principal of this mortgage for each late or missed payment or each default in payment due to non-sufficient funds.

7. The prescribed standard mortgage terms are amended by adding after subsection 5(1) the following:

"(1.1) The promises and agreements made by the Borrower to the Lender in any guarantee, promissory note or any other agreement made by the Lender and the Borrower (the "Borrower's Agreements") are hereby incorporated by reference and are made a part of this Mortgage. The Borrower promises to fully and promptly observe and perform all of the obligations and agreements of the Borrower set out in the Borrower's Agreements. If any provision of the Borrower's Agreements is inconsistent or conflicts with any other provision of this mortgage or the mortgage terms, the provision in the Borrower's Agreements will prevail."

8. The prescribed standard mortgage terms are amended by adding after subsection 7(1) the following:

"(1.1) A default also occurs under this mortgage if a default occurs under any charge or encumbrance having priority over this mortgage, or if a default occurs under any of the Borrower's Agreements."

NEW WESTMINSTER LAND TITLE OFFICE

DECLARATION(S) ATTACHED
CA7452772

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

Apr-17-2019 15:50:30.002

PAGE 1 OF 9 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, R.S.B.C. 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Kin Ip Lo
67XYVT
Digitally signed by
Kin Ip Lo 67XYVT
Date: 2019.04.17
15:46:18 -07'00'

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

Gary K. Lo Law Corporation
5728 East Boulevard

File: 2019-4107-CBA
Phone: 604-261-3771

Vancouver BC V6M 4M4
Document Fees: \$74.16

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION

Assignment of Rents

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

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

(b) Express Charge Terms Annexed as Part 2

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

5. TRANSFEROR(S):

CONIAN DEVELOPMENTS (LA VODA II) INC., (Inc. No. BC1178465)

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

CBA ENTRPRISES LTD.

13616 MARINE DRIVE
WHITE ROCK

V4B 1A4

BRITISH COLUMBIA
CANADA

Incorporation No
BC1123192

7. ADDITIONAL OR MODIFIED TERMS:

N/A

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

Officer Signature(s)

SEAN HOGAN
Barrister & Solicitor
200 - 8120 128th Street
Surrey, B.C. V3W 1R1

Execution Date		
Y	M	D
19	04	10

Transferor(s) Signature(s)

Conian Developments (La Voda II)
Inc. by its authorized signatory:

Name: Rana Wasif Khaliq

OFFICER CERTIFICATION:

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

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 9 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

SEAN HOGAN
Barrister & Solicitor
200 - 8120 128th Street
Surrey, B.C. V3W 1R1

Y	M	D
19	04	10

Rana Wasif Khaliq, as GUARANTOR

OFFICER CERTIFICATION:

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

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3 OF 9 PAGES

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

**007-131-895 LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840**

STC? YES

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

**011-422-220 LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

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

**011-422-203 LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 9 PAGES

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

001-427-288 **LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN 9739**

STC? YES

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

000-674-672 **LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

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

011-362-588 **LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 9 PAGES

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

**011-362-596 LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

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

STC? YES

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

STC? YES

TERMS OF INSTRUMENT – PART 2

Interpretation

1.1 In these charge terms:

“borrower” means the person or persons named in the general instrument form as a transferor;

“borrower mailing address” means the postal address of the borrower set out in the mortgage or the most recent postal address provided in a written notice given by the borrower to the lender under these charge terms;

“borrower’s promises and agreements” means any one or more of the borrower’s obligations, promises, and agreements contained in this assignment of rents;

“default” includes each of the events of default listed in section 5.1;

“general instrument form” means the Form C to which these charge terms are annexed as Part 2 and all schedules to Form C;

“interest” means interest as defined in the mortgage;

“land” means all the borrower’s present and future interest in the land described in the general instrument form including every incidental right, benefit, or privilege attaching to that land or running with it and all buildings and improvements that are now or will alter be constructed on or made to that land;

“lease” means a lease or tenancy agreement, whether written or oral, of all or any part of the land, regardless of whether the lease now exists or arises at any time in the future;

“lender” means the person or persons named in the general instrument form as a transferee and includes any person to whom the lender transfers this assignment of rents;

“lender mailing address” means the postal address shown on the mortgage or the most recent postal address provided in a written notice given by the lender to the borrower under these charge terms;

“mortgage” means the mortgage of the land that the borrower has executed or will execute in return for the lender agreeing to lend the principal amount;

“mortgage money” means the mortgage money as defined in the mortgage;

“place of payment” means the place of payment shown on the mortgage or any other place specified in a written notice given by the lender to the borrower under these charge terms;

“principal amount” means the principal amount as defined in the mortgage;

“rents” means all rents and other moneys that now are, or at any time in the future may be, due or owing to the borrower under any lease;

“this assignment of rents” means the combination of the general instrument form and these charge terms.

1.2 In this assignment of rents the singular includes the plural and vice versa.

What this Assignment of Rents Does

2.1 In return for the lender agreeing to lend the principal amount to the borrower, the borrower assigns and transfers to the lender, as security for repayment of the mortgage money and for performance of all the borrower’s promises and agreements and grants a security interest in:

- (a) all rents;
- (b) the benefit of all covenants and agreements included in any lease.

2.2 This assignment of rents shall be a charge on the land.

2.3 This assignment of rents is given in addition to and not in substitution for any other security for repayment of the mortgage money.

2.4 This assignment of rents does not operate as a merger of the mortgage or any other security or agreement.

2.5 When the borrower has paid the mortgage money and performed all the borrower’s promises and agreements under the mortgage and the lender has no obligation to make any further advances or readvances, the borrower will be entitled, at the borrower’s cost, to receive a discharge of this assignment of rents.

2.6 Provided that the borrower is not at the time in default under this agreement, then any rent received by the borrower may be used by the borrower.

Promises and Declaration of the Borrower

3.1 The borrower promises:

- (a) to accept rents under any lease only in the amounts and on the days and times and in the manner provided for in the lease and not to accept prepayment of any rents to accrue due or owing under any lease;
- (b) from time to time, as the lender requires, to provide to the lender copies of any lease;
- (c) to keep records of all rents received and of all expenses paid by the borrower in connection with the land and, at least annually, have a statement of revenue and expenses for the land prepared by a professional accountant if the lender requires and to give copy of the statement to the lender if the lender requires the borrower to do so;

- (d) to pay all of the lender's cost, including legal fees on a solicitor and client basis, to:
- (i) prepare and register this assignment of rents;
 - (ii) collect the rents, including the cost of the time and services of the lender or the lender's employees for so doing;
 - (iii) enforce the terms of this assignment of rents, including efforts to compel the borrower to perform the borrower's promises and agreements;
 - (iv) do anything that the borrower has promised to do but has not done; and
 - (v) prepare and give the borrower a discharge of this assignment of rents when the borrower has paid all money due under the mortgage;

and these expenses and costs will be added to the principal amount, be payable on demand, and bear interest until they are fully paid;

- (e) if the lender requires the borrower to do so, to assign in registerable form to the lender as additional security for the repayment of the mortgage money, any lease that may be granted by the borrower and to execute the assignment in the standard form of the lender or in such other form as the lender may require in its absolute discretion;
- (f) to execute and deliver any other deeds, documents, and assurances, and to do any other acts required to carry out the true intent and meaning of this assignment of rents.

- 3.2 The borrower declares to the lender that the borrower has the right to assign and transfer the rents to the lender.

Agreements Between the Borrower and the Lender

- 4.1 The lender shall not be responsible for the collection of the rents or any part of the rents or for the observance or performance of any of the covenants or agreements contained in any lease and need only provide an accounting to the borrower for any money that the lender actually receives pursuant to this assignment of rents.
- 4.2 If the borrower gives notice to the lender, the borrower must do so by having the notice delivered to the lender personally or by sending it by registered or certified mail to the lender mailing address.
- 4.3 If the lender gives notice to the borrower, the lender must do so by having the notice delivered to the borrower personally or by sending it by registered or certified mail to the borrower mailing address.
- 4.4 Any notice sent by mail is considered to have been received five days after it is mailed.

- 4.5 Any notice to be given by the borrower to the lender or vice versa during a mail strike or disruption must be delivered.

Default

- 5.1 A default occurs under this assignment of rents if a default occurs under the mortgage or if the borrower is in default of any of the borrower's promises and agreements.

Consequences of a Default

- 6.1 If a default occurs, the lender may do any one or more of the following:
- (a) notify the tenant under any lease to make payment of rent to the lender;
 - (b) collect, realize, or otherwise deal with the rents or any part of the rents in any manner and without notice to the borrower.
- 6.2 If the lender does not exercise any of the lender's rights on the happening of a default or does not ask the borrower to cure it, the lender is not prevented from later compelling the borrower to cure that or any subsequent default or exercising any of its rights.

General

- 7.1 This assignment of rents binds the borrower and the borrower's successors, executors, administrators, and assigns.
- 7.2 Each person who signs this assignment of rents as a borrower is jointly and severally liable for all of the borrower's promises and agreements as though each such borrower had been the only borrower to sign.
- 7.3 If any part of this assignment of rents is not enforceable, all other parts will remain in effect and be enforceable against the borrower.

LAND TITLE ACT
FORM DECLARATION

Related Document Number: CA7452772

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that: you are a subscriber as defined by the Land Title Act, RSBC 1996, C.250, the original or where designated by the Director, a true copy of the supporting document is in your possession and that the summary of the material facts set out in this declaration accurately reflects the material facts set out in each supporting document and if a supporting document is evidenced by an imaged copy the material facts of the supporting document are set out in the imaged copy of it attached. Each term used in the representation and declaration set out above is to be given the meaning ascribed to it in Part 10.1 of the Land Title Act.



I, GARY K. LO, Barrister and Solicitor, declare that:

1. The Transferee's information has a typo error. The Transferee's name was erroneously typed as CBA ENTRPRISES LTD.
2. The correct name of the Transferee should be CBA ENTERPRISES LTD.

I make this declaration and know it to be true based on personal knowledge/reasonable belief.

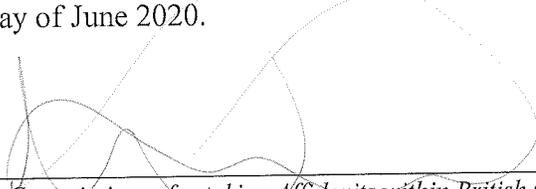
GARY K. LO, Barrister & Solicitor
GARY K. LO LAW CORPORATION
5728 East Boulevard, Vancouver,
B.C. V6M 4M4
Tel: 604-261-3771
FILE 2019-4107-CBA

NOTE:

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

Fee Collected for Document: \$13.91

This is Exhibit "I" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8178428

RCVD: 2020-05-07 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-07-2020 11:42:56.001

CA8178428

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the Land Title Act, R.SBC 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.

Adnan Naiyer
Habib J88IVI
Digitally signed by Adnan Naiyer Habib J88IVI
Date: 2020.05.07
11:39:21 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Baker Newby LLP
Barristers & Solicitors
200 - 2955 Gladwin Road
Abbotsford
Document Fees: \$0.00

Adnan N. Habib
604-852-3646
File No. 660270001
BC V2T 5T4

I, Adnan N. Habib, Lawyer of Baker Newby LLP
200 - 2955 Gladwin Rd., Abbotsford, British Columbia, V2T 5T4 , agent of the lien claimant state that:

1. PACIFIC EDGE FORMING 2016 LTD. Incorporation No
BC1089226

of 47843 Edwards Road, Chilliwack, British Columbia, V2R 4R9
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667
STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Formwork and other related work

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
FLII Construction Ltd.

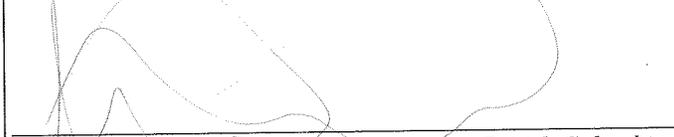
4. The sum of \$ 164,223.11 is or will become due and owing to Pacific Edge Forming 2016 Ltd.
on May 7, 2020

5. The lien claimant's address for service is:
Baker Newby LLP, Lawyers, 200 - 2955 Gladwin Road, Abbotsford, British Columbia, V2T 5T4,
Attention: Adnan N. Habib

Signed: _____
Date: May 7, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "J" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING May-08-2020 13:50:23.001
LAND TITLE AND SURVEY AUTHORITY

CA8180937
PAGE 1 OF 11 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Alan Ives Chim
GBW49K
c=CA, cn=Alan Ives Chim
GBW49K, o=Lawyer,
ou=Verify ID at
www.juricert.com/
LKUP.cfm?id=GBW49K

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

David A. Hunter
Hamilton Duncan Armstrong & Stewart Law Corp Telephone: 604 581-4677
#1450, 13401 - 108th Avenue
Surrey BC V3T 5T3
Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN EPP73667

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION
ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

KUZCO LIGHTING INC.

C/O #450, 13401-108TH AVENUE Incorporation No
SURREY BRITISH COLUMBIA NA
V3T 5T3 CANADA

CERTIFICATE OF PENDING LITIGATION
Form 31

Nature of Interest: Charge
Certificate of Pending Litigation

Herewith fee: \$30.25

Legal Description:

PID: 030-337-020
LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT
PLAN EPP73667

Address of person entitled to register this Certificate of Pending Litigation:

Kuzco Lighting Inc.
c/o #1450, 13401 - 108th Avenue
Surrey, BC V3T 5T3

Attention: David A. Hunter


Signature of Lawyer for Applicants



No. 5204804
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

KUZCO LIGHTING INC.

PLAINTIFF

AND:

RANA WASIF KHALIQ and CONIAN DEVELOPMENTS (LA VODA) INC.

DEFENDANT

CERTIFICATE OF PENDING LITIGATION

I certify that in a proceeding commenced in this Court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the document by which the claim is made.

Given under my hand and the seal of the Court at *Vancouver*, British Columbia this 8th day of May, 2020.

Digitally signed by
Sanjeev Naidu

REGISTRAR



Court File No. **VLC-S-S-204804**
 NO. _____
 VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KUZCO LIGHTING INC.

PLAINTIFF

AND:

RANA WASIF KHALIQ and CONIAN DEVELOPMENTS (LA VODA) INC.

DEFENDANT

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,

{00224127.2}

- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

Part 1: STATEMENT OF FACTS

1. The plaintiff, Kuzco Lighting Inc. ("Kuzco"), is a company incorporated under the laws of British Columbia and has its registered office at 220 – 7565 132nd Street, Surrey, B.C.
2. The defendant, Rana Wasif Khaliq ("Khaliq"), is a businessman and resides at 10469 – 125B Street, Surrey, B.C.
3. The defendant, Conian Developments (La Voda) Inc. ("Conian"), is a company incorporated under the laws of British Columbia and has its registered office at 10469 – 125B Street, Surrey, B.C.
4. At all material times, Conian was the registered owner in fee simple of those lands and premises situated at 11077 Ravine Road, Surrey, B.C., and legally described as:

PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West New Westminster District
Plan EPP73667

(the "Development Property").
5. Khaliq is the sole director and operating mind of Conian.
6. Khaliq is also the sole director and operating mind of B.C. Currency Exchange Inc. ("BCCE"), a company incorporated under the laws of Canada and registered as an extraprovincial company under the laws of British Columbia.

Currency transactions

7. Since in or around 2010, Kuzco has engaged BCCE on a regular basis to provide foreign currency exchange services whereby Kuzco would buy US dollars ("USD") from BCCE, or sell USD to BCCE in exchange for Canadian dollars ("CAD"), at the agreed upon rate for USD/CAD set by BCCE.

8. Until February 2020, Kuzco was settling each transaction with BCCE via the exchange of cheques. A representative of BCCE would attend at Kuzco's offices and deliver one or more cheques for the total amount of currency ordered. Kuzco would simultaneously hand deliver one or more cheques for the equivalent amount in the opposite currency to BCCE's representative to settle the order.
9. In February 2020, Kuzco and BCCE agreed to revise the manner in which the currency transactions were settled given the increasing size of the daily transactions. In particular, BCCE agreed to credit Kuzco's account at HSBC Canada in advance for the total amount of currency ordered by way of direct cheque deposit. Upon confirmation of the deposit, Kuzco would hand deliver one or more cheques for the equivalent amount in the opposite currency to BCCE's representative to settle the order.
10. On April 21 and 22, 2020, Kuzco agreed to sell, and BCCE agreed to purchase, the sum of USD5,300,000 (the "USD Sale Transaction"). Accordingly, BCCE deposited the following cheques in CAD drawn upon its account at Khalsa Credit Union (the "CAD Cheques") into Kuzco's account at HSBC Canada for the purchase of USD from Kuzco:

Cheque Number	Date	Currency	Amount
36074	April 21, 2020	CAD	\$825,000
36075	April 21, 2020	CAD	\$713,750
36076	April 21, 2020	CAD	\$856,500
36077	April 21, 2020	CAD	\$571,000
36078	April 21, 2020	CAD	\$642,375
36079	April 21, 2020	CAD	\$356,875
36087	April 22, 2020	CAD	\$650,000
36088	April 22, 2020	CAD	\$568,750
36089	April 22, 2020	CAD	\$750,000
36090	April 22, 2020	CAD	\$775,000
36091	April 22, 2020	CAD	\$825,000
TOTAL			CAD7,534,250

11. Upon confirmation that the CAD Cheques had been deposited into its account at HSBC Canada, Kuzco settled the USD Sale Transaction by providing BCCE with cheques drawn on its account at HSBC Canada totaling USD5,300,000 (the "Kuzco USD Cheques").
12. On April 22, 2020, Kuzco agreed to purchase, and BCCE agreed to sell, the sum of USD1,307,891 (the "USD Purchase Transaction"). Accordingly, BCCE deposited the following USD cheques drawn upon its account at Khalsa Credit Union (the "USD Cheques") into Kuzco's account at HSBC Canada for the purchase of CAD from Kuzco:

Cheque Number	Date	Currency	Amount
35743	April 22, 2020	USD	\$307,891
35744	April 22, 2020	USD	\$500,000
35745	April 22, 2020	USD	\$500,000
TOTAL			USD1,307,891

13. Upon confirmation that the USD Cheques had been deposited into its account at HSBC Canada, Kuzco settled the USD Purchase Transaction by providing BCCE with cheques drawn on its account at HSBC Canada totaling CAD1,816,661 (the "Kuzco CAD Cheques").
14. The USD Cheques and the CAD Cheques (the "BCCE Cheques") were signed by or at direction of Khaliq.
15. Immediately after receiving the Kuzco USD Cheques and the Kuzco CAD Cheques (the "Kuzco Cheques") on April 21 and 22, Khaliq directed BCCE to have the cheques certified, which had the effect of removing the funds from Kuzco's account with HSBC Canada. The BCCE Cheques to Kuzco, on the other hand, were not certified.
16. Between April 24 and April 27, 2020, Khalsa Credit Union dishonoured all of the BCCE Cheques upon their presentment by Kuzco.
17. On April 27, 2020, Kuzco notified BCCE that the BCCE Cheques had been dishonoured. However, BCCE has refused or neglected to deposit replacement funds.
18. As a result, Kuzco has received no consideration in exchange for the Kuzco Cheques.
19. On May 4, 2020, Kuzco commenced an action against BCCE in B.C. Supreme Court Action S-204368, Vancouver Registry for the amounts due on the BCCE Cheques.
20. Shortly after commencing the action against BCCE, Kuzco discovered that BCCE had on April 30, 2020 filed a Notice of Intention to make a Proposal to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

Fraudulent misrepresentation

21. By causing BCCE to enter into the USD Sale Transaction and the USD Purchase Transaction (the "Transactions"), and by signing and delivering, or directing the signing and delivery of the BCCE Cheques to Kuzco, Khaliq represented to Kuzco that BCCE had sufficient funds on deposit at Khalsa Credit Union to cover the amount of the BCCE Cheques.
22. Kuzco relied upon this representation and was induced by it to enter into the Transactions and to issue the Kuzco Cheques to BCCE.
23. The representation was false in that:
 - (a) BCCE did not have sufficient funds on deposit at Khalsa Credit Union to cover the amount of the BCCE Cheques;
 - (b) BCCE was in default and indebted to Exchange Bank of Canada in the amount of approximately \$1.4 million; and
 - (c) Exchange Bank of Canada had served a garnishing order on Khalsa Credit Union with respect to BCCE's accounts on April 20, 2020, with the result that BCCE's accounts were frozen.
24. Khaliq made the representation to Kuzco fraudulently in that he caused BCCE to enter into the Transactions, issue the BCCE Cheques to Kuzco, and certify the Kuzco Cheques knowing that BCCE did not have sufficient funds on deposit at Khalsa Credit Union to cover the amount of the BCCE Cheques and that the BCCE accounts at Khalsa Credit Union were frozen.
25. Alternatively, Khaliq made the representation recklessly, not caring whether it was true or false.
26. By reason of Khaliq's actions, Kuzco has suffered loss and damage.

Breach of trust by BCCE

27. By reason of the dishonoured BCCE Cheques and Khaliq's fraudulent misrepresentation:
 - (a) Kuzco has been deprived of the entire benefit of the Transactions; and
 - (b) BCCE has been enriched and Kuzco has suffered a corresponding deprivation, with no juristic reason for the enrichment in the circumstances.
28. Accordingly, the Transactions are void *ab initio* and BCCE holds the funds received from Kuzco Cheques (the "Trust Funds") on a resulting or constructive trust for Kuzco (the "Trust").

29. In breach of the Trust, BCCE has failed to return the Trust Funds to Kuzco.
30. Between April 21 and May 5, 2020, BCCE, in further breach of the Trust, transferred some or all of the Trust Funds from BCCE to Khaliq and Conian.
31. BCCE's breach of trust in transferring the Trust Funds to Khaliq and Conian was dishonest and fraudulent in that BCCE took a risk to the prejudice of Kuzco's rights, which risk it knew to be one it had no right to take.

Knowing assistance and knowing receipt

32. Khaliq knowingly assisted BCCE in the breach of the Trust by personally transferring or directing the transfer of the Trust Funds from BCCE to Khaliq and Conian with actual knowledge of the fraudulent and dishonest breach of the Trust, or by being willfully blind or reckless with respect to the breach.
33. Further, or in the alternative, Khaliq and Conian received some or all of the Trust Funds for their own benefit with knowledge of facts that would indicate to an honest and reasonable person that the transfer was made fraudulently and in breach of the Trust.
34. Between April 21, 2020 and May 5, 2020, Conian used some or all of the Trust Funds to make a capital investment into and/or capital improvements on the Development Property, thereby increasing its value and increasing Conian's equity in the Development Property.
35. By reason of Conian's use of the Trust Funds as set out in paragraph 34, Kuzco is entitled to a tracing of the Trust Funds into the Development Property. To the extent Conian used the Trust Funds for improvements to the Development Property, Conian holds the Development Property on a constructive or resulting trust for Kuzco.

Part 2: RELIEF SOUGHT

1. Judgment against Khaliq in respect of the Kuzco USD Cheques for that amount of Canadian currency that is necessary to purchase the sum of USD5,300,000.00 at a chartered bank located in British Columbia at the close of business on the last day, before the day on which a payment of this judgment is made, on which such chartered bank quotes a Canadian Dollar equivalent to the United States Dollar;
2. Judgement against Khaliq in respect of the Kuzco CAD Cheques for the liquidated sum of CAD1,816,661.00;
3. In the alternative, damages against Khaliq for fraudulent misrepresentation and/or conversion;

4. Further, or in the alternative, a declaration that that Khaliq and Conian hold the Trust funds on a resulting or constructive trust for Kuzco;
5. A tracing of the Trust Funds and an equitable accounting of the same for Kuzco's use in pursuing equitable remedies;
6. A certificate of pending litigation against title to the Development Property;
7. Punitive and exemplary damages against the defendants, and each of them;
8. Interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79;
9. Costs; and
10. Such further and other relief as this Honourable Court deems just.

Part 3: LEGAL BASIS

1. Khaliq committed the tort of fraudulent misrepresentation and the tort of conversion.
2. Khaliq knowingly assisted BCCE in a fraudulent and dishonest breach of trust. The plaintiff relies on the principles set out in *Air Canada v. M & L Travel Ltd.*, [1993] 3 S.C.R. 787.
3. Further, or in the alternative, Khaliq and Conian are liable in knowing receipt of trust property. The plaintiff relies on the principles set out in *Gold v. Rosenberg*, [1997] 3 S.C.R. 767.
4. A defendant found liable for knowing assistance and knowing receipt is deemed to be constructive trustee: *Bank of China v. Fan*, 2015 BCSC 590.
5. The court will award a constructive trust both for wrongful acts like fraud and breach of duty of loyalty, as well as to remedy unjust enrichment and corresponding deprivation: *Soulos v. Korkontzilas*, [1997] 2 S.C.R. 217, at para. 43.
6. If a plaintiff successfully establishes a proprietary entitlement to misappropriated funds in the hands of a defendant, it may trace or follow those funds from there into other property: *Drucker, Inc. v. Hong*, 2011 BCSC 905.

Plaintiff's address for service:

Hamilton Duncan
 1450 – 13401 108th Avenue
 Surrey, B.C. V3T 5T3
 Attention: David A. Hunter

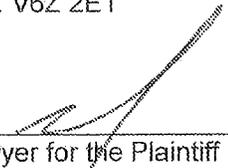
Fax number address for service (if any): (604) 581-5947

E-mail address for service (if any): dah@hdas.com

Place of trial: Vancouver, British Columbia

The address of the registry is: Supreme Court of British Columbia
800 Smithe Street
Vancouver, B.C. V6Z 2E1

Date: 07-May-2020


Signature of lawyer for the Plaintiff
(David A. Hunter)

Rule 7-1 (1) of the *Supreme Court Civil Rules* states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

The Plaintiff's claim is against the Defendant Khaliq for fraudulent misrepresentation and knowing assistance in breach of trust, and against the Defendant Conian for knowing receipt of trust property, with respect to monies paid pursuant to a currency transaction.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investments losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

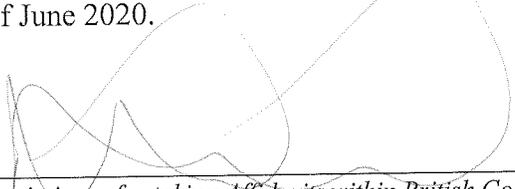
Part 3: THIS CLAIM INVOLVES

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4: ENACTMENTS

Court Order Interest Act, R.S.B.C. 1996, c. 79.
Foreign Money Claims Act, R.S.B.C. 1996, c. 155

This is Exhibit "K" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8181433

RCVD: 2020-05-09 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-09-2020 08:53:44.001

CA8181433

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Leslie James Armitstead L6IXFK	Digitally signed by Leslie James Armitstead L6IXFK DN: c=CA, cn=Leslie James Armitstead L6IXFK, o=Lawyer, ou=Verify ID at www.juricart.com/LKUP.dfm?id=L6IXFK Date: 2020.05.09 08:52:55 -0700
--------------------------------------	---

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

Armitstead & Company
Les Armitstead, Lawyer
Unit 320-31935 South Fraser Way
Abbotsford BC V2T 5N7
Document Fees: \$0.00

LTO Client No. 899012140
File No. 203214
File Name. Graestone/FLII

I, Lisa Stainton of 320 - 31935 South Fraser Way
Abbotsford, BC, agent of the lien claimant state that:

1. GRAESTONE READY MIX INC. Incorporation No
BC0386028

of 10086 - 199B Street, Langley, BC V1M 3X8
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667
STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Supply of ready mix concrete.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
one or more of the following: FLII Construction Ltd., Conian Developments (La Voda) Inc. and Rana Khaliq

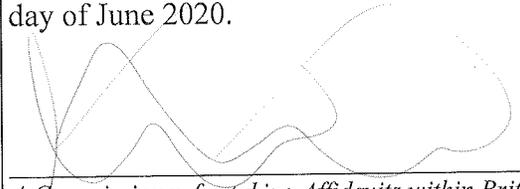
4. The sum of \$ 202,766.21 is or will become due and owing to Graestone Ready Mix Inc.
April 8, 2020. on

5. The lien claimant's address for service is:
10086 - 199B Street, Langley, BC V1M 3X8

Signed: _____
Date: May 9, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "L" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING Jun-02-2020 11:52:15.001
LAND TITLE AND SURVEY AUTHORITY

CA8221859

PAGE 1 OF 16 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Leslie James
Armitstead
L6IXFK
Digitally signed by Leslie James
Armitstead L6IXFK
DN: c=CA, cn=Leslie James
Armitstead L6IXFK, o=Lawyer,
ou=Verify ID at www.juricert.com/
LKUP:cm?id=L6IXFK
Date: 2020.06.02 11:42:48 -07'00'

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

Armitstead & Company
Les Armitstead, Lawyer
Unit 320-31935 South Fraser Way
Abbotsford BC V2T 5N7
Document Fees: \$74.87

LTO Client No. 899012140
File No.203214
File Name.Graestone/FLII

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION
ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

GRAESTONE READY MIX INC
C/O 320 – 31935 SOUTH FRASER WAY

ABBOTSFORD

V2T 5N7

BRITISH COLUMBIA
CANADA

Incorporation No
BC0386028

ADDITIONAL PARCEL INFORMATION

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

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN EPP73667

STC? YES

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

025-719-696 LOT 1 SECTION 20 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN BCP6798

STC? YES

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

026-880-253 STRATA LOT 271 DISTRICT LOT 541 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN BCS2103 TOGETHER WITH AN INTEREST IN THE
COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE
STRATA LOT AS SHOWN ON FORM V

STC? YES

ADDITIONAL PARCEL INFORMATION

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

**027-001-873 LOT 24 DISTRICT LOT 389A GROUP 2 NEW WESTMINSTER DISTRICT PLAN
BCP28915**

STC? YES

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

STC? YES

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

STC? YES

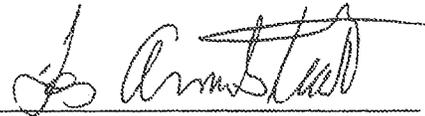
LAND TITLE ACT
FORM 31
(Section 215 (1))

NATURE OF INTEREST: CHARGE: CERTIFICATE OF PENDING LITIGATION
HEREWITH FEE OF: \$
LEGAL DESCRIPTION:

See Schedule "A"

Address of Person entitled to register
this certificate of pending litigation:
Graestone Ready Mix Inc.
Inc No. BC0386028
c/o 320 – 31935 South Fraser Way
Abbotsford, B.C. V2T 5N7

Name of Person presenting application:
Les Armitstead, Lawyer,
Armitstead & Company
320 – 31935 South Fraser Way
Abbotsford, B.C. V2T 5N7
604-746-6780 Fax 604-746-6781



Signature of Solicitor of Applicant
No. Court File No. **NEW-S-S-227812**
New Westminster Registry



In the Supreme Court of British Columbia

Graestone Ready Mix Inc.

Plaintiff

Flii Construction Ltd., Conian Developments (La Voda) Inc.
Rana Wasig Khaliq and Robina Chaudry Khan

Defendants

CERTIFICATE OF PENDING LITIGATION

I certify that in a proceeding commenced in this Court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the Land Title Act. The particulars are set out in the attached copy of the document by which claim is made.

Given under my hand and the seal of the court at New Westminster, British Columbia this
2nd day of June, 2020.

Digitally signed by
Wong, Terrence

Registrar

Schedule "A"

PID: 030-337-020

LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN EPP73667

PID: 025-719-696

LOT 1 SECTION 20 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN BCP6798

PID: 026-880-253

STRATA LOT 271 DISTRICT LOT 541 GROUP 1 NEW WESTMINSTER DISTRICT
STRATA PLAN BCS2103 TOGETHER WITH AN INTEREST IN THE COMMON
PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS
SHOWN ON FORM V

PID: 027-001-873

LOT 24 DISTRICT LOT 389A GROUP 2 NEW WESTMINSTER DISTRICT PLAN
BCP28915



Court File No. **NEW-S-S-227812**

No.
New Westminster Registry

In the Supreme Court of British Columbia

Graestone Ready Mix Inc.

Plaintiff

and

Flii Construction Ltd., Conian Developments (La Voda) Inc.
Rana Wasig Khaliq and Robina Chaudry Khan

Defendants

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,

2

- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF PLAINTIFF(S)

Part 1: STATEMENT OF FACTS

Parties:

1. The plaintiff Graestone Ready Mix Inc. ("Graestone") is a BC company and has an address for delivery for the purposes of this proceeding c/o Armitstead & Company, Unit 320 - 31395 South Fraser Way, Abbotsford, BC. V2T 5N7. Attention: Les Armitstead.
2. The defendant Flii Construction Ltd. ("Flii") is a company incorporated pursuant to the laws of BC and has its registered and records office at 205 - 10234B 152ND Street, Surrey BC V3R 6N7.
3. The defendant Conian Developments (La Voda) Inc. ("Conian") is a company incorporated pursuant to the laws of BC and has its registered and records office at 10469 - 125B Street, Surrey, BC V3V 5A8.
4. The defendant Rana Wasig Khaliq ("Khaliq") is a businessman and resides at 10469 - 125B Street, Surrey, BC V3V 5A8.
5. At all material times Khaliq was an owner, director, officer and/or operating mind of Flii and Conian.
6. The defendant Robina Chaudry Khan ("Khan") is self-employed and resides at 10469 - 125B Street, Surrey, BC V3V 5A8. At all material times Khan was the spouse of Khaliq.
7. At all material times Conian was the registered owner of the lands and buildings at 11075 - 11077 Ravine Road, Surrey, British Columbia, with the following legal description:

PID: 030-337-020
 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
 DISTRICT PLAN EPP73667

("Conian Lands")
8. At all material times Flii was engaged by Conian as the general contractor for the construction of an improvement ("Improvement") on the Conian Lands.

3

9. Alternatively, at all material times Flii was an undisclosed construction manager and the agent of Conian for the construction of the Improvement but neither Flii nor Conian disclosed that to the Graestone. Graestone claims against Flii and Conian on a contract on behalf of an undisclosed principal.
10. In the further alternative, at all material times Conian and Flii were partners in the construction the Improvement.

Account

11. On or about April 23, 2019, Flii opened an account ("Account") with Graestone for the supply of ready mix concrete. At that time Flii signed a Credit Agreement ("Credit Agreement") which set out certain terms for the Account.
12. It was a term of the Credit and Indemnity Agreement and of the Account that interest would be charged at a rate of 24 percent per year on all overdue amounts.
13. It was a term of the Account that Graestone would charge its standard prices in effect at the time of each purchase for all orders on the Account. Graestone did charge such prices for all purchases on the Account.

Guarantee

14. In consideration of Graestone agreeing to give credit to Flii as set out above, Khaliq, by written guarantee contained in the Credit Agreement, personally guaranteed the due payment of all amounts owing by Flii to Graestone with respect to all purchases on the Account.

Orders on Account

15. Between February 3, 2020, and April 8, 2020, Flii ordered ("Orders") certain ready mix concrete ("Material") on the Account for the Improvement.
16. Graestone supplied and delivered the Material to the Conian Lands for the Improvement.
17. The Material was in accordance with all contractual terms, in compliance with all design drawings, specifications, directions from site supervisors and it complied with the industry standards that existed at all material times in British Columbia.
18. Graestone supplied the Material with the intention that the Material be incorporated into the Conian Lands. The Material was incorporated into the Conian Lands.

Amount Owning

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19. The sum of \$202,766.21 ("Debt") has been and remains owing, due and payable by Flii to Graestone for the Material in the since April 8, 2020.
20. The Improvement was not completed as of May 9, 2020.
21. Flii ordered the Material from Graestone with the knowledge and consent and for the direct benefit of Conian.
22. Despite demand by Graestone, none of the defendants have paid the Debt.

Quantum Meruit

23. Alternatively, if there was no enforceable agreement for the Material, then the plaintiff is entitled to be paid by the defendants for the value of the Material it supplied on the basis of a Quantum Meruit.

Fraudulent Statutory Declarations

24. It was a term of the contract between Conian and Flii that Flii would include with each monthly progress claim, a statutory declaration that it had paid all amounts owed by it for work and materials included in previous progress claims.
25. Flii included such a statutory declaration with each of the progress claims it submitted to Conian.
26. At the time certain of the said statutory declarations were sworn Graestone had not been paid for the Material Graestone had supplied. Khaliq fraudulently swore or caused to be sworn the said statutory declarations when he knew that the material had not been paid for or was reckless in that regard. Khaliq fraudulently swore or caused to be sworn the said statutory declarations with the intention that Flii would obtain payment of its monthly progress claims and use the payments for purposes other than to pay the plaintiff.
27. As a consequence of the fraudulent statutory declarations Graestone has suffered loss and damage in that had the fraudulent statutory declarations not been provided, Flii would have had to pay Graestone to receive further progress claims from Conian and the holdback available to Graestone would have been sufficient to pay the Debt.

Lien and Holdback Claims

28. On or about May 9, 2020, Graestone filed at the Land Title Office at New Westminster, British Columbia, a claim of Builders Lien in Form 5 of the *Builders Lien Act*, S.B.C. 1997, c. 45, registered as charge number CA8181433 against the Conian Lands.

29. Graestone has met the requirements of the *Builders Lien Act*, supra, and is entitled to a lien against the title of the owner of the Conian Lands and on the holdbacks ("Holdbacks") Flii and Conian were required to keep pursuant to s. 4 of the *Builders Lien Act*, supra.
30. The amount of the Holdbacks is greater than the amount of the Debt.

Breach of Trust

31. Flii was a contractor or subcontractor on the Improvements ("Trust Claim Improvement") that Graestone supplied the Materials to. The Improvement is not completed.
32. Flii breached the trust arising pursuant to s. 10 of the *Builders Lien Act*, supra, in connection with sums ("Trust Funds") received by if for the Trust Claim Improvement.
33. Khaliq, in his capacity as a director, officer and/or operating mind of Flii, committed, participated or acquiesced in a breach of trust while acting in a fiduciary capacity with respect to Graestone and knowing that the Trust Funds were impressed with trust in favor of Graestone, by:
- a. using or dealing with; or
 - b. by allowing others to use or deal with;
- the Trust Funds for a purpose not authorized by the trust.
34. The amount of the Trust Funds used in breach of the trust exceeded the amount of the Debt.
35. Graestone suffered damage from the said breach of trust in the amount of the Debt.
36. Khaliq and Khan knowingly had Flii transfer trust monies to Khan who used it to purchase or increase her equity in the following property:
- PID: 025-719-696
 LOT 1 SECTION 20 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
 DISTRICT PLAN BCP6796
- ("Khan Lands")
37. Khan holds the Lands, or such parts thereof as were acquired with the said trust monies, in trust for Graestone and Graestone claims a beneficial interest in the Khan Lands by virtue of the doctrine of tracing.

Fraudulent Conveyance and or Preference

38. Throughout the material times Flii made large salary and dividend payments in excess of the Debt and failed to realize and/or forgave loans and mortgages (collectively the "Impugned Transactions") in excess of the Debt to Khaliq or persons related to Khaliq or other creditors of Flii at a time when Flii owed Graestone the amounts claimed above.
39. The amount of the Impugned Transactions exceeds the amount of the Debt.
40. The result of the Impugned Transactions was that Flii was unable to pay Graestone the amounts owed to it, and Graestone has been prejudiced in its collection of the Debt.
41. At all material times Graestone was the sole or substantially the sole creditor of Flii.
42. The Impugned Transactions were unlawful for following reasons:
 - a. They were settlements or conveyances of property, or preferences, made with the intent or having the effect of defeating the rightful claim of Graestone, or giving preference to Khaliq or persons related to Khaliq or to other creditors of Flii and are therefore void pursuant to the *Fraudulent Conveyance Act*, R.S.B.C. 1996, c.163 and or the *Fraudulent Preference Act*, R.S.B.C. 1996, c. 164;
 - b. They constituted unlawful payment or financial assistance to a shareholder of Flii when Flii was insolvent or on the eve of insolvency, contrary to S. 142 of the *Business Corporations Act*, SBC 2002, c. 57;
 - c. They were authorized by Khaliq as director of Flii contrary to his fiduciary duties and his duty to act in the best interests of Flii, pursuant to s. 142 of the *Business Corporations Act*, supra.

Fraudulent Trading

43. At the time Flii made the subject purchases ("Fraudulent Purchases") Khaliq knew, or proceeded recklessly without caring, that Flii would not be able to make the payments required by the Account.

Unjust Enrichment

44. The Material supplied by Graestone increased the value of the Conian Lands and increased the payments Flii received from Conian.
45. Conian was unjustly enriched by the supply of the Material by Graestone to the detriment of Graestone and without juridical reason.

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46. Flii and Khaliq were unjustly enriched by the supply of the Material by Graestone and by the said breaches of trust, the fraudulent statutory declarations, the Impugned Transactions and Fraudulent Purchases to the detriment of Graestone and without juridical reason.
47. In the circumstances the defendants were unjustly enriched by Graestone.

Tracing

48. Khaliq knowingly used the Trust Funds and the funds he acquired or saved as a result of the fraudulent statutory declarations, the Impugned Transactions and Fraudulent Purchases to purchase or increase his equity in, make mortgage payments on, or to improve, the following properties:

PID: 026-880-253

STRATA LOT 271 DISTRICT LOT 541 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN BCS2103 TOGETHER WITH AN INTEREST IN THE
COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE
STRATA LOT AS SHOWN ON FORM V

PID: 027-001-873

LOT 24 DISTRICT LOT 389A GROUP 2 NEW WESTMINSTER DISTRICT PLAN
BCP28915

("Khaliq Lands")

49. Khaliq holds the Khaliq Lands or such parts thereof as were acquired with the fraudulent statutory declarations, the Trust Funds and the funds he acquired or saved as a result of the Impugned Transactions and Fraudulent Purchases, in trust for Graestone and Graestone claims a beneficial interest in the Khaliq Lands by virtue of the doctrine of tracing.

Part 2: RELIEF SOUGHT

Against the defendants Flii and Khaliq, jointly and severally:

1. Judgment in debt in the amount of \$202,766.21.
2. Interest pursuant to the Account.
3. Alternatively, judgment on the basis of a quantum meruit for an amount to be determined by this Honourable Court.
4. Damages in the amount of the Debt for swearing fraudulent statutory declarations.

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5. Damages for breach of the trust in s. 10 of the *Builders Lien Act*, supra, in the amount of the Debt.
6. Damages in the amount of the Debt for fraudulently transferring assets.
7. Alternatively, damages for unjust enrichment.
8. An order declaring that any transfer or conveyance of money or property transferred from Flii to Khaliq is void.
9. An order declaring that Khaliq is a constructive trustee of all money or property transferred from Flii to him.
10. An order pursuant to Rule 10 preserving and protecting all money or property transferred from Flii to Khaliq until the trial of this action.
11. Tracing.
12. An accounting.
13. Damages in the amount of the Debt for fraudulent trading.
14. Alternatively, damages for contracting on behalf of an undisclosed principal in the amount of the Debt.

Against Conian:

15. In the alternative, judgment in debt in the amount of \$202,766.21.
16. For a declaration that Graestone is entitled to a builders lien for the said amount and costs against the Conian Lands and that such lien is a first charge lien or encumbrance thereon in preference and priority to all right, title and interest of Conian therein.
17. For a judgment or order that in default of payment of the said amount and costs, the Conian Lands, or the estate or interest of Conian therein charged by the said lien, be sold for the purpose of realizing the amount of the said lien and costs pursuant to the provisions of the *Builders Lien Act*, supra.
18. For the purposes aforesaid, an order that all proper directions be given, inquiries made, and accounts taken.
19. For a certificate of pending litigation against the Conian Lands.
20. Damages for unjust enrichment.

Against Flii and Conian:

21. A declaration that Graestone is entitled to a lien against the Holdbacks Flii and Conian were required to make pursuant to the *Builders Lien Act*, supra.
22. An order that Flii and Conian pay to Graestone the amount of its said lien.

Against Khaliq:

23. A declaration that Graestone has a beneficial interest in and to the Khaliq Lands and that Khaliq holds those lands in trust for Graestone.
24. A certificate of pending litigation against the Khaliq Lands.
25. Damages for breach of fiduciary duty.
26. An accounting.

Against Khan:

27. Damages for knowing receipt of trust funds.
28. A declaration that Graestone has a beneficial interest in and to the Khan Lands and that Khan holds those lands in trust for Graestone.
29. A certificate of pending litigation against the Khan Lands.
30. An accounting.

Against all the Defendants, jointly and severally:

31. For the costs of this action, including a reasonable sum for the cost of drawing and filing the said claim of lien.

Part 3: LEGAL BASIS

1. Debt;
2. Lien against Land pursuant to the *Builders Lien Act*, supra.
3. Alternatively, Quantum Meruit.
4. Alternatively, contracting on behalf of an undisclosed principal.
5. Fraudulent statutory declarations.
6. Breach of trust pursuant to s. 10 of the *Builders Lien Act*, supra.
7. *Fraudulent Conveyance Act* and *Fraudulent Preference Act*, supra.
8. Fraudulent trading.

10

9. S. 4 of the *Builders Lien Act*, supra, with respect to the said Holdbacks.
10. Unjust enrichment.
11. Breach of fiduciary duty pursuant to s. 142 of the *Business Corporations Act*, supra.

Plaintiff's address for service: Armitstead & Company, Les Armitstead, #320 – 31935
South Fraser Way, Abbotsford, B.C. V2T 5N7

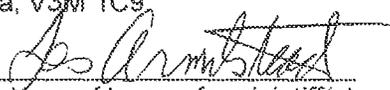
Fax number address for service (if any):

E-mail address for service (if any): les@armitco.com ;

Place of trial: New Westminster. British Columbia.

The address of the registry is: New Westminster Law Courts, 651 Carnarvon Street,
Begbie Square, New Westminster, British Columbia, V3M 1C9

Date: 23/May/2020



Signature of lawyer for plaintiff(s)
Les Armitstead

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

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APPENDIX

PART 1: CONCISE SUMMARY OF NATURE OF CLAIM:

In debt and lien pursuant to the *Builders Lien Act*, and fraudulent conveyance and trading.

PART 2: THIS CLAIM ARISES FROM THE FOLLOWING:

[Check one box below for the case type that best describes this case.]

- a motor vehicle accident
- medical malpractice
- another cause
- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

PART 3: THIS CLAIM INVOLVES:

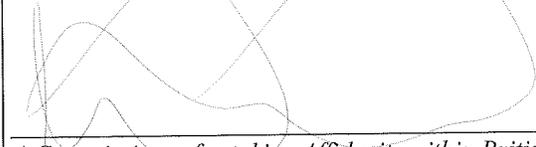
[Check all boxes below that apply to this case.]

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

PART 4:

Builders Lien Act
Fraudulent Conveyance Act
Fraudulent Preference Act
Business Corporations Act

This is Exhibit "M" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8190872

RCVD: 2020-05-14 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-14-2020 19:54:20.001

CA8190872

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, R.SBC 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.

Michael-John Dew BDAK4U
Digitally signed by Michael-John Dew BDAK4U
Date: 2020.05.14 19:53:19 -07'00'

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

Michael Dew
Jenkins Marzban Logan LLP 604 895 3160
Suite 900-808 Nelson Street
Vancouver BC V6Z 2H2 Client #40219-004
Document Fees: \$0.00

I, Michael Dew of Suite 900-808 Nelson Street
Vancouver, B.C., V6Z 2H2, agent of the lien claimant state that:

1. TTF SCAFFOLDING INC. Incorporation No
BC0770168

of 1930 Powell Street, Vancouver, B.C. V5L 1J3
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667
STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Supply of scaffolding and shoring material, and performance of related work including engineering drawings/inspections, etc.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
FLII CONSTRUCTION LTD.

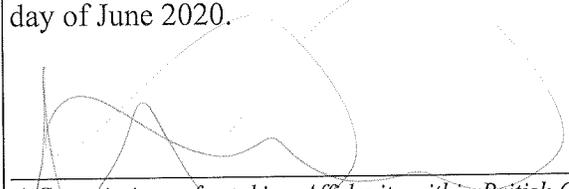
4. The sum of \$ 106,817.76 is or will become due and owing to TTF SCAFFOLDING INC.
on May 14, 2020

5. The lien claimant's address for service is:
Jenkins Marzban Logan
Suite 900-808 Nelson Street, Vancouver, B.C., V6Z 2H2 (Att: Michael Dew)

Signed: _____
Date: May 14, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "N" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8206670

RCVD: 2020-05-26 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-26-2020 10:38:20.001

CA8206670

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Michael-John Dew BDAK4U
Digitally signed by Michael-John Dew BDAK4U
Date: 2020.05.26 10:31:28 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Michael Dew
Jenkins Marzban Logan LLP 604 895 3160
Suite 900-808 Nelson Street
Vancouver BC V6Z 2H2 Client #40219-004
Document Fees: \$0.00

I, Michael Dew of Suite 900-808 Nelson Street
Vancouver, B.C., V6Z 2H2, agent of the lien claimant state that:

1. TTF SCAFFOLDING INC. Incorporation No BC0770168

of 1930 Powell Street, Vancouver, B.C. V5L 1J3
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667
STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Supply of scaffolding and shoring material.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
FLII CONSTRUCTION LTD.

4. The sum of \$ 1,344.00 is or will become due and owing to TTF SCAFFOLDING INC.
on May 26, 2020

5. The lien claimant's address for service is:
Jenkins Marzban Logan
Suite 900-808 Nelson Street, Vancouver, B.C., V6Z 2H2 (Att: Michael Dew)

Signed: _____
Date: May 26, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "O" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.

A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8199815

RCVD: 2020-05-21 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-21-2020 09:57:09.001

CA8199815

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Sima Mazarei IMRLRE
Digitally signed by Sima Mazarei IMRLRE
Date: 2020.05.21 09:55:25 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Sima Mazarei Professional Notary Corporation
106-252 Esplanade West

File: ESR Electic Ltd.
LTO#: 574186, Phone: 604-929-2902
Sima Mazarei, Auth-Agent

North Vancouver

BC V7M 0E9

Document Fees: \$0.00

I, Khalil Amani
, North Vancouver, BC V7M 3G6

of 702 Copping Street,
, agent of the Lien claimant state that:

1. E.S.R. ELECTRIC LTD.

Incorporation No
BC0780759

of 702 Copping Street, North Vancouver, BC V7M 3G6

claims a lien against the following land:

[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

- Parkade piping and wiring.
- PMT piping.
- BC Hydro PMT grounding
- All electrical room, seismic and electrical equipment, and cables are provided on-site
- Elevator, mechanical room and heat trace cabling and piping
- Amenity and outside area cabling

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Conian Developments (La Voda) Inc. Inc. No. BC0707784
10230 152 Street, Surrey, BC V3R 6N7

4. The sum of \$ 155,476.24 is or will become due and owing to E.S.R. ELECTRIC LTD.
on April 24, 2020

5. The lien claimant's address for service is:

702 Copping Street, North Vancouver, BC V7M 3G6

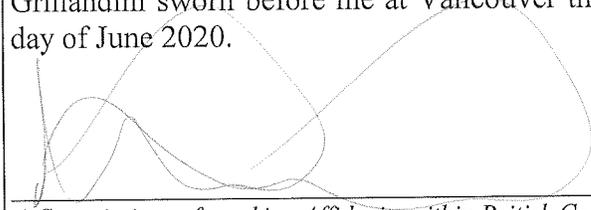
Signed: _____

Date: May 20, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "P" referred to in the affidavit of L
Grillandini sworn before me at Vancouver this 29th
day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8202013

RCVD: 2020-05-22 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-22-2020 10:11:55.001

CA8202013

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, R.SBC 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.

Cornelius David Suen U6G867
Digitally signed by Cornelius David Suen U6G867
Date: 2020.05.22 10:10:19 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Magellan Law Corporation
Barristers & Solicitors
225 - 2016 56 Avenue
Langley
Document Fees: \$0.00

File No: 3797-002
Tel: 778-726-0175

BC V3A 3Y7

I, Cornelius Suen
Langley, BC V3A 3Y7

of 225 - 20316 56 Avenue
, agent of the lien claimant state that:

1. MIDVALLEY REBAR LTD.

Incorporation No
BC1055097

of 225 - 20316 56 Avenue, Langley, BC V3A 3Y7
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

The supply and installation of reinforcing steel

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

FLII CONSTRUCTION LTD.

4. The sum of \$ 228,411.65 is or will become due and owing to MIDVALLEY REBAR LTD.
on May 21, 2020

5. The lien claimant's address for service is:

Magellan Law Corporation, 225 - 20316 56 Avenue
Langley, BC V3A 3Y7, Attention: Cornelius Suen

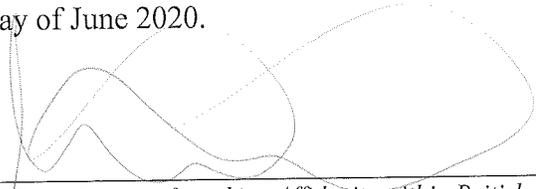
Signed: _____

Date: May 21, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "Q" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8202741

RCVD: 2020-05-22 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-22-2020 12:45:23.001

CA8202741

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Mandeep Grewal 5MVIY5
Digitally signed by Mandeep Grewal 5MVIY5
Date: 2020.05.22 10:51:37 -07'00'

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

Mandeep Grewal Notary Public
#112, 15375 Hwy 10

LOT#: Phone 604-574-5888
Mandeep Grewal, Notary Public, Auth-Agent

Surrey BC V3S 0X9
Document Fees: \$0.00

I, Arthur Thornhill, authorized representative of Mega Cranes Ltd.
6330 - 148th Street, Surrey, BC V3S 3C4, agent of the lien claimant state that:

1. MEGA CRANES LTD. INC. #A0057925 Incorporation No

of 6330 - 148th Street, Surrey, BC V3S 3C4
claims a lien against the following land:
[PID] [legal description]

**030-337-020 LOT 1, SECTION 15, BLOCK 5, NORTH RANGE 2 WEST,
NEW WESTMINSTER DISTRICT PLAN EPP73667**

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Supplied crane, support staff and services at the location of 11075 Ravine Road, Surrey, BC

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Rana Khaliq and Flii Construction Ltd.

4. The sum of \$ 63,248.11 is or will become due and owing to Mega Cranes Ltd.
on May 21, 2020

5. The lien claimant's address for service is:

6330 - 148th Street, Surrey, BC V3S 3C4

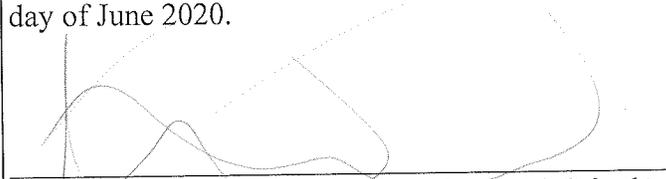
Signed: _____

Date: May 22, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "R" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29 day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING May-22-2020 13:14:00.001
LAND TITLE AND SURVEY AUTHORITY

CA8202855
PAGE 1 OF 12 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Riley Owen
Lalonde
HAV8P3
Digitally signed by Riley Owen Lalonde HAV8P3
Date: 2020.05.22 12:14:20 -07'00'

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

David E. Turner
Edwards, Kenny & Bray LLP
1900 - 1040 West Georgia Street
Vancouver BC V6E 4H3
Telephone: 604-661-1018
File Ref: 41031.001
Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION
ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

EXCHANGE BANK OF CANADA

C/O 1900-1040 WEST GEORGIA STREET
VANCOUVER V6E 4H3
BRITISH COLUMBIA CANADA
Incorporation No
NA

Land Title Act
Form 31
(section 215(1))

NATURE OF INTEREST: CHARGE: Certificate of Pending Litigation HEREWITH FEE OF: \$40.00

LEGAL DESCRIPTION:

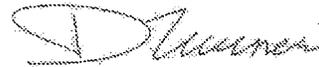
PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2
West New Westminster District
Plan EPP73667

FULL NAME, ADDRESS, TELEPHONE NUMBER OF PERSON PRESENTING APPLICATION:

David E. Turner
Edwards, Kenny & Bray LLP
Barristers and Solicitors
1900 - 1040 West Georgia Street
Vancouver, BC V6E 4H3
Telephone: 604.689.1811
Fax: 604.689.5177

ADDRESS OF PERSON ENTITLED TO REGISTER THIS CERTIFICATE OF PENDING LITIGATION:

Exchange Bank of Canada
c/o 1900 - 1040 West Georgia Street
Vancouver, BC V6E 4H3



Signature of solicitor for the plaintiff
David E. Turner



No. S-205262
Vancouver Registry

In the Supreme Court of British Columbia

Between

Exchange Bank of Canada

Plaintiff

and

Rana Wasif Khaliq and Conian Developments (La Voda) Inc.

Defendants

CERTIFICATE OF PENDING LITIGATION

I CERTIFY that in a proceeding commenced in this court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the document by which the claim is made.

Given under my hand and seal of the court at Vancouver, British Columbia this 21 day of MAY, 2020.

Digitally signed by
Jasmine Ng

Registrar

*Fee not applicable where certificate of pending litigation relates to proceedings under the *Builders Lien Act*.



Court File No. VLC-S-S-205262

No. _____
Vancouver Registry

In the Supreme Court of British Columbia

Between

Exchange Bank of Canada

Plaintiff

and

Rana Wasif Khaliq and Conian Developments (La Voda) Inc.

Defendants

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s).

- (a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service.

- 2 -

- (b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

Part 1: STATEMENT OF FACTS

1. The plaintiff, Exchange Bank of Canada ("EBC") is a Schedule I bank under the *Bank Act* (Canada), and entitled to carry on business throughout Canada pursuant to Section 15(3) of the *Bank Act* (Canada), with an address for service at 1900-1040 West Georgia Street, Vancouver, British Columbia, V6E 4H3.
2. EBC's predecessor was Currency Exchange International of Canada Corporation ("CXIC"), a corporation incorporated pursuant to the laws of Canada on October 6, 2011.
3. Pursuant to Letters Patent of Continuance issued by the Minister of Finance on September 19, 2016, CXIC was continued as a Schedule I bank pursuant to subsection 35(1) of the *Bank Act* (Canada) under the name Exchange Bank of Canada in English and Banque de change du Canada in French.
4. The defendant, Rana Wasif Khaliq ("Khaliq"), is a businessman and resides at 10469 – 125B Street, Surrey, B.C.
5. The defendant, Conian Developments (La Voda) Inc. ("Conian"), is a company incorporated under the laws of British Columbia and has its registered office at 10469 – 125B Street, Surrey, B.C.
6. At all materials times, Conian was the registered owner in fee simple of those lands and premises situated at 11077 Ravine Road, Surrey, B.C., and legally described as:

PID: 030-337-020
 Lot 1 Section 15 Block 5 North Range 2 West New Westminster District
 Plan EPP73667

(the "Development Property").
7. Khaliq is the sole director and operating mind of B.C. Currency Exchange Inc. ("BCCE"), a company incorporated under the laws of Canada and registered as an extra provincial company under the laws of British Columbia.

- 3 -

Currency Exchange

8. On or around February 21, 2018, BCCE entered into EBC's standard form of Foreign Currency and International Payment Services Application to engage EBC to provide foreign currency exchange services in the form of electronic fund transfers ("EFT"), wire transfers and pre-authorized debits whereby BCCE could sell US dollars ("USD") to EBC at the agreed upon rate for USD/Canadian dollars ("CAD") set by EBC in exchange for EBC selling CAD to BCCE at the agreed upon rate for USD/CAD (the "Contract").
9. It was an explicit or implied term of the Contract that BCCE would settle each order for funds under the Contract by either verified wire transfer, EFT, or pre-authorized debit. It was an explicit or implied term of the Contract that EBC would credit BCCE via EFT or wire transfer for the total amount of foreign currency ordered after BCCE's order was approved.
10. On or around March 30, 2020, there were four valued orders amounting to a total of \$2,000,000 USD between BCCE and EBC that were to be fulfilled (the "March 30 Transaction"). As per its usual practice, Khaliq, on behalf of BCCE, sought \$2,000,000 USD be paid in the CAD equivalent by EBC by non-recallable wire transfer.
11. As a result, and pursuant to the terms of the Contract, EBC executed four pre-authorized debits from the account of BCCE in the total amount of \$2,000,000 USD (the "Four Pre-Authorized Debits").
12. The four valued orders were completed at the direction of Khaliq. Specifically, Khaliq used his personal login "rkhalik" and password for the third party application used by BCCE and EBC to execute and settle their CAD/USD transactions. Khaliq logged in personally and executed the March 30 Transaction, thereby causing EBC to create the Four Pre-Authorized Debits (and, ultimately, the four non-recallable wire transfers set out infra).
13. Pursuant to the terms of the Contract, and after having received the Four Pre-Authorized Debits from BCCE, EBC then wire transferred funds to BCCE in the total amount of \$2,815,830 CAD. The total amount wired was split into four non-recallable payments of CAD as follows:
 - (a) \$705,200.00;
 - (b) \$706,250.00;
 - (c) \$700,230.00; and
 - (d) \$704,250.00.

(collectively, the "Four Wire Transfers")

- 4 -

14. Immediately after BCCE received the Four Wire Transfers, Khaliq directed BCCE to recall the Four Pre-Authorized Debits, which had the effect of removing the funds from EBC's account held at the Bank of Montreal. This was not an error. Khaliq took deliberate steps to cause BCCE to recall the Four Pre-Authorized Debits upon receipt of the Four Wire Transfers from EBC, knowing that wire transfers, unlike pre-authorized debits, cannot be recalled without the consent of the receiver.
15. Upon learning of the recall of the Four Pre-Authorized Debits, EBC promptly requested the consent of Khaliq to recall the Four Wire Transfers. Khaliq refused on behalf of BCCE to consent to such recall.
16. The result of the recall of the Four Pre-Authorized Debits, and Khaliq's refusal to consent to the recall of the Four Wire Transfers, was to cause EBC to receive no consideration in exchange for the Four Wire Transfers sent to BCCE. BCCE was indebted to EBC in the amount of \$2,000,000 USD.
17. BCCE eventually repaid EBC \$1,000,000 USD of the \$2,000,000 USD debt. However, on April 20, 2020, EBC commenced an action against BCCE in B.C. Supreme Court Action No. S-204090, Vancouver Registry for the remaining amounts due on the Four Pre-Authorized Debits.
18. On April 30, 2020, BCCE filed a Notice of Intention to make a Proposal to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

Conversion

19. Khaliq, on behalf of BCCE, caused EBC to initiate the Four Pre-Authorized Debits, knowing that he thereafter intended to recall the Four Pre-Authorized Debits immediately after receipt of the Four Wire Transfers.
20. In fact, Khaliq specifically requested that EBC pay BCCE by way of wire transfers, in order to prevent EBC from recalling the Four Wire Transfers when they became aware of BCCE's wrongful recall.
21. After receipt of the Four Wire Transfers from EBC, Khaliq directed BCCE to immediately recall the Four Pre-Authorized Debits, thereby removing \$2,000,000 USD from EBC's bank account, knowing he had no lawful right to that money. He converted the \$2,000,000 USD for BCCE and Khaliq's own use.

Fraud

22. By causing BCCE to deliver the Four Pre-Authorized Debits to EBC's account, Khaliq represented to EBC that BCCE intended to pay the \$2,000,000 USD to EBC and allow EBC to retain those funds (the "Representation"). However, Khaliq knew at all times that the transfer was fraudulent and the Representation

- 5 -

was false because BCCE had every intention of later recalling the Four Pre-Authorized Debits.

23. EBC relied upon this Representation from Khalig, and was induced to send the Four Wire Transfers to BCCE in order to complete the March 30 Transaction.
24. Khalig made the Representation fraudulently because he never intended to allow EBC to keep the \$2,000,000 USD and he had every intention of later recalling the Four Pre-Authorized Debits. BCCE, at the direction of Khalig, wrongfully recalled the Four Pre-Authorized Debits such that the funds were removed from EBC's possession in its bank account.
25. Alternatively, Khalig made the Representation recklessly, not caring whether it was true or false.
26. By reason of Khalig's actions, EBC has suffered loss and damages.

Breach of Trust by BCCE

27. By reason of BCCE's recall of the Four Pre-Authorized Debits and Khalig's conversion and fraudulent actions:
 - (a) EBC has been deprived of a substantial benefit of the March 30 Transaction; and
 - (b) BCCE has been enriched and EBC has suffered a corresponding deprivation with no juristic reason for the enrichment in the circumstances.
28. Accordingly, the March 30 Transaction is void *ab initio* and BCCE holds the remaining \$1,000,000 USD received from the Four Wire Transfers (the "Trust Funds") on a resulting or constructive trust for EBC (the "Trust").
29. In breach of the Trust, BCCE has failed to return the Trust Funds to EBC.
30. BCCE, in further breach of the Trust, transferred some or all of the Trust Funds from BCCE to Khalig and Conian.
31. BCCE's breach of the Trust in transferring the Trust Funds to Khalig and Conian was dishonest and fraudulent in that BCCE took a risk to the prejudice of EBC's rights, which risk it knew to be one it had no right to take.

Knowing Assistance and Knowing Receipt

32. Khalig knowingly assisted BCCE in the breach of the Trust by personally transferring or directing the transfer of the Trust Funds from BCCE to Khalig and to Conian, with actual knowledge of the fraudulent and dishonest breach of the Trust, or by being willfully blind or reckless with respect to the breach.

- 6 -

33. Further, or in the alternative, Khaliq and Conian received some or all of the Trust Funds for his and its own benefit with knowledge of facts that would indicate to an honest and reasonable person that the transfer was made fraudulently and in breach of the Trust.
34. After March 30, 2020, Conian used some or all of the Trust Funds to make a capital investment into and/or capital improvements on the Development Property, thereby increasing its value and increasing Conian's equity in the Development Property.
35. By reason of Conian's use of the Trust Funds as set out in paragraph 35, EBC is entitled to a tracing of the Trust Funds into the Development Property. To the extent Conian used the Trust Funds for improvements on the Development Property, Conian holds the Development Property on a constructive or resulting trust for EBC.

Part 2: RELIEF SOUGHT

1. Judgement against Khaliq in respect of the Four Pre-Authorized Debits for the amount of Canadian currency that is necessary to purchase the sum of USD \$1,000,000 at a chartered bank located in British Columbia at the close of business on the last day, before the day on which a payment of this judgment is made, on which such chartered bank quotes a Canadian Dollar equivalent to the United States Dollar.
2. In the alternative, damages against Khaliq for conversion and/or fraud;
3. Further, or in the alternative, a declaration that Khaliq and Conian hold the Trust Funds on a resulting or constructive trust for EBC;
4. A tracing of the Trust Funds and an equitable accounting of the same for EBC's use in pursuing equitable remedies;
5. A certificate of pending litigation against title to the Development Property;
6. Punitive and exemplary damages against the defendants, and each of them;
7. Interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79;
8. Costs; and
9. Such further and other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

1. Khaliq committed the tort of conversion and the tort of fraudulent misrepresentation and/or fraud.

- 7 -

2. Khaliq knowingly assisted BCCE in a fraudulent and dishonest breach of trust. The plaintiff relies on the principles set out in *Air Canada v. M&L Travel Ltd.*, [1993] 3 S.C.R. 787.
3. Further, or in the alternative, Khaliq and Conian are liable in knowing receipt of trust property. The plaintiff relies on the principles set out in *Gold v. Rosenberg*, [1997] 3 S.C.R. 76.
4. A defendant found liable for knowing assistance and knowing receipt is deemed to be a constructive trustee and is subject to an obligation to return the plaintiff to its pre-fraud position: *Bank of China v. Fan*, 2015 BCSC 590, at para 165.
5. The court will award a constructive trust both for wrongful acts like fraud and breach of duty of loyalty, as well as to remedy unjust enrichment and corresponding deprivation: *Soulos v. Korkontzilas*, [1997] 2 S.C.R. 217, at para 43.
6. If a plaintiff successfully establishes a proprietary entitlement to misappropriated funds in the hands of a defendant, it may trace or follow those funds from there into other property: *Drucker, Inc. v. Hong*, 2011 BCSC 905, at para 37.

Plaintiff's address for service: Edwards, Kenny & Bray LLP
Barristers and Solicitors
1900 - 1040 West Georgia Street
Vancouver, BC V6E 4H3
Tel: 604.689.1811
Attention: David E. Turner

Fax number address for service (if any): 604.689.5177

E-mail address for service (if any): service@ekb.com

Place of trial: Vancouver, BC

The address of the registry is: 800 Smithe Street
Vancouver, BC V6Z 2E1

Date: 15/May/2020



Signature of lawyer for plaintiff
David E. Turner

- 8 -

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:**Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:**

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

Part 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4:

This is Exhibit "S" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this ____ day of June 2020.

A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8205248

RCVD: 2020-05-25 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-25-2020 14:25:47.001

CA8205248

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Kent Douglas
Wiebe CJLRW8

Digitally signed by Kent Douglas Wiebe CJLRW8
Date: 2020.05.25
14:21:50 -0700'

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

Wiebe Wittmann El-Khatib LLP
1100 - 1111 West Hastings Street
Vancouver, BC V6E 2J3
Canada
Document Fees: \$0.00

Tel: 604-685-6864
Fax: 604-685-7878
Our File No.: 1137-033

I, Shawn Jones
Vancouver, BC, V6E 2J3

of c/o 1100 - 1111 West Hastings St.,
, agent of the lien claimant state that:

1. WEST COAST STEEL LTD.

Incorporation No
BC0896635

of c/o 1100 - 1111 West Hastings Street, Vancouver, BC V6E 2J3
claims a lien against the following land:

[PID] [legal description]

**030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667**

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Metal fabrication and installation

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

CONIAN DEVELOPMENTS INC.

4. The sum of \$ 265,773.84 is or will become due and owing to West Coast Steel Ltd.
on May 31, 2020

5. The lien claimant's address for service is:

C/O Wiebe Wittmann El-Khatib LLP, Attn: Kent Wiebe
1100 - 1111 West Hastings Street, Vancouver, BC V6E 2J3

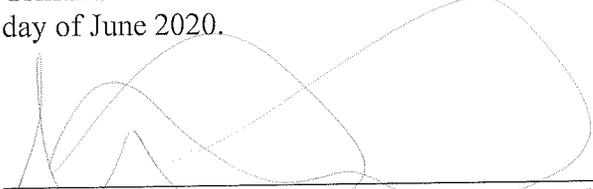
Signed: _____

Date: May 25, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "T" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8205554

RCVD: 2020-05-25 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-25-2020 15:57:11.001

CA8205554

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Guntaas Kaur
Cheema
G1MQ83
Digitally signed by Guntaas Kaur Cheema G1MQ83
Date: 2020.05.25 15:45:19 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Guntaas K. Cheema
South Fraser Law Group
12565 88th Avenue
Surrey
Document Fees: \$0.00

BC V3W 3J7

Tel: 604-543-9111
Fax: 604-543-9112
Our File No. 3670

I, Mastan S. Dulai
c/o South Fraser Law Group

of Dulai Roofing Ltd
, agent of the lien claimant state that:

1. DULAI ROOFING LTD

Incorporation No
BC0355771

of c/o South Fraser Law Group
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 BLOCK 5N PLAN EPP73667 SECTION 15 RANGE 2W LAND DISTRICT

STC? YES 36

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Roofing: Concrete slab torchon and wall torchon

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Conian Developments (La Voda) Inc.

4. The sum of \$ 14,795.11 is or will become due and owing to Dulai Roofing Ltd.
on May 25, 2020

5. The lien claimant's address for service is:

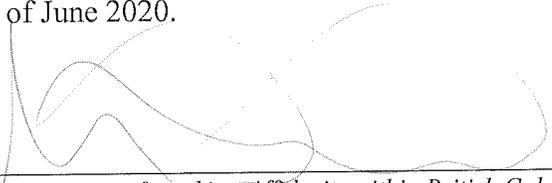
South Fraser Law Group #205 - 12565 88 Avenue, Surrey BC V3W 3J7

Signed: _____
Date: May 25, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "U" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8206290

RCVD: 2020-05-26 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-26-2020 08:47:55.001

CA8206290

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Adnan Naiyer
Habib J88IV | Digitally signed by Adnan Naiyer Habib J88IV | Date: 2020.05.26 08:41:32 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Baker Newby LLP
Barristers & Solicitors
200 - 2955 Gladwin Road
Abbotsford
Document Fees: \$0.00

BC V2T 5T4

Adnan N. Habib
604-852-3646
File No. 660850001

I, Adnan N. Habib, Lawyer of Baker Newby LLP
200 - 2955 Gladwin Rd., Abbotsford, British Columbia, V2T 5T4, agent of the lien claimant state that:

1. AAA PLUMBING & HEATING LTD. Incorporation No BC0805091

of 8430 192 Street, Surrey, British Columbia, V4N 6B3
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Plumbing, heating, gas, HVAC and other related work

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

FLII Construction Ltd.

4. The sum of \$ 291,067.25 is or will become due and owing to AAA Plumbing & Heating Ltd.
on May 26, 2020

5. The lien claimant's address for service is:

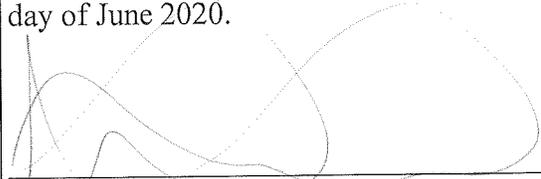
Baker Newby LLP, Lawyers, 200 - 2955 Gladwin Road, Abbotsford, British Columbia, V2T 5T4,
Attention: Adnan N. Habib

Signed: _____
Date: May 26, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "V" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-27-2020 09:52:50.001

CA8208311

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, R.SBC 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.

Philip Dominic Di Tomaso
KS1UCG
Digitally signed by Philip Dominic Di Tomaso
KS1UCG
Date: 2020.05.27 09:44:35 -07'00'

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

Melanie Fisher, Designated Paralegal
McKechnie & Company, Barristers
300 - 1122 Mainland Street
Vancouver BC V6B 5L1
Document Fees: \$0.00

Telephone: 604 669-7705
File no.: 8076 (11075/11077 Ravine Road)

I, Melanie Fisher, Designated Paralegal
300 - 1122 Mainland Street, Vancouver, BC V6B 5L1

of McKechnie & Company, Barristers
, agent of the lien claimant state that:

1. RONA INC.

Incorporation No
A0101294

of 2580 Gilmore Avenue, Burnaby, BC V5C 4T5
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Lumber and building supplies.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Flii Construction Ltd.

4. The sum of \$ 678,826.06 is or will become due and owing to Rona Inc. dba Dick's Lumber on May 27, 2020

5. The lien claimant's address for service is:

c/o McKechnie & Company, Barristers, 300 - 1122 Mainland Street, Vancouver, BC V6B 5L1

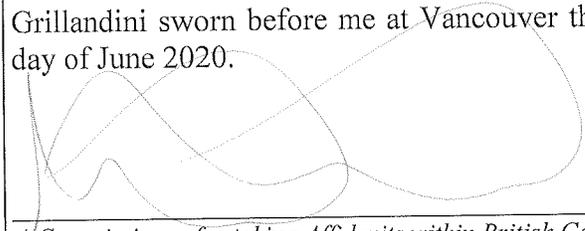
Signed: _____

Date: May 27, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "W" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29 day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8213240

RCVD: 2020-05-28 RQST: 2020-06-11 17:02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-28-2020 14:33:05.001

CA8213240

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Jason Antony Hughes NWFNTT	Digitally signed by Jason Antony Hughes NWFNTT Date: 2020.05.28 12:12:11 -07'00'
----------------------------------	---

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

TAYLOR, TAIT, RULEY & COMPANY

Barristers & Solicitors

33066 First Avenue

Mission

BC V2V 1G3

Tel: (604) 826-1266

LTO Client No.: 011018

File No.: PSI/BB50260/vb

Document Fees: \$0.00

I, JAMES ALFRED COOPER
Abbotsford, British Columbia

of PO Box 548, Station A

, agent of the lien claimant state that:

1. KC'S PUMPING SERVICES INCORPORATED DBA PSI CONCRETE PUMPING Incorporation No
BC0825835

of PO Box 548, Station A, Abbotsford, BC V2T 6Z8

claims a lien against the following land:

[PID]

[legal description]

030-337-020

LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER
DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Provide labour and equipment for concrete pumping, placing, and finishing.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

FLII CONSTRUCTION LTD. (Incorporation Number BC1114154)

4. The sum of \$ 38,844.13 is or will become due and owing to KC's Pumping Services Incorporated dba PSI
Concrete Pumping on May 8, 2020

5. The lien claimant's address for service is:

PO Box 548, Station A, Abbotsford, BC V2T 6Z8

Signed: _____

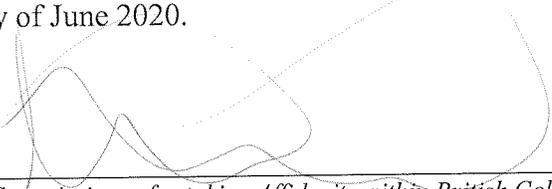
Date: May 28, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "X" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING May-29-2020 09:13:16.001
LAND TITLE AND SURVEY AUTHORITY

CA8214240

PAGE 1 OF 13 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Alan Ives Chim
GBW49K
c=CA, cn=Alan Ives Chim
GBW49K, o=Lawyer,
ou=Verify ID at
www.juricert.com/
LKUP.cfm?id=GBW49K

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

Gautam & Associates

210 - 8028 128 Street

Surrey

BC V3W 4E9

Telephone: 604-593-5310

File Ref: 8719.001

Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION

ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

RITU KARMA ENTERPRISES CORP.

C/O 210 - 8028 128 STREET

SURREY

V3W 4E9

BRITISH COLUMBIA

CANADA

Incorporation No

BC1074543

ADDITIONAL PARCEL INFORMATION

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

010-273-948 LOT 18 SECTION 28 BLOCK 5 NORTH RANGE 1 WEST NWD PLAN 21134

STC? YES

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

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN EPP73667

STC? YES

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

025-719-696 LOT 1 SECTION 20 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN BCP6798

STC? YES

LAND TITLE ACT

FORM 31 (Section 215(1))

Nature of Interest: Charge: Certificate of Pending Litigation
Herewith fee of: \$40.00
Legal description:

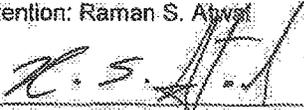
SEE SCHEDULE

Address of person entitled to register this certificate of pending litigation:

Ritu Karma Enterprises Corp.
c/o 210 - 8028 128 Street
Surrey, BC V3W 4E9

Full name, address, telephone number of person presenting application:

Gautam & Associates
210 - 8028 128 Street
Surrey, BC V3W 4E9
604.593-5310
Attention: Raman S. Atwal


Signature of Raman S. Atwal,
Solicitor for the Applicant

Court File No. **NEW-S-S-227651**
No. _____
New Westminster Registry

In the Supreme Court of British Columbia

Between
New Westminster
REGISTRY

RITU KARMA ENTERPRISES CORP.

PLAINTIFF

AND:

B.C. CURRENCY EXCHANGE, B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS INC, CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., RANA WASIF KHALIQ and ROBINA CHAUDRY KHAN

DEFENDANTS

CERTIFICATE OF PENDING LITIGATION

I certify that in a proceeding commenced in this Court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copies of the document(s) by which the claim is made.

Given under my hand and the seal of the court at New Westminster, British Columbia, this _____ day of May 2020.

MAY 28, 2020

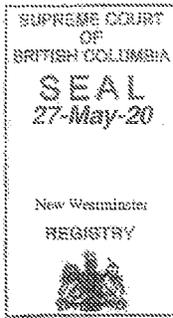
Digitally signed by
Stalmans,
Christophe

Registrar

SCHEDULE

PARCEL IDENTIFIERS AND LEGAL DESCRIPTIONS

1. 010-273-948 Lot 18 Section 28 Block 5 North Range 1 West
NWD Plan 21134
2. 030-337-020 Lot 1 Section 15 Block 5 North Range 2 West NWD
Plan EPP73667
3. 025-719-696 Lot 1 Section 20 Block 5 North Range 2 West NWD
Plan BCP6798



Court File No. **NEW-S-S-227651**

No. _____
NEW WESTMINSTER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

RITU KARMA ENTERPRISES CORP.

PLAINTIFF

AND:

B.C. CURRENCY EXCHANGE, B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS INC, CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., RANA WASIF KHALIQ and ROBINA CHAUDRY KHAN

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the Plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must:

- (a) file a Response to Civil Claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed Response to Civil Claim on the Plaintiff.

If you intend to make a counterclaim, you or your lawyer must:

- (a) file a Response to Civil Claim in Form 2 and a Counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed Response to Civil Claim and Counterclaim on the Plaintiff and on any new parties named in the Counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the Response to Civil Claim within the time for response to civil claim described below.

Time for Response to Civil Claim

A response to civil claim must be filed and served on the Plaintiff(s):

- (a) if you were served with the Notice of Civil Claim anywhere in Canada, within 21 days after that service;
- (b) if you were served with the Notice of Civil Claim anywhere in the United States of America, within 35 days after that service;

- 2 -

- (c) if you were served with the Notice of Civil Claim anywhere else, within 49 days after that service; or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

PART 1: STATEMENT OF FACTS

Parties

1. The plaintiff, Ritu Karma Enterprises Corp. ("**Ritu Corp.**"), is a company duly incorporated under the laws of the Province of British Columbia and has an address for service for the purpose of this action at 210 – 8028 128 Street, Surrey, British Columbia, V3W 4E9.
2. The defendant, B.C. Currency Exchange ("**BCCE Partnership**") is registered as a general partnership under the laws of the Province of British Columbia with no address of service or address of partners filed.
3. The defendant, B.C. Currency Exchange Inc. ("**BCCE**") is a Canadian federally incorporated company and is registered as an extra-provincial company under the laws of the Province of British Columbia with an attorney for service at c/o Rand Buckley, 200 – 8120 128 Street, Surrey, British Columbia, V3W 1R1.
4. The defendant, Conian Developments Inc. ("**Conian**") is a company incorporated under the laws of the Province of British Columbia and has its registered and records office located at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
5. The defendant, Conian Developments (La Voda) Inc. ("**Conian La Voda**") is a company incorporated under the laws of the Province of British Columbia and has its registered and records office located at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
6. The defendant, Conian Developments (La Voda II) Inc. ("**Conian La Voda II**") is a company incorporated under the laws of the Province of British Columbia and has its registered and records office located at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
7. The defendant, Rana Wasif Khaliq ("**Mr. Khaliq**") is an individual and resides at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
8. The defendant, Robina Chaudry Khan ("**Ms. Khan**") is an individual and resides at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
9. To the best of the knowledge of Ritu Corp., Mr. Khaliq and Ms. Khan are married.
10. Mr. Khaliq is the sole director and operating mind of BCCE, Conian, Conian La Voda and Conian La Voda II.
11. Mr. Khaliq and Ms. Khan are the partners of BCCE Partnership.

- 3 -

12. At all material times hereto, Mr. Khaliq and Ms. Khan were registered owners as tenants in common with Mr. Khaliq having a registered undivided 1% interest and Ms. Khan having a registered 99% undivided interest of the lands and premises situated at 10192 121 Street, Surrey, British Columbia, V3V 7X6 and legally described as follows:

PID: 010-273-948

Lot 18 Section 28 Block 5 North Range 1 West New Westminster District Plan 21134

(the "121 Street Lands").

13. At all materials times hereto, Ms. Khan held all of her registered interest in the 121 Street Lands in trust for and for the benefit of Mr. Khaliq and Mr. Khaliq is the beneficial owner of an undivided 100% interest in the 121 Street Lands.
14. At all material times hereto, Ms. Khan was the registered owner in fee simple of the lands and premises situated at 10469 125B Street, Surrey British Columbia, V3V 5A8 and legally described as follows:

PID: 025-719-696

Lot 1 Section 20 Block 5 North Range 2 West New Westminster District Plan BCP6798

(the "125B Street Lands").

15. At all material times hereto, Ms. Khan held her registered interest in the 121 Street Lands in trust for and for the benefit of Mr. Khaliq and Mr. Khaliq is the beneficial owner of the 125B Street Lands.
16. At all material times hereto, Conian La Voda was the registered owner in fee simple of the lands and premises situated at 11075 and 11077, Ravine Road, Surrey, British Columbia V3T 3X5 and legally described as follows:

PID: 030-337-020

Lot 1 Section 15 Block 5 North Range 2 West New Westminster District Plan EPP73667

(the "La Voda Lands").

17. Conian, Conian La Voda and/or Conian La Voda II are constructing a 156 unit, six-story, mid-rise condominium development on the La Voda Lands (the "La Voda Development").

The Loan Agreement

18. In or around late February 2020, Mr. Khaliq, on behalf of himself, Ms. Khan, BCCE and/or BCCE Partnership approached Ritu Corp. and sought a short-term, one-month loan in the amount of \$400,000 CDN.
19. On or about March 4, 2020 Ritu Corp. and BCCE, BCCE Partnership, Mr. Khaliq and/or Ms. Khan (the "Payees") entered into a loan agreement whereby Ritu Corp. agreed to loan the Payees the amount of CDN \$400,000 on the following terms:
- (a) The term of the loan would be for one month, until April 4, 2020;

- 4 -

- (b) The Payees would be jointly and severally liable for repayment of the loan;
- (c) The interest on the loan would be \$10,000 for the month-long term of the loan agreement; and
- (d) The Payees would repay the loan by providing a bank draft in the amount of \$410,000 CDN to Ritu Corp. on or before April 4, 2020.

(the "Loan Agreement")

- 20. On March 10, 2020, pursuant to the Loan Agreement, Ritu Corp. paid \$400,000 CDN by way of bank draft to the name of BCCE and provided the same to Mr. Khaliq and Ms. Khan.
- 21. On April 4, 2020, pursuant to the Loan Agreement, the Payees provided Ritu Corp. with a bank draft in the amount of \$410,000 CDN (the "April Bank Draft").
- 22. However, after providing the April Bank Draft, the Payees requested a one-month extension on the Loan Agreement and asked Ritu Corp. not to deposit the April Bank Draft and instead provided a \$10,000 CDN bank draft representing one-month's interest payment on the loan.
- 23. Ritu Corp. agreed and the parties extended the Loan Agreement to May 4, 2020 (the "Extension"). The terms of the loan agreement remained the same, save and except for the Extension.
- 24. On May 4, 2020, pursuant to the Loan Agreement and the Extension, the Payees provided Ritu Corp. with a bank draft in the amount of \$410,000 CDN (the "May Bank Draft").
- 25. Ritu Corp. attempted to cash the May Bank Draft provided by the Payees, but it was not honored and was returned NSF.
- 26. Ritu Corp. has demanded that the Payees and each of them pay the \$410,000 CDN due and owing but as of today's date, the Payees have failed, refused and/or neglected to do so.
- 27. As of today's date, the sum of \$410,000 plus interest at \$10,000 CDN per month is due and owing from the Payees to Ritu Corp. but in breach of the Loan Agreement, the Payees have failed, refused and/or neglected to pay the same to Ritu Corp., despite demand.
- 28. On April 30, 2020, BCCE filed a Notice of Intention to make a Proposal to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985. c. B-3.

Fraud

- 29. Mr. Khaliq and/or Ms. Khan, on their own behalf or on behalf of BCCE and/or BCCE Partnership, caused Ritu Corp. to pay \$400,000 CDN by way of bank draft to the account of BCCE.
- 30. Mr. Khaliq and/or Ms. Khan represented to Ritu Corp., that either he or Ms. Khan or BCCE and/or BCCE Partnership intended to pay the \$410,000 CDN to Ritu Corp. in accordance with the Loan Agreement (the "Representation"). However, Mr. Khaliq and

- 5 -

Ms. Khan knew at all times that the Representation was false because Mr. Khaliq or Ms. Khan or BCCE and/or BCCE partnership had no intention of paying the principal and interest to Ritu Corp. at the end of the term of the Loan Agreement (the "Fraud").

31. Ritu Corp. relied on this Representation from Mr. Khaliq and/or Ms. Khan and was induced to the send the loan monies to the Payees pursuant to the Loan Agreement.
32. Mr. Khaliq and/or Ms. Khan made the Representation fraudulently because they never intended to pay the principal and interest to Ritu Corp. at the end of the term of the Loan Agreement.
33. Alternatively, Mr. Khaliq and/or Ms. Khan made the Representation recklessly, not caring whether it was true or false.
34. By reason of Mr. Khaliq's and/or Mr. Khan's actions, Ritu Corp. has suffered loss and damages including but not limited to the loss of \$400,000 CDN.

Inducing Breach of Contract

35. In the alternative, if BCCE or BCCE Partnership had the intention to pay \$410,000.00 CDN TO Ritu Corp., in accordance with the Loan Agreement, Mr. Khaliq and/or Ms. Khan, who had knowledge of the terms of the Loan Agreement, with the intent to cause loss and damage to Ritu Corp., and receive a corresponding benefit for themselves and/or their other corporations, including but not limited to, the three (3) Conian Defendants, caused BCCE and BCCE Partnership to breach the Loan Agreement and divert the \$410,000.00 CDN to either, Mr. Khaliq or Ms. Khan, or to Conian, Conian La Voda, and/or Conian La Voda II. The Plaintiff suffered and continues to suffer loss and damage as a result of the action of Mr. Khaliq and/or Ms. Khan.

Breach of Trust and Conversion

36. By reason of the failure of the Payees to pay the amount owing to Ritu Corp. and Mr. Khaliq's and Ms. Khan's Fraud:
 - (a) Ritu Corp. has been deprived of a substantial benefit of the Loan Agreement; and
 - (b) The Payees have been enriched and Ritu Corp. has suffered a corresponding deprivation with no juristic reason for the enrichment in the circumstances.
37. As a result of the Fraud, the Loan Agreement is *void ab initio* and BCCE, BCCE Partnership. Mr. Khaliq and Ms. Khan hold the \$400,000 CDN received from the Loan Agreement (the "Trust Funds") on a resulting or constructive trust for Ritu Corp. (the "Trust").
38. In breach of the Trust, BCCE and/or BCCE Partnership, Mr. Khaliq and Ms. Khan has failed to return the Trust Funds to Ritu Corp.
39. BCCE and/or BCCE Partnership, in further breach of the Trust and on the directions of Mr. Khaliq or Ms. Khan transferred some or all of the Trust Funds from BCCE and/or BCCE Partnership to Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and/or Conian La Voda II.

- 6 -

Knowing Assistance and Knowing Receipt

40. Mr. Khaliq and/or Ms. Khan knowingly assisted BCCE and/or BCCE Partnership in the breach of Trust by personally transferring or directing the transfer of the Trust Funds from BCCE and/or BCCE Partnership to Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and/or Conian La Voda II, or by being willfully blind or reckless with respect to the breach.
41. Further, or in the alternative, Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and/or Conian La Voda II received some or all of the Trust Funds for his, her and its own benefit with knowledge of facts that would indicate to an honest and reasonable person that the transfer was made fraudulently and in breach of the Trust.

Constructive/Resulting Trust and Certificates of Pending Litigation

42. After March 10, 2020, Conian La Voda used some or all of the Trust Funds to make a capital investment into and/or capital improvements on the La Voda Lands and La Voda Development including but not limited to paying contractor and supplier invoices, mortgage payments and marketing costs, thereby increasing its value and increasing Conian La Voda's equity in the La Voda Lands and La Voda Development.
43. By reason of Conian La Voda's use of the Trust Funds as set out in paragraph 42, Ritu Corp. is entitled to a tracing of the Trust Funds into the La Voda Lands and the La Voda Developments. To the extent Conian La Voda used the Trust Funds for improvements on the La Voda Lands and the La Voda Property, Conian La Voda holds the La Voda Lands on a constructive or resulting trust for Ritu Corp. and Ritu Corp. claims a Certificate of Pending Litigation against title to the La Voda Lands.
44. After March 10, 2020, Mr. Khaliq and/or Ms. Khan used some or all of the Trust Funds to make a capital investment into and/or capital improvements on the 121 Street Lands and the 125B Street Lands, thereby increasing the value of and increasing Mr. Khaliq's and Ms. Khan's equity in the 121 Street Lands and the 125B Street Lands.
45. By reason of Mr. Khaliq's and/or Ms. Khan's use of the Trust Funds as set out in paragraph 44, Ritu Corp. is entitled to a tracing the Trust Funds into the 121 Street Lands and the 125B Street Lands. To the extent Mr. Khaliq and/or Mr. Khan used the Trust Funds for improvements on the 121 Street Lands and/or 125B Street Lands, Mr. Khaliq and Ms. Khan hold their interests in the 121 Street Lands and 125B Street Lands in trust for and for the benefit of Ritu Corp. and Ritu Corp. claims a Certificate of Pending Litigation against title to the 121 Street Lands and 125B Street Lands.

PART 2: RELIEF SOUGHT

1. Judgment against BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan in the amount of \$410,000 CDN including contractual interest from May 4, 2020 to the date of judgment, alternatively, pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c.79;
2. In the alternative, damages against BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan for breach of contract;
3. Damages against Mr. Khaliq and Ms. Khan for inducing breach of contract;

- 7 -

4. In the alternative, damages against Mr. Khaliq and/or Ms. Khan for conversion and/or fraud;
5. In the further alternative, a declaration that the defendants, jointly and severally, have been unjustly enriched at the expense of Ritu Corp. and that the enrichment is \$410,000 CDN or such other amount as determined by the Court;
6. Further, or in the alternative, a declaration that Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and Conian La Voda II hold the Trust Funds on a resulting or constructive trust for Ritu Corp.;
7. In the alternative, damages for unjust enrichment against the defendants;
8. A tracing of the Trust Funds and an equitable accounting of the same for Ritu Corp.'s use in pursuing equitable remedies;
9. A certificate of pending litigation against title to the La Voda Lands;
10. A certificate of pending litigation against title to the 121 Street Lands;
11. A certificate of pending litigation against title to the 125B Street Lands;
12. Punitive and exemplary damages against the defendants and each of them;
13. Costs; and
14. Such further and other relief as this Honourable Court may deem just.

PART 3: LEGAL BASIS

1. The Loan Agreement entered into between Ritu Corp. and BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan is binding and the Payees have defaulted on their joint and several obligation under the Loan Agreement by failing to pay the monies due and owing pursuant to the Loan Agreement to Ritu Corp. in the sum of \$410,000 CDN.
2. Mr. Khaliq and/or Ms. Khan committed the tort of conversion and the tort of fraudulent misrepresentation and/or fraud.
3. Mr. Khaliq and/or Ms. Khan knowingly assisted BCCE and/or BCCE Partnership in a fraudulent and dishonest breach of trust. Ritu Corp. relies on the principles set out in *Air Canada v. M&L Travel Ltd.*, [1993] 3 S.C.R. 787.
4. Further, or in the alternative, Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and Conian La Voda II are liable in knowing receipt of trust property. Ritu Corp. relies on the principles set out in *Gold v. Rosenberg*, [1997] 3 S.C.R. 76.
5. A defendant found liable for knowing assistance and knowing receipt is deemed to be a constructive trustee and is subject to an obligation to return the plaintiff to its pre-fraud position: *Bank of China v. Fan*, 2015 BCSC 590, at para 165.
6. The Court will award a constructive trust both for wrongful acts like fraud and breach of duty of loyalty, as well as to remedy unjust enrichment and a corresponding deprivation: *Soulos v. Korkontzilas*, [1997] 2 S.C.R. 217.

- 8 -

7. If a plaintiff successfully establishes a proprietary entitlement to misappropriated funds in the hands of a defendant, it may trace or follow those funds from there into other property; *Drucker, Inc. v. Hong*, 2011 BCSC 905.
8. *Century 21 v. Khera*, 2017 BCSC 1498.

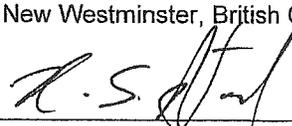
Plaintiff's address for service: Gautam & Associates
Barristers and Solicitors
210 – 8028 128 Street
Surrey, BC V3W 4E9

Fax number address for service (if any) 604.593.5311

E-mail address for service (if any) N/A

Place of trial: New Westminster, British Columbia

The address of the registry is: Law Courts
651 Carnarvon Street
New Westminster, British Columbia

Date: May 26, 2020 
Signature of Lawyer for the Plaintiff
Raman S. Atwal

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
- (a) prepare a list of documents in Form 22 that lists
- (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
- (ii) all other documents to which the party intends to refer at trial, and
- (b) serve the list on all parties of record.

APPENDIX**PART 1: CONCISE SUMMARY OF NATURE OF CLAIM:**

This is an action for breach of contract, fraud, conversion, tracing, unjust enrichment and other relief in relation to a loan agreement.

PART 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

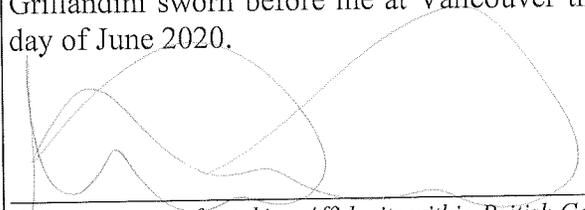
PART 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

PART 4:

Court Order Interest Act, R.S.B.C. 1996, c. 79
Land Title Act, RSBC 1996, c. 250
Law of Inducement/Economic Tort
Principles of Contractual Liability

This is Exhibit "Y" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A/Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8214409

RCVD: 2020-05-29 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-29-2020 09:28:51.001

CA8214409

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Adnan Naiyer
Habib J88IV
Digitally signed by Adnan
Naiyer Habib J88IV
Date: 2020.05.29
09:17:32 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Baker Newby LLP
Barristers & Solicitors
200 - 2955 Gladwin Road
Abbotsford
Document Fees: \$0.00

Adnan N. Habib
604-852-3646
File No. 660990001

BC V2T 5T4

I, Adnan N. Habib, Lawyer of Baker Newby LLP
200 - 2955 Gladwin Rd., Abbotsford, British Columbia, V2T 5T4, agent of the lien claimant state that:

1. D. J. MASONARY LTD. Incorporation No
BC0771922

of 8955 - 140A Street, Surrey, British Columbia, V3V 7H1
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Masonry block work and other related work

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
Conian Developments Inc.

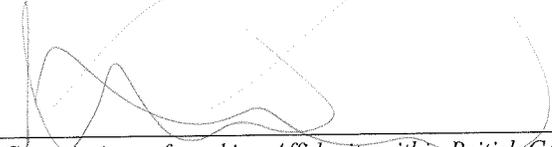
4. The sum of \$ 44,281.46 is or will become due and owing to D. J. Masonary Ltd. also known as
D.J. Masonry Ltd. on May 29, 2020

5. The lien claimant's address for service is:
Baker Newby LLP, Lawyers, 200 - 2955 Gladwin Road, Abbotsford, British Columbia, V2T 5T4,
Attention: Adnan N. Habib

Signed: _____
Date: May 29, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "Z" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8214655

RCVD: 2020-05-29 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

May-29-2020 09:59:50.001

CA8214655

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Janice Laurel Papp F9Y8CM	Digitally signed by Janice Laurel Papp F9Y8CM Date: 2020.05.29 09:47:23 -07'00'
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APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

CBM LAWYERS LLP
200 - 4769 - 222nd Street

File No. 50486-1
LTO No. 11468
Phone: (604) 533-3821

Langley BC V2Z 3C1
Document Fees: \$0.00

I, WILL SEMRICK
Kamloops, BC

of 1009 Edgehill Place
, agent of the lien claimant state that:

1. W.S. FIRE PROTECTION LTD.

Incorporation No
BC0957275

of 1009 Edgehill Place, Kamloops, BC, V2C 0G6
claims a lien against the following land:
[PID] [legal description]

030-337-020 **LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER**
DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Supply and installation of a fire sprinkler system in the new building on the lands.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Flii Construction Ltd.

4. The sum of \$ 99,792.00 is or will become due and owing to W.S. Fire Protection Ltd.
on June 21, 2020

5. The lien claimant's address for service is:

1009 Edgehill Place
Kamloops, BC V2C 0G6

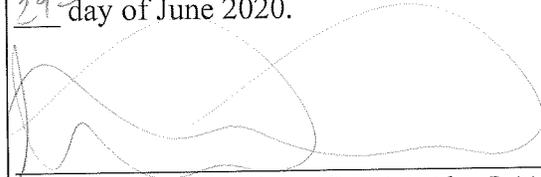
Signed: _____

Date: May 29, 2020.

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "AA" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING May-29-2020 12:00:08.001
LAND TITLE AND SURVEY AUTHORITY

CA8215677

PAGE 1 OF 14 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Alan Ives Chim
GBW49K
c=CA, cn=Alan Ives Chim
GBW49K, o=Lawyer,
ou=Verify ID at
www.juricert.com/
LKUP.cfm?id=GBW49K

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

Gautam & Associates

210 - 8028 128 Street

Surrey

BC V3W 4E9

Telephone: 604-593-5310

File Ref: 8728-001

Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION

ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

SEE SCHEDULE

ADDITIONAL PARCEL INFORMATION

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

010-273-948 LOT 18 SECTION 28 BLOCK 5 NORTH RANGE 1 WEST NWD PLAN 21134

STC? YES

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

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN EPP73667

STC? YES

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

025-719-696 LOT 1 SECTION 20 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN BCP6798

STC? YES

SCHEDULEPAGE 3 OF 14 PAGES

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION APPEARS ON THE FIRST PAGE.

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

ACTIVE PHARMA INC. (Inc. #BC0625072) and NARINDER KHEHRA
both c/o 210 - 8028 128 Street, Surrey, BC V3W 4E9

LAND TITLE ACT

FORM 31 (Section 215(1))

Nature of Interest: Charge: Certificate of Pending Litigation
Herewith fee of: \$40.00
Legal description:

SEE SCHEDULE

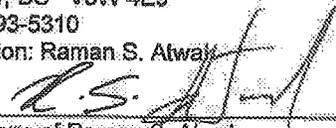
Address of person entitled to register this certificate of pending litigation:

Active Pharma Inc. and Narinder Khehra
c/o 210 – 8028 128 Street
Surrey, BC V3W 4E9

Full name, address, telephone number of person presenting application:

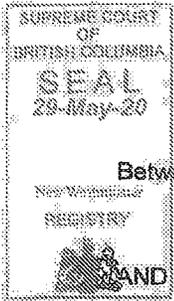
Gautam & Associates
210 – 8028 128 Street
Surrey, BC V3W 4E9
604.593-5310

Attention: Raman S. Atwal



Signature of Raman S. Atwal,
Solicitor for the Applicant

Court File No. **NEW-S-S-227672**
No. _____
New Westminster Registry



In the Supreme Court of British Columbia

Between

ACTIVE PHARMA INC. and NARINDER KHEHRA

PLAINTIFFS

B.C. CURRENCY EXCHANGE, B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS INC, CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., RANA WASIF KHALIQ and ROBINA CHAUDRY KHAN

DEFENDANTS

CERTIFICATE OF PENDING LITIGATION

I certify that in a proceeding commenced in this Court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copies of the document(s) by which the claim is made.

Given under my hand and the seal of the court at New Westminster, British Columbia, this _____ day of May 2020.

May 29, 2020

Digitally signed by
Stalmans,

Registrar

Christophe

- 2 -

SCHEDULE
PID'S AND LEGAL DESCRIPTIONS

1. PID: 010-273-948

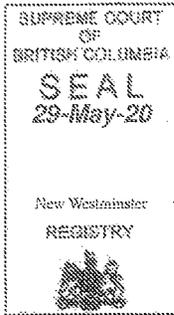
Lot 18 Section 28 Block 5 North Range 1 West New Westminster District Plan
21134

2. PID: 025-719-696

Lot 1 Section 20 Block 5 North Range 2 West New Westminster District Plan
BCP6798

3. PID: 030-337-020

Lot 1 Section 15 Block 5 North Range 2 West New Westminster District Plan
EPP73667



Court File No. **NEW-S-S-227672**

No. _____
NEW WESTMINSTER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ACTIVE PHARMA INC. and NARINDER KHEHRA

PLAINTIFFS

AND:

B.C. CURRENCY EXCHANGE, B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS INC, CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., RANA WASIF KHALIQ and ROBINA CHAUDRY KHAN

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the Plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must:

- (a) file a Response to Civil Claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed Response to Civil Claim on the Plaintiff.

If you intend to make a counterclaim, you or your lawyer must:

- (a) file a Response to Civil Claim in Form 2 and a Counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed Response to Civil Claim and Counterclaim on the Plaintiff and on any new parties named in the Counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the Response to Civil Claim within the time for response to civil claim described below.

Time for Response to Civil Claim

A response to civil claim must be filed and served on the Plaintiff(s):

- (a) if you were served with the Notice of Civil Claim anywhere in Canada, within 21 days after that service;
- (b) if you were served with the Notice of Civil Claim anywhere in the United States of America, within 35 days after that service;

- 2 -

- (c) if you were served with the Notice of Civil Claim anywhere else, within 49 days after that service; or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFFS

PART 1: STATEMENT OF FACTS

Parties

1. The plaintiff, Active Pharma Inc. ("**Active Pharma**"), is a company duly incorporated under the laws of the Province of British Columbia and has an address for service for the purpose of this action at 210 – 8028 128 Street, Surrey, British Columbia, V3W 4E9.
2. The plaintiff, Narinder Khehra ("**Mr. Khehra**") is an individual and has an address for service for the purpose of this action at 210 – 8028 128 Street, Surrey, British Columbia, V3W 4E9.
3. Mr. Khehra is the sole director of Active Pharma.
4. The defendant, B.C. Currency Exchange ("**BCCE Partnership**") is registered as a general partnership under the laws of the Province of British Columbia with no address of service or address of partners filed.
5. The defendant, B.C. Currency Exchange Inc. ("**BCCE**") is a Canadian federally incorporated company and is registered as an extra-provincial company under the laws of the Province of British Columbia with an attorney for service at c/o Rand Buckley, 200 – 8120 128 Street, Surrey, British Columbia, V3W 1R1.
6. The defendant, Conian Developments Inc. ("**Conian**") is a company incorporated under the laws of the Province of British Columbia and has its registered and records office located at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
7. The defendant, Conian Developments (La Voda) Inc. ("**Conian La Voda**") is a company incorporated under the laws of the Province of British Columbia and has its registered and records office located at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
8. The defendant, Conian Developments (La Voda II) Inc. ("**Conian La Voda II**") is a company incorporated under the laws of the Province of British Columbia and has its registered and records office located at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
9. The defendant, Rana Wasif Khaliq ("**Mr. Khaliq**") is an individual and resides at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
10. The defendant, Robina Chaudry Khan ("**Ms. Khan**") is an individual and resides at 10469 125B Street, Surrey, British Columbia, V3V 5A8.
11. To the best of the knowledge of Active Pharma, Mr. Khaliq and Ms. Khan are married.

- 3 -

12. Mr. Khaliq is the sole director and operating mind of BCCE, Conian, Conian La Voda and Conian La Voda II.
13. Mr. Khaliq and Ms. Khan are the partners of BCCE Partnership.
14. At all material times hereto, Mr. Khaliq and Ms. Khan were registered owners as tenants in common with Mr. Khaliq having a registered undivided 1% interest and Ms. Khan having a registered 99% undivided interest of the lands and premises situated at 10192 121 Street, Surrey, British Columbia, V3V 7X6 and legally described as follows:

PID: 010-273-948
Lot 18 Section 28 Block 5 North Range 1 West New Westminster District Plan 21134

(the "121 Street Lands").
15. At all materials times hereto, Ms. Khan held all of her registered interest in the 121 Street Lands in trust for and for the benefit of Mr. Khaliq and Mr. Khaliq is the beneficial owner of an undivided 100% interest in the 121 Street Lands.
16. At all material times hereto, Ms. Khan was the registered owner in fee simple of the lands and premises situated at 10469 125B Street, Surrey British Columbia, V3V 5A8 and legally described as follows:

PID: 025-719-696
Lot 1 Section 20 Block 5 North Range 2 West New Westminster District Plan BCP6798

(the "125B Street Lands").
17. At all material times hereto, Ms. Khan held her registered interest in the 121 Street Lands in trust for and for the benefit of Mr. Khaliq and Mr. Khaliq is the beneficial owner of the 125B Street Lands.
18. At all material times hereto, Conian La Voda was the registered owner in fee simple of the lands and premises situated at 11075 and 11077, Ravine Road, Surrey, British Columbia V3T 3X5 and legally described as follows:

PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West New Westminster District Plan EPP73667

(the "La Voda Lands").
19. Conian, Conian La Voda and/or Conian La Voda II are constructing a 156 unit, six-story, mid-rise condominium development on the La Voda Lands (the "La Voda Development").

The Business Relationship

20. From the early part of 2014 to March 2020, the Plaintiffs from time to time and at the specific request of the BCCE, BCCE Partnership, Mr. Khaliq and/or Ms. Khan, or each of them, loaned money to BCCE, BCCE Partnership, Mr. Khaliq and/or Ms. Khan with an interest rate of 18% per month.

- 4 -

21. The monies loaned were payable upon demand.
22. The monies were loaned in USD or CAD currency, depending on the request of Mr. Khaliq and the monies were returned in the same currency that they were loaned.

The March and April 2020 Loans

23. In March 2020, Mr. Khaliq, on behalf of himself, Ms. Khan, BCCE and/or BCCE Partnership approached Mr. Khehra and sought short-term loans repayable at 18% interest per month.
24. On or about March 11, 2020, the Plaintiffs and BCCE, BCCE Partnership, Mr. Khaliq and/or Ms. Khan (the "**Payees**") entered into a loan agreement whereby the Plaintiffs agreed to loan the Payees the amount of CAD \$292,000 and USD \$120,000 (the "**Loan Monies**") on the following terms:
 - (a) The interest on the loan would be 18% per month;
 - (b) The monies loaned would be payable upon demand; and
 - (c) The Payees would be jointly and severally liable for repayment of the loan.

(the "**Loan Agreement**")
25. Pursuant to the Loan Agreement, the plaintiffs paid the Loan Monies on the following dates to the name of BCCE and provided the same to Mr. Khaliq and Ms. Khan:
 - (a) March 11, 2020, USD \$23,000 by way of bank draft from Active Pharma and USD \$8,000 by way of bank draft from Mr. Khehra;
 - (b) March 23, 2020, USD \$48,000 by way of bank draft from Active Pharma;
 - (c) March 28, 2020, USD \$20,000 by way of bank draft from Active Pharma, and CAD \$158,000 and CAD \$104,000 by way of bank drafts from Mr. Khehra; and
 - (d) April 17, 2020, USD \$16,000 by way of bank draft from Active Pharma, and USD \$5,000 and CAD \$3,000 by way of bank drafts from Mr. Khehra.
26. On May 15, 2020, Mr. Khehra on behalf of himself and Active Pharma, made a demand on the Loan Monies and interest (the "**Demand**").
27. In response to the Demand, Mr. Khaliq, on behalf of the Payees and all of them, advised Mr. Khehra that the Payees were unable and/or unwilling to pay back the Loan Monies as required or at all.
28. To date, the Payees and all of them, have failed, refused and/or neglected to pay any amount of the Loan Monies and interest to the Plaintiffs despite the Demand.
29. As of today's date, the sum of CAD \$292,000 and USD \$120,000 plus interest at 18% per month is due and owing from the Payees to the Plaintiffs but in breach of the Loan Agreement, the Payees have failed, refused and/or neglected to pay the same to the Plaintiffs despite the Demand.

- 5 -

30. On April 30, 2020, BCCE filed a Notice of Intention to make a Proposal to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985. c. B-3 and named the Plaintiffs as creditors in the documents.

Fraud

31. Mr. Khaliq and/or Ms. Khan, on their own behalf or on behalf of BCCE and/or BCCE Partnership, caused the Plaintiffs to pay the Loan Monies by way of bank draft to the account of BCCE.
32. Mr. Khaliq and/or Ms. Khan represented to the Plaintiffs and each of them that either he or Ms. Khan or BCCE and/or BCCE Partnership intended to pay the Loan Monies to the Plaintiffs in accordance with the Loan Agreement (the "**Representation**"). However, Mr. Khaliq and Ms. Khan knew at all times that the Representation was false because Mr. Khaliq or Ms. Khan or BCCE and/or BCCE partnership had no intention of paying the principal and interest to the Plaintiffs upon Demand or at all (the "**Fraud**").
33. The Plaintiffs relied on this Representation from Mr. Khaliq and/or Ms. Khan and were induced to the send the Loan Monies to the Payees pursuant to the Loan Agreement.
34. Mr. Khaliq and/or Ms. Khan made the Representation fraudulently because they never intended to pay the principal and interest to the Plaintiffs at the end of the term of the Loan Agreement.
35. Alternatively, Mr. Khaliq and/or Ms. Khan made the Representation recklessly, not caring whether it was true or false.
36. By reason of Mr. Khaliq's and/or Mr. Khan's actions, the Plaintiffs have suffered loss and damages including but not limited to the loss of \$292,000 CAD and \$120,000 USD.

Inducing Breach of Contract

37. In the alternative, if BCCE or BCCE Partnership had the intention to pay Loan Monies to the Plaintiffs in accordance with the Loan Agreement, Mr. Khaliq and/or Ms. Khan, who had knowledge of the terms of the Loan Agreement, with the intent to cause loss and damage to the Plaintiffs, and receive a corresponding benefit for themselves and/or their other corporations, including but not limited to, the three (3) Conian Defendants, caused BCCE and BCCE Partnership to breach the Loan Agreement and divert the Loan Monies to either, Mr. Khaliq or Ms. Khan, or to Conian, Conian La Voda, and/or Conian La Voda II. The Plaintiffs suffered and continue to suffer loss and damage as a result of the action of Mr. Khaliq and/or Ms. Khan.

Breach of Trust and Conversion

38. By reason of the failure of the Payees to pay the amount owing to the Plaintiffs and Mr. Khaliq's and Ms. Khan's Fraud:
- (a) The Plaintiffs have been deprived of a substantial benefit of the Loan Agreement; and
 - (b) The Payees have been enriched and the Plaintiffs have suffered a corresponding deprivation with no juristic reason for the enrichment in the circumstances.

- 6 -

39. As a result of the Fraud, the Loan Agreement is *void ab initio* and BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan hold the Loan Monies received from the Loan Agreement (the "Trust Funds") on a resulting or constructive trust for the Plaintiffs (the "Trust").
40. In breach of the Trust, BCCE and/or BCCE Partnership, Mr. Khaliq and Ms. Khan has failed to return the Trust Funds to the Plaintiffs.
41. BCCE and/or BCCE Partnership, in further breach of the Trust and on the directions of Mr. Khaliq or Ms. Khan transferred some or all of the Trust Funds from BCCE and/or BCCE Partnership to Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and/or Conian La Voda II.

Knowing Assistance and Knowing Receipt

42. Mr. Khaliq and/or Ms. Khan knowingly assisted BCCE and/or BCCE Partnership in the breach of Trust by personally transferring or directing the transfer of the Trust Funds from BCCE and/or BCCE Partnership to Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and/or Conian La Voda II, or by being willfully blind or reckless with respect to the breach.
43. Further, or in the alternative, Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and/or Conian La Voda II received some or all of the Trust Funds for his, her and its own benefit with knowledge of facts that would indicate to an honest and reasonable person that the transfer was made fraudulently and in breach of the Trust.

Constructive/Resulting Trust and Certificates of Pending Litigation

44. After March 11, 2020, Conian La Voda used some or all of the Trust Funds to make a capital investment into and/or capital improvements on the La Voda Lands and La Voda Development including but not limited to paying contractor and supplier invoices, mortgage payments and marketing costs, thereby increasing its value and increasing Conian La Voda's equity in the La Voda Lands and La Voda Development.
45. By reason of Conian La Voda's use of the Trust Funds as set out in paragraph 42, the Plaintiffs are entitled to a tracing of the Trust Funds into the La Voda Lands and the La Voda Developments. To the extent Conian La Voda used the Trust Funds for improvements on the La Voda Lands and the La Voda Property, Conian La Voda holds the La Voda Lands on a constructive or resulting trust for the Plaintiffs and the Plaintiffs claim a Certificate of Pending Litigation against title to the La Voda Lands.
46. After March 10, 2020, Mr. Khaliq and/or Ms. Khan used some or all of the Trust Funds to make a capital investment into and/or capital improvements on the 121 Street Lands and the 125B Street Lands, thereby increasing the value of and increasing Mr. Khaliq's and Ms. Khan's equity in the 121 Street Lands and the 125B Street Lands.
47. By reason of Mr. Khaliq's and/or Ms. Khan's use of the Trust Funds as set out in paragraph 44, the Plaintiffs are entitled to a tracing of the Trust Funds into the 121 Street Lands and the 125B Street Lands. To the extent Mr. Khaliq and/or Ms. Khan used the Trust Funds for improvements on the 121 Street Lands and/or 125B Street Lands, Mr. Khaliq and Ms. Khan hold their interests in the 121 Street Lands and 125B Street Lands in trust for and for the benefit of the Plaintiffs and the Plaintiffs claim a Certificate of Pending Litigation against title to the 121 Street Lands and 125B Street Lands.

- 7 -

PART 2: RELIEF SOUGHT

1. Judgment against BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan in the amount of \$292,000 CAD and \$120,000 USD including contractual interest from May 11, 2020 to the date of judgment, alternatively, pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c.79;
2. In the alternative, damages against BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan for breach of contract;
3. Damages against Mr. Khaliq and Ms. Khan for inducing breach of contract;
4. In the alternative, damages against Mr. Khaliq and/or Ms. Khan for conversion and/or fraud;
5. In the further alternative, a declaration that the defendants, jointly and severally, have been unjustly enriched at the expense of the Plaintiffs and that the enrichment is \$292,000 CAD and \$120,000 USD or such other amount as determined by the Court;
6. Further, or in the alternative, a declaration that Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and Conian La Voda II hold the Trust Funds on a resulting or constructive trust for the Plaintiffs;
7. In the alternative, damages for unjust enrichment against the defendants;
8. A tracing of the Trust Funds and an equitable accounting of the same for the Plaintiffs' use in pursuing equitable remedies;
9. A certificate of pending litigation against title to the La Voda Lands;
10. A certificate of pending litigation against title to the 121 Street Lands;
11. A certificate of pending litigation against title to the 125B Street Lands;
12. Punitive and exemplary damages against the defendants and each of them;
13. Costs; and
14. Such further and other relief as this Honourable Court may deem just.

PART 3: LEGAL BASIS

1. The Loan Agreement entered into between the Plaintiffs and BCCE, BCCE Partnership, Mr. Khaliq and Ms. Khan is binding and the Payees have defaulted on their joint and several obligation under the Loan Agreement by failing to pay the monies due and owing pursuant to the Loan Agreement to the Plaintiffs in the sum of \$292,000 CAD and \$120,000 USD plus contractual interest.
2. Mr. Khaliq and/or Ms. Khan committed the tort of conversion and the tort of fraudulent misrepresentation and/or fraud.
3. Mr. Khaliq and/or Ms. Khan knowingly assisted BCCE and/or BCCE Partnership in a fraudulent and dishonest breach of trust. The Plaintiffs rely on the principles set out in *Air Canada v. M&L Travel Ltd.*, [1993] 3 S.C.R. 787.

- 8 -

4. Further, or in the alternative, Mr. Khaliq, Ms. Khan, Conian, Conian La Voda and Conian La Voda II are liable in knowing receipt of trust property. The Plaintiffs rely on the principles set out in *Gold v. Rosenberg*, [1997] 3 S.C.R. 76.
5. A defendant found liable for knowing assistance and knowing receipt is deemed to be a constructive trustee and is subject to an obligation to return the plaintiff to its pre-fraud position: *Bank of China v. Fan*, 2015 BCSC 590, at para 165.
6. The Court will award a constructive trust both for wrongful acts like fraud and breach of duty of loyalty, as well as to remedy unjust enrichment and a corresponding deprivation: *Soulos v. Korkontzilas*, [1997] 2 S.C.R. 217.
7. If a plaintiff successfully establishes a proprietary entitlement to misappropriated funds in the hands of a defendant, it may trace or follow those funds from there into other property; *Drucker, Inc. v. Hong*, 2011 BCSC 905.
8. *Century 21 v. Khera*, 2017 BCSC 1498.

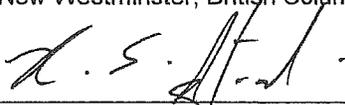
Plaintiffs' address for service: Gautam & Associates
Barristers and Solicitors
210 – 8028 128 Street
Surrey, BC V3W 4E9

Fax number address for service (if any) 604.593.5311

E-mail address for service (if any) N/A

Place of trial: New Westminster, British Columbia

The address of the registry is: Law Courts
651 Carnarvon Street
New Westminster, British Columbia

Date: May 26, 2020 
Signature of Lawyer for the Plaintiff
Raman S. Atwal

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

PART 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is an action for breach of contract, fraud, conversion, tracing, unjust enrichment and other relief in relation to a loan agreement.

PART 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

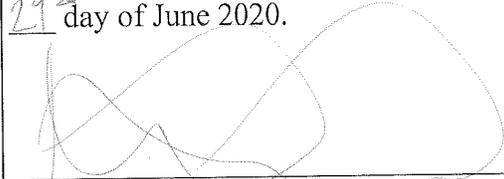
PART 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

PART 4:

Court Order Interest Act, R.S.B.C. 1996, c. 79
Land Title Act, RSBC 1996, c. 250
 Law of Inducement/Economic Tort
 Principles of Contractual Liability

This is Exhibit "BB" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8222510

RCVD: 2020-06-02 RQST: 2020-06-11 17.02.14

FORM_GBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Jun-02-2020 14:15:49.001

CA8222510

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 4 PAGES

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

Liam Charles
Oster Q7XAQA
Digitally signed by Liam Charles Oster Q7XAQA
Date: 2020.06.02 14:11:19 -0700'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Charles W. Bois
Miller Thomson LLP
400 - 725 Granville Street
Vancouver BC V7Y 1G5
Document Fees: \$0.00
604.643.1224
Client No. 0075235.0006
PEAK Doc no. 46939628

I, Alan Ligumsky of Peak Disposal Services Inc.
of 10320 Whalley Blvd, Surrey, BC V3T 4H4, agent of the lien claimant state that:

1. PEAK DISPOSAL SERVICES INC. Incorporation No BC0728831

of Unit 5 - 10320 Whalley Blvd, Surrey, BC V3T 4H4
claims a lien against the following land:
[PID] [legal description]

SEE SCHEDULE

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Waste disposal of construction and other materials

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Flii Construction Ltd.

4. The sum of \$ 11,887.84 is or will become due and owing to Peak Disposal Services Inc.
on July 5, 2020

5. The lien claimant's address for service is:

Peak Disposal Services Inc.
c/o Miller Thomson LLP, 400 - 725 Granville St, Vancouver, BC, V7Y 1G5, Attn: Charles W. Bois

Signed: _____

Date: June 2, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

Status: Registered

Doc #: CA8222510

RCVD: 2020-06-02 RQST: 2020-06-11 17.02.14

FORM_E_V20

ADDITIONAL PARCEL IDENTIFICATION

PAGE 2 OF 4 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES

[PID]

[LEGAL DESCRIPTION -- must fit in a single text line]

030-337-020	LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667
001-427-288	LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
011-422-203	LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
011-422-220	LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739

ADDITIONAL PARCEL INFORMATION

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

007-131-895 **LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 34840**

STC? YES

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

011-362-596 **LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

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

011-362-588 **LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

ADDITIONAL PARCEL INFORMATION

PAGE 4 OF 4 PAGES

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

000-674-672 **LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791**

STC? YES

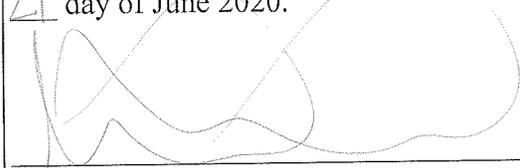
2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

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

STC? YES

This is Exhibit "CC" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29 day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8222977

RCVD: 2020-06-02 RQST: 2020-06-11 17.02.14

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Jun-02-2020 19:00:40.001

CA8222977

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 2 PAGES

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

Honveer Singh
Randhawa
GRVT2A
Digitally signed by Honveer Singh Randhawa GRVT2A
Date: 2020.06.02 18:50:31 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Randhawa Law Centre
#105B 12830 - 80 Ave.

Lawyer Ph # 778-564-4774
Sukhdev Deol: 604-825-4470
Authorized agent: Honveer Randhawa

Surrey BC V3W 3A8
Document Fees: \$0.00

I, Honveer Randhawa of #105B 12830 - 80 Ave. Surrey, BC, V3W 3A8, agent of the lien claimant state that:

1. KING STONE SLINGER LTD. Incorporation No BC1130048

of 14050 - 66A Avenue, Surrey, B.C. V3W 6M4
claims a lien against the following land:
[PID] [legal description]

SEE SCHEDULE

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Supplied material, Loads of Roadbase and Loads of Gravel Tandem and Tridem.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
Hassaan Masood, and CONIAN DEVELOPMENTS (LA VODA) INC.

4. The sum of \$ 27,378.75 is or will become due and owing to KING STONE SLINGER LTD.
on May 09, 2020

5. The lien claimant's address for service is:
KING STONE SLINGER LTD.
14050 - 66A Avenue, Surrey, B.C. V3W 6M4

Signed: _____
Date: June 02, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

ADDITIONAL PARCEL INFORMATION

PAGE 2 OF 2 PAGES

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

030-337-020 **LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST**
NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

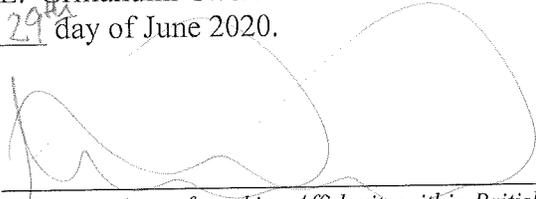
2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

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

STC? YES

This is Exhibit "DD" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING May-27-2020 14:57:50.001
LAND TITLE AND SURVEY AUTHORITY

CA8209936

PAGE 1 OF 15 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Alan Ives Chim
GBW49K
c=CA, cn=Alan Ives Chim
GBW49K, o=Lawyer,
ou=Verify ID at
www.juricert.com/
LKUP.cfm?id=GBW49K

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

David A. Hunter
Hamilton Duncan Armstrong & Stewart Law Corp Telephone: 604 581-4677
#1450, 13401 - 108th Avenue
Surrey BC V3T 5T3
Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION
ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

KUZCO LIGHTING INC.

C/O #450, 13401-108TH AVENUE
SURREY BRITISH COLUMBIA
V3T 5T3 CANADA

FORM_E7_V16

**LAND TITLE ACT
FORM E**

SCHEDULE

PAGE 2 OF 15 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES

[PID]	[LEGAL DESCRIPTION – must fit in a single text line]
011-422-220	LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 9739
011-422-203	LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 9739
001-427-288	LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 9739

ADDITIONAL PARCEL INFORMATION

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

**007-131-895 LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NWD PLAN 34840**

STC? YES

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

**000-674-672 LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 8791**

STC? YES

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

**011-362-588 LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 8791**

STC? YES

ADDITIONAL PARCEL INFORMATION

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

**011-362-596 LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15
BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 8791**

STC? YES

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

STC? YES

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

STC? YES

CERTIFICATE OF PENDING LITIGATION
Form 31

Nature of Interest: Charge
Certificate of Pending Litigation

Herewith fee: \$74.87

Legal Description:

PID: 011-422-220
LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 9739

PID: 011-422-203
LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 9739

PID: 001-427-288
LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NWD PLAN 9739

PID: 007-131-895
LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SECTION 15 BLOCK 5 NORTH
RANGE 2 WEST NWD PLAN 34840

PID: 000-674-672
LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NWD PLAN 8791

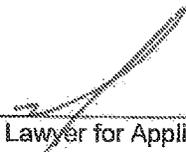
PID: 011-362-588
LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NWD PLAN 8791

PID: 011-362-596
LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5
NORTH RANGE 2 WEST NWD PLAN 8791

Address of person entitled to register this Certificate of Pending Litigation:

Kuzco Lighting Inc.
c/o #1450, 13401 - 108th Avenue
Surrey, BC V3T 5T3

Attention: David A. Hunter



Signature of Lawyer for Applicants



- 2 -

Court File No. VLC-S-S-205488
 No. _____
 Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KUZCO LIGHTING INC.

PLAINTIFF

AND:

CONIAN DEVELOPMENTS (LA VODA II) INC.

DEFENDANT

CERTIFICATE OF PENDING LITIGATION

I certify that in a proceeding commenced in this Court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the document by which the claim is made.

Given under my hand and the seal of the Court at *Vancouver* British Columbia this 27 day of May, 2020.

Digitally signed by
 Ng, Jasmine

 REGISTRAR



NO. ^{Court File No.} VLC-S-S-205488
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KUZCO LIGHTING INC.

PLAINTIFF

AND:

CONIAN DEVELOPMENTS (LA VODA II) INC.

DEFENDANT

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,

- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

Part 1: STATEMENT OF FACTS

1. The plaintiff, Kuzco Lighting Inc. ("Kuzco"), is a company incorporated under the laws of British Columbia and has its registered office at 220 – 7565 132nd Street, Surrey, B.C.
2. The defendant, Conian Developments (La Voda II) Inc. ("Conian"), is a company incorporated under the laws of British Columbia and has its registered office at 10469 – 125B Street, Surrey, B.C.
3. At all material times, Conian was the registered owner in fee simple of those lands and premises situated at and legally described as:
 - (a) Civic Address: 11037 Ravine Road, Surrey, B.C.
PID: 007-131-895
Legal Description: Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15 Block 5 North Range 2 West
New Westminster District Plan 34840
 - (b) Civic Address: 11049 Ravine Road, Surrey, B.C.
PID: 011-422-220
Legal Description: Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739
 - (c) Civic Address: 11057 Ravine Road, Surrey, B.C.
PID: 011-422-203
Legal Description: Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739
 - (d) Civic Address: 11069 Ravine Road, Surrey, B.C.
PID: 001-427-288
Legal Description: Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739
 - (e) Civic Address: 11054 132 Street, Surrey, B.C.
PID: 000-674-672

Legal Description: Lot 1, Except Part Dedicated Road on Plan LMP41027, Section 15 Block 5 North Range 2 West New Westminster District Plan 8791

- (f) Civic Address: 11066 132 Street, Surrey, B.C.
PID: 011-362-588
Legal Description: Lot 2, Except Part Dedicated Road on Plan LMP41027, Section 15 Block 5 North Range 2 West New Westminster District Plan 8791
- (g) Civic Address: 11080 132 Street, Surrey, B.C.
PID: 011-362-596
Legal Description: Lot 3, Except Part Dedicated Road on Plan LMP41027, Section 15 Block 5 North Range 2 West New Westminster District Plan 8791

(the "Development Properties").

4. Rana Wasif Khaliq ("Khaliq") is the sole director and operating mind of Conian.
5. Khaliq is also the sole director and operating mind of B.C. Currency Exchange Inc. ("BCCE"), a company incorporated under the laws of Canada and registered as an extraprovincial company under the laws of British Columbia.

Currency transactions

6. Since in or around 2010, Kuzco has engaged BCCE on a regular basis to provide foreign currency exchange services whereby Kuzco would buy US dollars ("USD") from BCCE, or sell USD to BCCE in exchange for Canadian dollars ("CAD"), at the agreed upon rate for USD/CAD set by BCCE.
7. Until February 2020, Kuzco was settling each transaction with BCCE via the exchange of cheques. A representative of BCCE would attend at Kuzco's offices and deliver one or more cheques for the total amount of currency ordered. Kuzco would simultaneously hand deliver one or more cheques for the equivalent amount in the opposite currency to BCCE's representative to settle the order.
8. In February 2020, Kuzco and BCCE agreed to revise the manner in which the currency transactions were settled given the increasing size of the daily transactions. In particular, BCCE agreed to credit Kuzco's account at HSBC Canada in advance for the total amount of currency ordered by way of direct cheque deposit. Upon confirmation of the deposit, Kuzco would hand deliver one or more cheques for the equivalent amount in the opposite currency to BCCE's representative to settle the order.
9. On April 21 and 22, 2020, Kuzco agreed to sell, and BCCE agreed to purchase, the sum of USD5,300,000 (the "USD Sale Transaction"). Accordingly, BCCE

deposited the following cheques in CAD drawn upon its account at Khalsa Credit Union (the "CAD Cheques") into Kuzco's account at HSBC Canada for the purchase of USD from Kuzco:

Cheque Number	Date	Currency	Amount
36074	April 21, 2020	CAD	\$825,000
36075	April 21, 2020	CAD	\$713,750
36076	April 21, 2020	CAD	\$856,500
36077	April 21, 2020	CAD	\$571,000
36078	April 21, 2020	CAD	\$642,375
36079	April 21, 2020	CAD	\$356,875
36087	April 22, 2020	CAD	\$650,000
36088	April 22, 2020	CAD	\$568,750
36089	April 22, 2020	CAD	\$750,000
36090	April 22, 2020	CAD	\$775,000
36091	April 22, 2020	CAD	\$825,000
TOTAL			CAD7,534,250

10. Upon confirmation that the CAD Cheques had been deposited into its account at HSBC Canada, Kuzco settled the USD Sale Transaction by providing BCCE with cheques drawn on its account at HSBC Canada totaling USD5,300,000 (the "Kuzco USD Cheques").
11. On April 22, 2020, Kuzco agreed to purchase, and BCCE agreed to sell, the sum of USD1,307,891 (the "USD Purchase Transaction"). Accordingly, BCCE deposited the following USD cheques drawn upon its account at Khalsa Credit Union (the "USD Cheques") into Kuzco's account at HSBC Canada for the purchase of CAD from Kuzco:

Cheque Number	Date	Currency	Amount
35743	April 22, 2020	USD	\$307,891
35744	April 22, 2020	USD	\$500,000
35745	April 22, 2020	USD	\$500,000
TOTAL			USD1,307,891

12. Upon confirmation that the USD Cheques had been deposited into its account at HSBC Canada, Kuzco settled the USD Purchase Transaction by providing BCCE with cheques drawn on its account at HSBC Canada totaling CAD1,816,661 (the "Kuzco CAD Cheques").
13. The USD Cheques and the CAD Cheques (the "BCCE Cheques") were signed by or at direction of Khaliq.

14. Immediately after receiving the Kuzco USD Cheques and the Kuzco CAD Cheques (the "Kuzco Cheques") on April 21 and 22, Khaliq directed BCCE to have the cheques certified, which had the effect of removing the funds from Kuzco's account with HSBC Canada. The BCCE Cheques to Kuzco, on the other hand, were not certified.
15. Between April 24 and April 27, 2020, Khalsa Credit Union dishonoured all of the BCCE Cheques upon their presentment by Kuzco.
16. On April 27, 2020, Kuzco notified BCCE that the BCCE Cheques had been dishonoured. However, BCCE has refused or neglected to deposit replacement funds.
17. As a result, Kuzco has received no consideration in exchange for the Kuzco Cheques.
18. On May 4, 2020, Kuzco commenced an action against BCCE in B.C. Supreme Court Action S-204368, Vancouver Registry for the amounts due on the BCCE Cheques.
19. Shortly after commencing the action against BCCE, Kuzco discovered that BCCE had on April 30, 2020 filed a Notice of Intention to make a Proposal to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

Fraudulent misrepresentation

20. By causing BCCE to enter into the USD Sale Transaction and the USD Purchase Transaction (the "Transactions"), and by signing and delivering, or directing the signing and delivery of the BCCE Cheques to Kuzco, Khaliq represented to Kuzco that BCCE had sufficient funds on deposit at Khalsa Credit Union to cover the amount of the BCCE Cheques.
21. Kuzco relied upon this representation and was induced by it to enter into the Transactions and to issue the Kuzco Cheques to BCCE.
22. The representation was false in that:
 - (a) BCCE did not have sufficient funds on deposit at Khalsa Credit Union to cover the amount of the BCCE Cheques;
 - (b) BCCE was in default and indebted to Exchange Bank of Canada in the amount of approximately \$1.4 million; and
 - (c) Exchange Bank of Canada had served a garnishing order on Khalsa Credit Union with respect to BCCE's accounts on April 20, 2020, with the result that BCCE's accounts were frozen.

23. Khaliq made the representation to Kuzco fraudulently in that he caused BCCE to enter into the Transactions, issue the BCCE Cheques to Kuzco, and certify the Kuzco Cheques knowing that BCCE did not have sufficient funds on deposit at Khalsa Credit Union to cover the amount of the BCCE Cheques and that the BCCE accounts at Khalsa Credit Union were frozen.
24. Alternatively, Khaliq made the representation recklessly, not caring whether it was true or false.
25. By reason of Khaliq's actions, Kuzco has suffered loss and damage.

Breach of trust by BCCE

26. By reason of the dishonoured BCCE Cheques and Khaliq's fraudulent misrepresentation:
 - (a) Kuzco has been deprived of the entire benefit of the Transactions; and
 - (b) BCCE has been enriched and Kuzco has suffered a corresponding deprivation, with no juristic reason for the enrichment in the circumstances.
27. Accordingly, the Transactions are void *ab initio* and BCCE holds the funds received from Kuzco Cheques (the "Trust Funds") on a resulting or constructive trust for Kuzco (the "Trust").
28. In breach of the Trust, BCCE has failed to return the Trust Funds to Kuzco.
29. Between April 21 and May 5, 2020, BCCE, in further breach of the Trust, transferred some or all of the Trust Funds from BCCE to Khaliq and Conian.
30. BCCE's breach of trust in transferring the Trust Funds to Khaliq and Conian was dishonest and fraudulent in that BCCE took a risk to the prejudice of Kuzco's rights, which risk it knew to be one it had no right to take.

Knowing receipt

31. Conian received some or all of the Trust Funds for its own benefit with knowledge of facts that would indicate to an honest and reasonable person that the transfer was made fraudulently and in breach of the Trust.
32. Between April 21, 2020 and May 5, 2020, Conian used some or all of the Trust Funds to make capital investments into and/or capital improvements on the Development Properties, thereby increasing their value and increasing Conian's equity in the Development Properties.
33. By reason of Conian's use of the Trust Funds as set out in paragraph 32, Kuzco is entitled to a tracing of the Trust Funds into the Development Properties. To the

extent Conian used the Trust Funds for investments into and/or improvements on the Development Properties, Conian holds the Development Properties on a constructive or resulting trust for Kuzco.

Part 2: RELIEF SOUGHT

1. A declaration that Conian holds the Development Properties on a resulting or constructive trust for Kuzco;
2. A tracing of the Trust Funds and an equitable accounting of the same for Kuzco's use in pursuing equitable remedies;
3. A certificate of pending litigation against title to each of the Development Properties;
4. Punitive and exemplary damages;
5. Interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79;
6. Costs; and
7. Such further and other relief as this Honourable Court deems just.

Part 3: LEGAL BASIS

1. Conian is liable in knowing receipt of trust property. The plaintiff relies on the principles set out in *Gold v. Rosenberg*, [1997] 3 S.C.R. 767.
2. A defendant found liable for knowing assistance and knowing receipt is deemed to be constructive trustee: *Bank of China v. Fan*, 2015 BCSC 590.
3. The court will award a constructive trust both for wrongful acts like fraud and breach of duty of loyalty, as well as to remedy unjust enrichment and corresponding deprivation: *Soulos v. Korkontzilas*, [1997] 2 S.C.R. 217, at para. 43.
4. If a plaintiff successfully establishes a proprietary entitlement to misappropriated funds in the hands of a defendant, it may trace or follow those funds from there into other property: *Drucker, Inc. v. Hong*, 2011 BCSC 905.

Plaintiff's address for service: Hamilton Duncan
1450 – 13401 108th Avenue
Surrey, B.C. V3T 5T3
Attention: David A. Hunter

Fax number address for service (if any): (604) 581-5947

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

The Plaintiff's claim is against the Defendant Conian for knowing receipt of trust property, with respect to monies paid pursuant to a currency transaction.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investments losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

Part 3: THIS CLAIM INVOLVES

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4: ENACTMENTS

Court Order Interest Act, R.S.B.C. 1996, c. 79.

Foreign Money Claims Act, R.S.B.C. 1996, c. 155

19 JUN 2020 11 46

WX2149361

DO NOT WRITE ABOVE THIS LINE - LAND TITLE USE ONLY

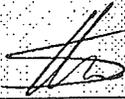
Date: June 11 2020

To: Registrar
Land Title and Survey Authority of BC

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

CBL

Fee Payable: \$ 0



Signature

NAME OF APPLICANT:

Wedler Engineering LLP

ADDRESS:

#202-10216-128 Street

Surrey, BC V3T 2Z3

TELEPHONE:

604-588-1919

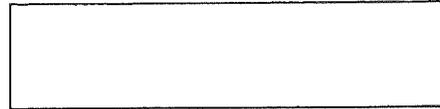
FORM_CBE_V19

**BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)**

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.



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

Wedler Engineering LLP
#202 - 10216 - 128 Street
Surrey, BC V3T 2Z3
604-588-1919

I, Stanley Reid
Surrey, BC V3T 2Z3

of #202 - 10216 - 128 Street
, agent of the lien claimant state that:

1. WEDLER ENGINEERING LLP

Incorporation No

of #202 - 10216 - 128 Street, Surrey, British Columbia, V3T 2Z3

claims a lien against the following land:

[PID] [legal description]

**030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667**

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Wedler Engineering LLP performed civil engineering services at 11075-11077 Ravine Road, Surrey, British Columbia for the benefit of CONIAN DEVELOPMENTS (LA VODA) INC., INC.NO. BC0707784

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

CONIAN DEVELOPMENTS (LA VODA) INC., INC.NO. BC0707784

4. The sum of \$ 8,321.78 is or will become due and owing to Wedler Engineering LLP on June 06, 2020

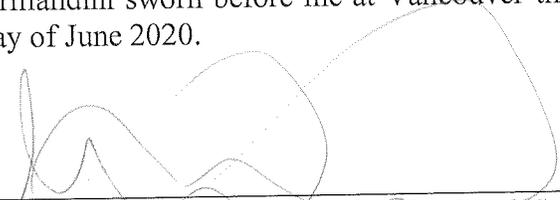
5. The lien claimant's address for service is:
#202 - 10216 - 128 Street, Surrey, British Columbia V3T 2Z3

Signed: 
Date: June 11, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "FF" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Jun-26-2020 10:01:45.001

CA8266625

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Dorie-Anne Leggett 2GN3SA
Digitally signed by Dorie-Anne Leggett 2GN3SA
Date: 2020.06.25 15:16:43 -07'00'

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

Karla Ferguson, Paralegal
Cassady & Company
#330 - 522 Seventh Street
New Westminster BC V3M 5T5
Document Fees: \$0.00

Phone: 604.523.7090
File No. 77765 (Barnett Dembeck)

I, Maciej T. Dembek of #135 - 7536 130th Street, Surrey
British Columbia V3W 1H8, agent of the lien claimant state that:

1. BARNETT DEMBEK ARCHITECTS INC. (INCORPORATION NO. BC0611560) Incorporation No

of #135 - 7536 130th Street, Surrey, British Columbia V3W 1H8
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667
STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Complete design and construction/permit drawings and documents; provision of shop drawing review and coordination with site and consultants; provision of required field reviews to date; issuance of site instructions to date during construction.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Conian Developments (La Voda) Inc. (Incorporation No. BC0707784), previously known as 0707784 B.C. Ltd.

4. The sum of \$ 54,123.77 is or will become due and owing to Barnett Dembeck Architects Inc.
on June 25, 2020

5. The lien claimant's address for service is:

c/o Cassady & Company, #330 - 522 Seventh Street, New Westminster, BC V3M 5T5, Phone: 604.523.7090, Attention: Joti Dhaliwal

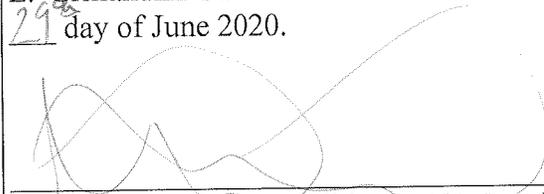
Signed: _____

Date: June 25, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "GG" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

-8 JUN 2020 11 16

WX2148662

REGISTRAR
LAND TITLE OFFICE
Suite 300 - 88 - 6TH STREET
NEW WESTMINSTER, BC V3L 5B3

Please receive herewith, the following document(s) for filing:

FORM 5 - CLAIM OF LIEN for PID: 030-337-020

TAREK A. EL-AMOURY
(Signature)
TAREK A. EL-AMOURY
(Firm Name)
TIDES Consulting Ltd
Address and Telephone No.)

213-3993 HENNING DRIVE
BURNABY, BC, V5C 6P7
604-336-5080

Builders Lien Act
FORM 5
(sections 15, 16, 18)

**CLAIM OF
LIEN**

I, Tarek El-Amoury [claimant] of
213 – 3993 Henning Drive, Burnaby, BC [address], British Columbia,

[if claim is made by an agent, insert here "agent of the lien claimant"] state that:

1. TIDES Consulting Ltd. [claimant] of
213 – 3993 Henning Drive, Burnaby, BC [address], British
Columbia, claims a lien against the following land:

Lot 1 Block 5N Plan EPP73667 Section 15 Range 2W Land District 36

PID: 030-337-020

Area-Jurisdiction-Roll: 14-326-2150-00063-5

[Insert legal description here or, if a lien is claimed under section 16 against more than one parcel of land, insert the legal description of all parcels of land against which the lien is claimed. If insufficient space is provided, attach a schedule. If the claim of lien is to be filed in the gold commissioner's office, insert the name of the mineral title, its tenure number and the name of the mining division.]

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Supply structural design and drawings for building permit application

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Mr. Rana Khaliq

4. The sum of \$ 64,418.00 is or will become due and owing to TIDES Consulting Ltd.
on June 3rd, 2020 [month, day, year].

5. The lien claimant's address for service is:
213 – 3993 Henning Drive, Surrey, BC

Dated: this 3 day of June, 2020

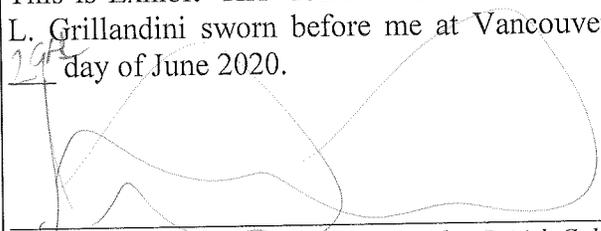
Signed: T.A. El-Amoury

Note: Section 45 of the *Builders Lien Act* provides as follows:

45 (1) A person who knowingly files or causes an agent to file a claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "HH" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.


A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8237717

RCVD: 2020-06-11 RQST: 2020-06-30 10.25.04

FORM_CBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Jun-11-2020 10:36:16.001

CA8237717

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

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

Adnan Naiyer
Habib J88IV1

Digitally signed by Adnan
Naiyer Habib J88IV1
Date: 2020.06.11
10:31:25 -07'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Baker Newby LLP

Barristers & Solicitors

200 - 2955 Gladwin Road

Abbotsford

BC V2T 5T4

Document Fees: \$0.00

Adnan N. Habib

604-852-3646

File No. 634100004

I, Adnan N. Habib of Baker Newby LLP
200 - 2955 Gladwin Rd., Abbotsford, British Columbia, V2T 5T4, agent of the lien claimant state that:

1. PRO-FIT STRUCTURES (2007) LTD.

Incorporation No
BC0785466

of 6550 Unsworth Road, Chilliwack, British Columbia, V2R 4P4

claims a lien against the following land:

[PID]

[legal description]

030-337-020

LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP73667STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Wall panel production and installation, and other related work

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

FLII Construction Ltd.

4. The sum of \$ 436,847.81 is or will become due and owing to Pro-Fit Structures (2007) Ltd.
on June 11, 2020

5. The lien claimant's address for service is:

Baker Newby LLP, Lawyers, 200 - 2955 Gladwin Road, Abbotsford, British Columbia, V2T 5T4,
Attention: Adnan N. Habib

Signed: _____

Date: June 11, 2020

Note: Section 45 of the Builders Lien Act provides as follows:

45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "II" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.

A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA8258808

RCVD: 2020-06-23 RQST: 2020-06-30 10.25.04

FORM_GBL_V20

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Jun-23-2020 11:23:52.001

CA8258808

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, R.SBC 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.

Michael Andrew LeBeau KSWKNN
Digitally signed by Michael Andrew LeBeau KSWKNN
Date: 2020.06.23 11:22:19 -07'00'

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

LeBeau Law Corporation
Michael A. LeBeau
201-1118 Austin Avenue
Coquitlam
Document Fees: \$0.00

Phone: 604-544-4535
File: 60026

BC V3K 3P5

I, Michael LeBeau
Coquitlam, BC V3K 3P5

of 201-1118 Austin Avenue,
agent of the lien claimant state that:

1. MSD ENGINEERING INC.

Incorporation No
BC0914812

of 1430 Knappen Street, Port Coquitlam, BC V3C 2P6
claims a lien against the following land:
[PID] [legal description]

030-337-020 LOT 1 SECTION 15 BLOCK 5 NORTH RANE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Site supervision, engineering services,

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Rana Khaliq, Flii Construction Ltd., B.C. Currency Exchange Inc., CONIAN DEVELOPMENTS (LA VODA) INC.

4. The sum of \$ 161,262.15 is or will become due and owing to MSD ENGINEERING INC. on June 1, 2020

5. The lien claimant's address for service is:

c/o 201-1118 Austin Ave., Coquitlam, BC V3K 3P5

Signed: _____

Date: 2020/06/08

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

Status: Registered
FORM_17C_V16

Doc #: CA8243599

RCVD: 2020-06-15 RQST: 2020-06-30 10.25.04

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING Jun-15-2020 12:02:29.001
LAND TITLE AND SURVEY AUTHORITY

CA8243599

PAGE 1 OF 18 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Sharene
Debbie Gail Orstad
Orstad 661YW3
Digitally signed by Sharene
Debbie Gail Orstad
661YW3
Date: 2020.06.15 11:38:04
-07'00'

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

TAYLOR LAW GROUP

#210-20780 Willoughby Town Centre Drive

Attention: Sharene D. Orstad
File No. 40649-1

Langley

BC V2Y 0M7

Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION
ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

SIDHU IQBAL SINGH, BUSINESSMAN

C/O TAYLOR LAW GROUP

#210-20780 WILLOUGHBY TOWN CENTRE DRIVE

LANGLEY

BRITISH COLUMBIA

V3M 0Y7

CANADA

FORM E7_V16

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 2 OF 18 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES

[PID]	[LEGAL DESCRIPTION -- must fit in a single text line]
010-273-948	LOT 18 SECTION 28 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 21134
027-001-873	LOT 24 DISTRICT LOT 389A GROUP 2 NEW WESTMINSTER DISTRICT PLAN BCP28915
026-880-253	STRATA LOT 271 DISTRICT LOT 541 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN BCS2103
030-337-020	LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667
007-131-895	LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 34840
011-422-220	LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
011-422-203	LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
001-427-288	LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
000-674-672	LOT 1, EXCEPT PRT DED ROAD ON PL LMP41027, SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 8791
011-362-588	LOT 2, EXCEPT PRT DED ROAD ON PL LMP41027, SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 8791
011-362-596	LOT 3, EXCEPT PRT DED ROAD ON PL LMP41027, SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 8791



Court File No. **NEW-S-S-228228**
 No.
 New Westminster Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IQBAL SINGH SIDHU

PLAINTIFF

AND:

**RANA WASIF KHALIQ, ROBINA KHAN, B.C. CURRENCY EXCHANGE,
 B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS (LA
 VODA) INC., formerly Conian Developments Inc., formerly 0707784
 B.C. Ltd. and CONIAN DEVELOPMENTS (LA VODA II) INC.**

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,

- 2 -

- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
 (d) if the time for response to civil claim has been set by order of the court, within that time.

Part 1: STATEMENT OF FACTS

The Parties

1. The Plaintiff, Iqbal Singh Sidhu, is a Truck Driver, and has a service address of #210 – 20780 Willoughby Town Centre Drive, Langley, BC.
2. The Defendant, Rana Wasif Khaliq (“Khaliq”), is a Businessman, and resides at 15310 101 Avenue, Surrey, BC.
3. The Defendant, Robina Khan (“Khan”), is a Businessman, and resides at 15310 101 Avenue, Surrey, BC.
4. Khaliq and Khan are spouses.
5. The Defendant, B.C. Currency Exchange (the “Partnership”), is a partnership of Khaliq and Khan.
6. The Defendant, B.C. Currency Exchange Inc. (the “Company”), is a company duly incorporated under the laws of Canada and extra provincially registered in British Columbia with a head office located at 10230 – 152 Street, Surrey, BC.
7. The Defendant, Conian Developments (La Voda) Inc., formerly Conian Developments Inc., formerly 0707784 B.C. Ltd. (“Conian”) is a company duly incorporated pursuant to the laws of British Columbia with a registered office located at 10469 – 125B Street, Surrey, BC.
8. The Defendant, Conian Developments (La Voda II) Inc. (“Conian II”), is a company duly incorporated pursuant to the laws of British Columbia with a registered office located at 10469 125B Street, Surrey, BC.
9. Khaliq is the sole director and operating mind of the Company, Conian and Conian II.

The Properties

10. Khaliq and Khan are the registered owners of real property, as to an undivided 1/100th interest and an undivided 99/100th interest respectively, located at 15310 – 101 Avenue, Surrey, BC, and legally described as:

PID: 010-273-948
 Lot 18 Section 28 Block 5 North Range 1 West
 New Westminster District Plan 21134

(the “101 Ave Property”).

- 3 -

11. Khaliq is the registered owner of real property located at 10133 177A Street, Surrey, BC, and legally described as:

PID: 027-001-873
Lot 24 District Lot 389A Group 2
New Westminster District Plan BCP28915

(the "177A Property").

12. Khaliq is the registered owner of real property located at 3002 – 909 Mainland Street, Vancouver, BC, and legally described as:

PID: 026-880-253
Strata Lot 271 District Lot 541 Group 1
New Westminster District Strata Plan BCS2103

(the "Vancouver Property").

13. Conian is the registered owner of real property located at 13270 King George Boulevard, Surrey, BC, and legally described as:

PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667

(the "Development Property").

14. Conian II is the registered owner of real property located at 11037 Ravine Road, Surrey, BC, and legally described as:

PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840

(the "11037 Ravine Property").

15. Conian II is the registered owner of real property located at 11049 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11049 Ravine Property").

- 4 -

16. Conian II is the registered owner of real property located at 11057 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-203
Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11057 Ravine Property").

17. Conian II is the registered owner of real property located at 11059 Ravine Road, Surrey, BC, and legally described as:

PID: 001-427-288
Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11069 Ravine Property").

18. Conian II is the registered owner of real property located at 11054 132 Street, Surrey, BC, and legally described as:

PID: 000-674-672
Lot 1, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11054 Property").

19. Conian II is the registered owner of real property located at 11066 132 Street, Surrey, BC, and legally described as:

PID: 011-362-588
Lot 2, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11066 Property").

20. Conian II is the registered owner of real property located at 11080 132 Street, Surrey, BC, and legally described as:

PID: 011-362-596
Lot 3, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11080 Property").

- 5 -

The Canadian Loan

21. By written agreement dated August 17, 2019 (the "CAD Loan Agreement"), the Plaintiff agreed to loan to the Defendants, Khaliq, Khan, the Partnership and/or the Company (collectively, the "Khaliq Group") \$300,000.00 CAD (the "CAD Loan Amount").
22. The CAD Loan Agreement included, among others, the following express terms:
 - a. The Khaliq Group would pay to the Plaintiff \$5,400.00 CAD per month until the CAD Loan Amount was repaid in full;
 - b. The CAD Loan Amount would be repaid on or before December 17, 2019;
and
 - c. In the event of default, the Plaintiff may commence legal action and any costs incurred will be paid by the Khaliq Group.
23. In accordance with the CAD Loan Agreement, the Plaintiff advanced \$300,000.00 CAD to the Khaliq Group by Khalsa Credit Union Official Cheque dated August 17, 2019.
24. In breach of the CAD Loan Agreement, the Khaliq Group failed to make all of the \$5,400.00 CAD payments to the Plaintiff.
25. The Khaliq Group provided the Plaintiff with an official cheque from the Khalsa Credit Union, in the amount of \$300,000.00 CAD, which cheque was dishonoured by the Khalsa Credit Union.
26. In breach of the CAD Loan Agreement, the Khaliq failed to repay the CAD Loan Amount on or before December 17, 2019.
27. The Khaliq Group used the CAD Loan Amount to purchase or improve real property in which they have a legal or equitable interest, including but not limited to the 101 Avenue Property, 177A Property, Vancouver Property, and/or various other assets.
28. Khaliq caused Conian to use the CAD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the Development Property and/or various other assets.
29. Khaliq caused Conian II to use the CAD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the 11037 Ravine Property, 11049 Ravine Property, 11057 Ravine Property, 11069 Ravine Property, 11054 Property, 11066 Property, 11080 Property and/or various other assets.
30. The Defendants have been unjustly enriched to the detriment of the Plaintiff without juristic reason.

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The USD Loan Agreement

31. By written agreement dated June 21, 2018 (the "USD Loan Agreement"), the Plaintiff agreed to loan to the Khaliq Group \$150,000.00 USD (the "USD Loan Amount").
32. The USD Loan Agreement included, among others, the following express terms:
- a. The Khaliq Group would pay to the Plaintiff \$2,700.00 CAD per month commencing June 25, 2018 until the USD Loan Amount was paid in full;
 - b. The USD Loan Amount would be repaid on or about July 25, 2018;
 - c. The Khaliq Group would provide the Plaintiff with a cheque dated July 25, 2018 in the amount of 150,000.00 USD;
 - d. In the event of default, the Plaintiff may commence legal action and any costs incurred will be paid by the Khaliq Group.
33. In accordance with the USD Loan Agreement, the Plaintiff advanced \$150,000.00 USD to the Khaliq Group.
34. In breach of the USD Loan Agreement, the Khaliq Group failed to provide the Plaintiff with a cheque dated July 25, 2018 in the amount of \$150,000.00 USD.
35. In breach of the USD Loan Agreement, the Khaliq Group failed to make all of the \$2,700.00 CAD monthly payments to the Plaintiff.
36. On December 18, 2018, the Khaliq Group caused \$50,000.00 USD to be direct deposited into the Plaintiff's bank account.
37. On March 26, 2019, the Khaliq Group caused \$25,000.00 USD to be direct deposited into the Plaintiff's bank account.
38. The Khaliq Group provided the Plaintiff with a Khalsa Credit Union cheque dated April 28, 2020, in the amount of \$75,000.00 USD, which cheque was dishonoured by the Khalsa Credit Union.
39. In breach of the USD Loan Agreement, the Khaliq Group has failed to repay the USD Loan Amount.
40. The Khaliq Group used the USD Loan Amount to purchase or improve real property in which they have a legal or equitable interest, including but not limited to the 101 Avenue Property, 177A Property, Vancouver Property and/or various other assets.
41. Khaliq caused Conian to use the USD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the Development Property and/or various other assets.

- 7 -

42. Khaliq caused Conjan II to use the CAD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the 11037 Ravine Property, 11049 Ravine Property, 11057 Ravine Property, 11069 Ravine Property, 11054 Property, 11066 Property, 11080 Property and/or various other assets.

43. The Defendants have been unjustly enriched to the detriment of the Plaintiff without juristic reason.

Part 2: RELIEF SOUGHT

1. A declaration that the Defendants, Khaliq and Khan, and each of them, hold real property located at 15310 – 101st Avenue, Surrey, BC, and legally described as:

PID: 010-273-948
 Lot 18 Section 28 Block 5 North Range 1 West
 New Westminster District Plan 21134

{the "101 Ave Property"}

on a constructive trust for the Plaintiff.

2. A declaration that the Defendant, Khaliq, holds real property located at 10133 177A Street, Surrey, BC, and legally described as:

PID: 027-001-873
 Lot 24 District Lot 389A Group 2
 New Westminster District Plan BCP28915

{the "177A Property"}

on a constructive trust for the Plaintiff.

3. A declaration that the Defendant, Khaliq, holds real property located at 3002 – 909 Mainland Street, Vancouver, BC, and legally described as:

PID: 026-880-253
 Strata Lot 271 District Lot 541 Group 1
 New Westminster District Strata Plan BCS2103

{the "Vancouver Property"}

on a constructive trust for the Plaintiff.

- 4 -

4. A declaration that the Defendant, Conian, holds real property located at 13270 King George Boulevard, Surrey, BC, and legally described as:

PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667

(the "Development Property")

on a constructive trust for the Plaintiff.

5. A declaration that the Defendant, Conian II, holds real property located at 11037 Ravine Road, Surrey, BC, and legally described as:

PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840

(the "11037 Ravine Property").

on a constructive trust for the Plaintiff.

6. A declaration that the Defendant, Conian II, holds real property located at 11049 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11049 Ravine Property")

on a constructive trust for the Plaintiff.

7. A declaration that the Defendant, Conian II, holds real property located at 11057 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-203
Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11057 Ravine Property")

on a constructive trust for the Plaintiff.

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8. A declaration that the Defendant, Conian II, holds real property located at 11069 Ravine Road, Surrey, BC, and legally described as:

PID: 001-427-288
 Lot 3 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 9739

(the "11069 Ravine Property")

on a constructive trust for the Plaintiff.

9. A declaration that the Defendant, Conian II, holds real property located at 11054 132 Street, Surrey, BC, and legally described as:

PID: 000-674-672
 Lot 1, Except Part Dedicated Road on Plan LMP41027
 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 8791

(the "11054 Property")

on a constructive trust for the Plaintiff.

10. A declaration that the Defendant, Conian II, holds real property located at 11066 132 Street, Surrey, BC, and legally described as:

PID: 011-362-588
 Lot 2, Except Part Dedicated Road on Plan LMP41027
 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 8791

(the "11066 Property")

on a constructive trust for the Plaintiff.

11. A declaration that the Defendant, Conian II, holds real property located at 11080 132 Street, Surrey, BC, and legally described as:

PID: 011-362-596
 Lot 3, Except Part Dedicated Road on Plan LMP41027
 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 8791

(the "11080 Property")

on a constructive trust for the Plaintiff.

12. Judgment in the amount of \$300,000.00 CAD;

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13. Judgment in the amount of \$5,400.00 CAD per month from August 17, 2019 to the date of judgment;
14. Judgment in the amount of \$75,000.00 USD;
15. Judgment in the amount of \$2,700.00 CAD per month from July 25, 2018 to the date of judgment;
16. Damages for unjust enrichment;
17. Certificates of Pending Litigation charging the following lands:
 - a. the 101 Avenue Property, legally described as:
PID: 010-273-948
Lot 18 Section 28 Block 5 North Range 1 West
New Westminster District Plan 21134;
 - b. the 177A Property, legally described as:
PID: 027-001-873
Lot 24 District Lot 389A Group 2
New Westminster District Plan BCP28915
 - c. the Vancouver Property, legally described as:
PID: 026-880-253
Strata Lot 271 District Lot 541 Group 1
New Westminster District Strata Plan BCS2103
 - d. the Development Property, legally described as:
PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667
 - e. the 11037 Ravine Property, legally described as:
PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840
 - e. the 11049 Ravine Property, legally described as:
PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West

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New Westminster District Plan 9739

- f. the 11057 Ravine Property, legally described as:

PID: 011-422-203
 Lot 4 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 9739

- g. the 11069 Ravine Property, legally described as:

PID: 001-427-288
 Lot 3 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 9739

- h. the 11054 Property, legally described as:

PID: 000-674-672
 Lot 1, Except Part Dedicated Road on Plan LMP41027
 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 8791

- i. the 11066 Property, legally described as:

PID: 011-362-588
 Lot 2, Except Part Dedicated Road on Plan LMP41027
 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 8791

- j. the 11080 Property, legally described as:

PID: 011-362-596
 Lot 3, Except Part Dedicated Road on Plan LMP41027
 Section 15 Block 5 North Range 2 West
 New Westminster District Plan 8791

18. Accounting and tracing Orders;

19. An Injunction restraining the Defendants from dealing with any of their assets or real property, and from selling, conveying, assigning, or charging their assets or causing them to be sold, conveyed, assigned or charged or any interest or equity therein until the interest of Alex's estate in any such assets or real property has been determined through the process of tracing and accounting or until further order of the court.

20. Interest pursuant to the *Court Order Interest Act*;

21. Special Costs;

- 12 -

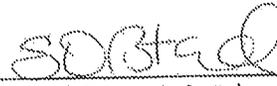
22. Such other relief as this Honorable Court may deem just.

Part 3: LEGAL BASIS

- 1. The Defendants owe a debt to the Plaintiff.
- 2. The Defendants have used the Plaintiff's money to purchase or improve real property.
- 3. The Defendants have been unjustly enriched to the detriment of the Plaintiff.

Plaintiff's address for service:	Taylor Law Group 210 Willoughby Town Centre Drive Langley, BC V2Y 0M7
Fax number address for service (if any):	604-532-6394
E-mail address for service (if any):	n/a
Place of trial:	New Westminster, British Columbia
The address of the registry is:	651 Carnarvon Street, New Westminster, BC

Date: June 11, 2020



 Signature of Sharene D. Orstad
 plaintiff lawyer for Plaintiff

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

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APPENDIX

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

The Plaintiff's claim is for debt, constructive trust and unjust enrichment.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

Part 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4:



Court File No. **NEW-S-S-228228**

No.
New Westminster Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IQBAL SINGH SIDHU

PLAINTIFF

AND:

RANA WASIF KHALIQ, ROBINÁ KHAN, B.C. CURRENCY EXCHANGE,
B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS (LA
VODÁ) INC., formerly Conian Developments Inc., formerly 0707784
B.C. Ltd. and CONIAN DEVELOPMENTS (LA VODA II) INC.

DEFENDANTS

CERTIFICATE OF PENDING LITIGATION

I CERTIFY that in a proceeding commenced in this court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the document by which the claim is made.

Given under my hand and the seal of this court at New Westminster, British Columbia, this day of, 2020 .

JUNE 15, 2020

Digitally signed by
Stalmans,
Christopher

Registrar

THIS CERTIFICATE OF PENDING LITIGATION is filed by Sharene D. Orstad of the firm Taylor Law Group, whose place of business and address for delivery is #210, 20780 Willoughby Town Centre Drive, Langley, BC V2Y 0M7, PHONE: (604) 534-6361 FAX: (604) 532-6394. File No. 40649-1.

*Land Title Act
Form 31
(section 215 (1))*

NATURE OF INTEREST: CHARGE: CERTIFICATE OF PENDING LITIGATION

HEREWITH FEE OF \$

LEGAL DESCRIPTIONS AND PARCEL IDENTIFIER NOS.:

PID: 010-273-948
Lot 18 Section 28 Block 5 North Range 1 West
New Westminster District Plan 21134

PID: 027-001-873
Lot 24 District Lot 389A Group 2
New Westminster District Plan BCP28915

PID: 026-880-253
Strata Lot 271 District Lot 541 Group 1
New Westminster District Strata Plan BCS2103

PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667

PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840

PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

PID: 011-422-203
Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

PID: 001-427-288
Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

Status: Registered

Doc #: CA8243599

RCVD: 2020-06-15 RQST: 2020-06-30 10.25.04

PID: 000-674-672
Lot 1, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

PID: 011-362-588.
Lot 2, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

PID: 011-362-596
Lot 3, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

Address of person entitled to register this certificate of pending litigation:

Iqbal Singh Sindu, c/o Taylor Law Group, 210 -- 20780 Willoughby Town
Centre Drive, Langley, B.C. V2Y 0M7

Full name, address, telephone number of person presenting application:

Sharene D. Orstad, Taylor Law Group, 210 -- 20780 Willoughby Town Centre Drive
Langley, B.C.V2Y 0M7



SIGNATURE OF APPLICANT, OR
SOLICITOR OR AUTHORIZED AGENT

This is Exhibit "JJ" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 29th day of June 2020.

A Commissioner for taking Affidavits within British Columbia

Status: Registered
FORM_17C_V16

Doc #: CA8243620

RCVD: 2020-06-15 RQST: 2020-06-30 10.25.04

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING Jun-15-2020 12:05:27.001
LAND TITLE AND SURVEY AUTHORITY

CA8243620

PAGE 1 OF 18 PAGES

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Sharene
Debbie Gail
Orstad 661YW3
Digitally signed by Sharene
Debbie Gail Orstad
661YW3
Date: 2020.06.15 11:37:38
-07'00'

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

TAYLOR LAW GROUP
#210-20780 Willoughby Town Centre Drive

Attention: Sharene D. Orstad
File No. 40649-2

Langley BC V2Y 0M7

Document Fees: \$74.87

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

CERTIFICATE OF PENDING LITIGATION
ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

SIDHU NINDERPAL SINGH, DISABLED
C/O TAYLOR LAW GROUP
#210-20780 WILLOUGHBY TOWN CENTRE DRIVE
LANGLEY BRITISH COLUMBIA
V3M 0Y7 CANADA

Status: Registered

Doc #: CA8243620

RCVD: 2020-06-15 RQST: 2020-06-30 10.25.04

FORM_E7_V16

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 2 OF 18 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES

[PID]	[LEGAL DESCRIPTION – must fit in a single text line]
010-273-948	LOT 18 SECTION 28 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 21134
027-001-873	LOT 24 DISTRICT LOT 389A GROUP 2 NEW WESTMINSTER DISTRICT PLAN BCP28915
026-880-253	STRATA LOT 271 DISTRICT LOT 541 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN BCS2103
030-337-020	LOT 1 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP73667
007-131-895	LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 34840
011-422-220	LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
011-422-203	LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
001-427-288	LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739
000-674-672	LOT 1, EXCEPT PRT DED ROAD ON PL LMP41027, SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 8791
011-362-588	LOT 2, EXCEPT PRT DED ROAD ON PL LMP41027, SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 8791
011-362-596	LOT 3, EXCEPT PRT DED ROAD ON PL LMP41027, SCT 15 BL 5 NORTH RANGE 2 WEST NWDP 8791



Court File No. *NEW-S-S-228229*

No.
New Westminster Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NINDERPAL SINGH SIDHU

PLAINTIFF

AND:

**RANA WASIF KHALIQ, ROBINA KHAN, B.C. CURRENCY EXCHANGE,
B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS (LA
VODA) INC., formerly Conian Developments Inc., formerly 0707784
B.C. Ltd. and CONIAN DEVELOPMENTS (LA VODA II) INC.**

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

- If you intend to respond to this action, you or your lawyer must
- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
 - (b) serve a copy of the filed response to civil claim on the plaintiff.
- If you intend to make a counterclaim, you or your lawyer must
- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
 - (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

- A response to civil claim must be filed and served on the plaintiff(s),
- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
 - (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,

- 2 -

- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

Part 1: STATEMENT OF FACTSThe Parties

1. The Plaintiff, Ninderpal Singh Sidhu, is Disabled, and has a service address of #210 – 20780 Willoughby Town Centre Drive, Langley, BC.
2. The Defendant, Rana Wasif Khaliq (“Khaliq”), is a Businessman, and resides at 15310 101 Avenue, Surrey, BC.
3. The Defendant, Robina Khan (“Khan”), is a Businessman, and resides at 15310 101 Avenue, Surrey, BC.
4. Khaliq and Khan are spouses.
5. The Defendant, B.C. Currency Exchange (the “Partnership”), is a partnership of Khaliq and Khan.
6. The Defendant, B.C. Currency Exchange Inc. (the “Company”), is a company duly incorporated under the laws of Canada and extra provincially registered in British Columbia with a head office located at 10230 – 152 Street, Surrey, BC.
7. The Defendant, Conian Developments (La Voda) Inc., formerly Conian Developments Inc., formerly 0707784 B.C. Ltd. (“Conian”) is a company duly incorporated pursuant to the laws of British Columbia with a registered office located at 10469 – 125B Street, Surrey, BC.
8. The Defendant, Conian Developments (La Voda II) Inc. (“Conian II”), is a company duly incorporated pursuant to the laws of British Columbia with a registered office located at 10469 125B Street, Surrey, BC.
9. Khaliq is the sole director and operating mind of the Company, Conian and Conian II.

The Properties

10. Khaliq and Khan are the registered owners of real property, as to an undivided 1/100th interest and an undivided 99/100th interest respectively, located at 15310 – 101 Avenue, Surrey, BC, and legally described as:

PID: 010-273-948
 Lot 18 Section 28 Block 5 North Range 1 West
 New Westminster District Plan 21134

(the “101 Ave Property”).

- 3 -

11. Khaliq is the registered owner of real property located at 10133 177A Street, Surrey, BC, and legally described as:

PID: 027-001-873
Lot 24 District Lot 389A Group 2
New Westminster District Plan BCP28915

(the "177A Property").

12. Khaliq is the registered owner of real property located at 3002 ~ 909 Mainland Street, Vancouver, BC, and legally described as:

PID: 026-880-253
Strata Lot 271 District Lot 541 Group 1
New Westminster District Strata Plan BC52103

(the "Vancouver Property").

13. Conian is the registered owner of real property located at 13270 King George Boulevard, Surrey, BC, and legally described as:

PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667

(the "Development Property").

14. Conian II is the registered owner of real property located at 11037 Ravine Road, Surrey, BC, and legally described as:

PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840

(the "11037 Ravine Property").

15. Conian II is the registered owner of real property located at 11049 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11049 Ravine Property").

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16. Conian II is the registered owner of real property located at 11057 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-203
Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11057 Ravine Property").

17. Conian II is the registered owner of real property located at 11069 Ravine Road, Surrey, BC, and legally described as:

PID: 001-427-288
Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11069 Ravine Property").

18. Conian II is the registered owner of real property located at 11054 132 Street, Surrey, BC, and legally described as:

PID: 000-674-672
Lot 1, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11054 Property").

19. Conian II is the registered owner of real property located at 11066 132 Street, Surrey, BC, and legally described as:

PID: 011-362-588
Lot 2, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11066 Property").

20. Conian II is the registered owner of real property located at 11080 132 Street, Surrey, BC, and legally described as:

PID: 011-362-596
Lot 3, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11080 Property").

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The Canadian Loan

21. In or about December 14, 2017, the Plaintiff agreed to loan to the Defendants, Khaliq, Khan, the Partnership and/or the Company (collectively, the "Khaliq Group") \$100,000.00 CAD (the "CAD Loan Amount") (the "CAD Loan Agreement").
22. The CAD Loan Agreement included, among others, the following express or implied terms:
 - a. the Khaliq Group would pay to the Plaintiff \$1,800.00 CAD per month commencing January 14, 2018 until the CAD Loan Amount was repaid in full;
 - b. the CAD Loan Amount would be repaid on or before December 14, 2019;
 - c. in the event of default, the Plaintiff may commence legal action and any costs incurred will be paid by the Khaliq Group.
23. In accordance with the CAD Loan Agreement, the Plaintiff advanced \$100,000.00 CAD to the Khaliq Group by Toronto-Dominion Bank Draft dated 14, 2017.
24. In breach of the CAD Loan Agreement, the Khaliq Group failed to make all of the \$1,800.00 CAD payments to the Plaintiff.
25. The Khaliq Group provided the Plaintiff with official cheque from the Khalsa Credit Union, in the amount of \$100,000.00 CAD, dated December 14, 2019, which cheque was dishonoured by the Khalsa Credit Union.
26. In breach of the CAD Loan Agreement, the Khaliq failed to repay the CAD Loan Amount on or before December 17, 2019.
27. The Khaliq Group used the CAD Loan Amount to purchase or improve real property in which they have a legal or equitable interest, including but not limited to the 101 Avenue Property, 177A Property, Vancouver Property and/or various other assets.
28. Khaliq caused Conian to use the CAD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the Development Property and/or various other assets.
29. Khaliq caused Conian II to use the CAD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the 11037 Ravine Property, 11049 Ravine Property, 11057 Ravine Property, 11069 Ravine Property, 11054 Property, 11066 Property, 11080 Property and/or various other assets.
30. The Defendants have been unjustly enriched to the detriment of the Plaintiff without juristic reason.

- 6 -

The USD Loan Agreement

31. In or about August 2013, the Plaintiff agreed to loan to the Khaliq Group \$155,000.00 USD (the "USD Loan Amount") (the "USD Loan Agreement").
32. The USD Loan Agreement included, among others, the following express and implied terms:
 - a. The Khaliq Group would pay to the Plaintiff \$2,790.00 CAD per month commencing from August 21, 2013 until the USD Loan Amount was paid in full;
 - b. The USD Loan Amount would be repaid on or about April 6, 2020;
 - c. The Khaliq Group would provide the Plaintiff with a cheque dated April 6, 2020 in the amount of 155,000.00 USD;
 - d. In the event of default, the Plaintiff may commence legal action and any costs incurred will be paid by the Khaliq Group.
33. In accordance with the USD Loan Agreement, the Plaintiff advanced \$155,000.00 USD to the Khaliq Group.
34. In breach of the USD Loan Agreement, the Khaliq Group failed to make all of the \$2,790.00 CAD monthly payments to the Plaintiff.
35. The Khaliq Group provided the Plaintiff with a cheque dated April 6, 2020 in the amount of \$55,000.00 USD, which cheque was dishonoured.
36. The Khaliq Group provided the Plaintiff with a cheque dated April 7, 2020 in the amount of \$100,000.00 USD, which cheque was dishonoured.
37. In breach of the USD Loan Agreement, the Khaliq Group has failed to repay the USD Loan Amount.
38. The Khaliq Group used the USD Loan Amount to purchase or improve real property in which they have a legal or equitable interest, including but not limited to the 101 Avenue Property, 177A Property, Vancouver Property and/or various other assets.
39. Khaliq caused Conlan to use the USD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the Development Property and/or various other assets.
40. Khaliq caused Conlan II to use the USD Loan Amount to purchase or improve real property in which it has a legal or equitable interest, including, but not limited to the 11037 Ravine Property, 11049 Ravine Property, 11057 Ravine Property, 11069 Ravine Property, 11054 Property, 11066 Property, 11080 Property and/or various other assets.

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41. The Defendants have been unjustly enriched to the detriment of the Plaintiff without juristic reason.

Part 2: RELIEF SOUGHT

1. A declaration that the Defendants, Khaliq and Khan, and each of them, hold real property located at 15310 – 101st Avenue, Surrey, BC, and legally described as:

PID: 010-273-948
 Lot 18 Section 28 Block 5 North Range 1 West
 New Westminster District Plan 21134

(the "101 Ave Property")

on a constructive trust for the Plaintiff.

2. A declaration that the Defendant, Khaliq, holds real property located at 10133 177A Street, Surrey, BC, and legally described as:

PID: 027-001-873
 Lot 24 District Lot 389A Group 2
 New Westminster District Plan BCP28915

(the "177A Property")

on a constructive trust for the Plaintiff.

3. A declaration that the Defendant, Khaliq, holds real property located at 3002 – 909 Mainland Street, Vancouver, BC, and legally described as:

PID: 026-880-253
 Strata Lot 271 District Lot 541 Group 1
 New Westminster District Strata Plan BCS2103

(the "Vancouver Property")

on a constructive trust for the Plaintiff.

4. A declaration that the Defendant, Conian, holds real property located at 13270 King George Boulevard, Surrey, BC, and legally described as:

PID: 030-337-020
 Lot 1 Section 15 Block 5 North Range 2 West
 New Westminster District Plan EPP73667

(the "Development Property")

on a constructive trust for the Plaintiff.

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5. A declaration that the Defendant, Conian II, holds real property located at 11037 Ravine Road, Surrey, BC, and legally described as:

PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840

(the "11037 Ravine Property").

on a constructive trust for the Plaintiff.

6. A declaration that the Defendant, Conian II, holds real property located at 11049 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11049 Ravine Property")

on a constructive trust for the Plaintiff.

7. A declaration that the Defendant, Conian II, holds real property located at 11057 Ravine Road, Surrey, BC, and legally described as:

PID: 011-422-203
Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11057 Ravine Property")

on a constructive trust for the Plaintiff.

8. A declaration that the Defendant, Conian II, holds real property located at 11069 Ravine Road, Surrey, BC, and legally described as:

PID: 001-427-288
Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

(the "11069 Ravine Property")

on a constructive trust for the Plaintiff.

- 9 -

9. A declaration that the Defendant, Conian II, holds real property located at 11054 132 Street, Surrey, BC, and legally described as:

PID: 000-674-672
Lot 1, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11054 Property")

on a constructive trust for the Plaintiff.

10. A declaration that the Defendant, Conian II, holds real property located at 11066 132 Street, Surrey, BC, and legally described as:

PID: 011-362-588
Lot 2, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11066 Property")

on a constructive trust for the Plaintiff.

11. A declaration that the Defendant, Conian II, holds real property located at 11080 132 Street, Surrey, BC, and legally described as:

PID: 011-362-596
Lot 3, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

(the "11080 Property")

on a constructive trust for the Plaintiff.

12. Judgment in the amount of \$100,000.00 CAD;
13. Judgment in the amount of \$1,800.00 CAD per month from January 17, 2018 to the date of judgment;
14. Judgment in the amount of \$155,000.00 USD;
15. Judgment in the amount of \$2,790.00 CAD per month from September 21, 2013 to the date of judgment;
16. Damages for unjust enrichment;

- 10 -

17. Certificates of Pending Litigation charging the following lands:

- a. the 101 Avenue Property, legally described as:
PID: 010-273-948
Lot 18 Section 28 Block 5 North Range 1 West
New Westminster District Plan 21134;
- b. the 177A Property, legally described as:
PID: 027-001-873
Lot 24 District Lot 389A Group 2
New Westminster District Plan BCP28915
- c. the Vancouver Property, legally described as:
PID: 026-880-253
Strata Lot 271 District Lot 541 Group 1
New Westminster District Strata Plan BCS2103
- d. the Development Property, legally described as:
PID: 030-337-020
Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667
- e. the 11037 Ravine Property, legally described as:
PID: 007-131-895
Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
New Westminster District Plan 34840
- e. the 11049 Ravine Property, legally described as:
PID: 011-422-220
Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739
- f. the 11057 Ravine Property, legally described as:
PID: 011-422-203
Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

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g. the 11069 Ravine Property, legally described as:

PID: 001-427-288
Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

h. the 11054 Property, legally described as:

PID: 000-674-672
Lot 1, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

i. the 11066 Property, legally described as:

PID: 011-362-588
Lot 2, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

j. the 11080 Property, legally described as:

PID: 011-362-596
Lot 3, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

18. Accounting and tracing Orders;

19. An injunction restraining the Defendants from dealing with any of their assets or real property, and from selling, conveying, assigning, or charging their assets or causing them to be sold, conveyed, assigned or charged or any interest or equity therein until the interest of Alex's estate in any such assets or real property has been determined through the process of tracing and accounting or until further order of the court.

20. Interest pursuant to the *Court Order Interest Act*;

21. Special Costs;

22. Such other relief as this Honorable Court may deem just.

Part 3: LEGAL BASIS

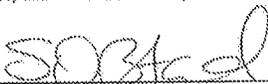
1. The Defendants owe a debt to the Plaintiff.
2. The Defendants have used the Plaintiff's money to purchase or improve real property.

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3. The Defendants have been unjustly enriched to the detriment of the Plaintiff.

Plaintiff's address for service:	Taylor Law Group 210 Willoughby Town Centre Drive Langley, BC V2Y 0M7
Fax number address for service (if any):	604-532-6394
E-mail address for service (if any):	n/a
Place of trial:	New Westminster, British Columbia
The address of the registry is:	651 Carnarvon Street, New Westminster, BC

Date: June 11, 2020



 Signature of Sharene D. Orstad
 plaintiff lawyer for Plaintiff

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.
-

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APPENDIX**Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:**

The Plaintiff's claim is for debt, constructive trust and unjust enrichment.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

Part 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4:



Court File No. *NEWS-S-228229*

No.
New Westminster Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NINDERPAL SINGH SIDHU

PLAINTIFF

AND:

RANA WASIF KHALIQ, ROBINA KHAN, B.C. CURRENCY EXCHANGE, B.C. CURRENCY EXCHANGE INC., CONIAN DEVELOPMENTS (LA VODA) INC., formerly Conian Developments Inc., formerly 0707784 B.C. Ltd. and CONIAN DEVELOPMENTS (LA VODA II) INC.

DEFENDANTS

CERTIFICATE OF PENDING LITIGATION

I CERTIFY that in a proceeding commenced in this court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the document by which the claim is made.

Given under my hand and the seal of this court at New Westminster, British Columbia, this day of, 2020 .

JUNE 15, 2020

Digitally signed by
Stalmans,
Christopher

Registrar

THIS CERTIFICATE OF PENDING LITIGATION is filed by Sharene D. Orstad of the firm Taylor Law Group, whose place of business and address for delivery is #210, 20780 Willoughby Town Centre Drive, Langley, BC V2Y 0M7, PHONE: (604) 534-5361 FAX: (604) 532-6394. File No. 40649-2.

- 2 -

Land Title Act Form 31
(section 215 (1))

NATURE OF INTEREST: CHARGE: CERTIFICATE OF PENDING LITIGATION

HEREWITH FEE OF \$

LEGAL DESCRIPTIONS AND PARCEL IDENTIFIER NOS.:

PID: 010-273-948

Lot 18 Section 28 Block 5 North Range 1 West
New Westminster District Plan 21134

PID: 027-001-873

Lot 24 District Lot 389A Group 2
New Westminster District Plan BCP28915

PID: 026-880-253

Strata Lot 271 District Lot 541 Group 1
New Westminster District Strata Plan BC52103

PID: 030-337-020

Lot 1 Section 15 Block 5 North Range 2 West
New Westminster District Plan EPP73667

PID: 007-131-895

Lot 80 Except: Parcel H (Bylaw Plan 87021) Section 15
Block 5 North Range 2 West
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PID: 011-422-220

Lot 5 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

PID: 011-422-203

Lot 4 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

PID: 001-427-288

Lot 3 Section 15 Block 5 North Range 2 West
New Westminster District Plan 9739

PID: 000-674-672

Lot 1, Except Part Dedicated Road on Plan LMP41027

- 3 -

Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

PID: 011-362-588
Lot 2, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

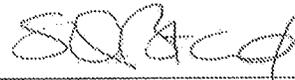
PID: 011-362-596
Lot 3, Except Part Dedicated Road on Plan LMP41027
Section 15 Block 5 North Range 2 West
New Westminster District Plan 8791

Address of person entitled to register this certificate of pending litigation:

Ninderpal Singh Sindhu, c/o Taylor Law Group, 210 – 20780 Willoughby Town
Centre Drive, Langley, B.C. V2Y 0M7

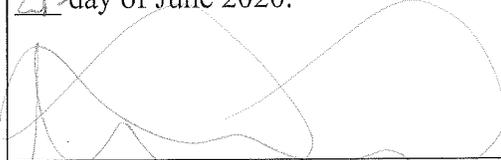
Full name, address, telephone number of person presenting application:

Sharene D. Orstad, Taylor Law Group, 210 – 20780 Willoughby Town Centre Drive
Langley, B.C.V2Y 0M7



SIGNATURE OF APPLICANT, OR
SOLICITOR OR AUTHORIZED AGENT

This is Exhibit "KK" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.

A handwritten signature in black ink, appearing to be a cursive name, is written over the text of the affidavit.

A Commissioner for taking Affidavits within British Columbia

Lterm: XPSP0054 BC OnLine: PPRS SEARCH RESULT 2020/06/03
For: PT52800 OWEN BIRD LAW CORPORATION 15:34:35

Index: BUSINESS DEBTOR
Search Criteria: CONIAN DEVELOPMENTS (LA VODA) INC.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:19:14 Expiry Date: JUL 19, 2025
Base Reg. #: 906525K Control #: D5431983

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

D0003 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0004 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 207177L Reg. Date: DEC 12, 2018
Reg. Time: 10:15:46
Control #: D5739645

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 906525K Base Reg. Date: JUL 19, 2018

Details Description:

ADDITION OF DEBTOR D0005 TO REFLECT DEBTOR D0001
NAME/ADDRESS CHANGE

Block#

Search Criteria: CONIAN DEVELOPMENTS (LA VODA) INC.

Page: 2

*** ADDED ***

=D0005 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC.
10469 - 125B ST
SURREY BC V3V 5A8

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:43:25 Expiry Date: DEC 19, 2025
Base Reg. #: 221089L Control #: D5753830

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA II) INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

=D0002 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
10469 - 125B ST
SURREY BC V3V 5A8

D0003 Bus. Debtor: CONIAN DEVELOPMENTS INC
10469 - 125B ST
SURREY BC V3V 5A8

D0004 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

D0005 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0006 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

This is Exhibit "LL" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.

A Commissioner for taking Affidavits within British Columbia

Page: 1

BC OnLine: PPRS SEARCH RESULT 2020/06/03
 Lterm: XPSP0054 For: PT52800 OWEN BIRD LAW CORPORATION 15:34:54

Index: BUSINESS DEBTOR

Search Criteria: CONIAN DEVELOPMENTS (LA VODA II) INC.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
 Reg. Time: 14:43:25 Expiry Date: DEC 19, 2025
 Base Reg. #: 221089L Control #: D5753830

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
 162 CUMBERLAND ST, SUITE 300
 TORONTO ON M5R 3N5

=D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA II) INC
 (Business) 10469 - 125B ST
 SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
 10469 - 125B ST
 SURREY BC V3V 5A8

D0003 Bus. Debtor: CONIAN DEVELOPMENTS INC
 10469 - 125B ST
 SURREY BC V3V 5A8

D0004 Ind. Debtor: KHALIQ RANA WASIF
 10469 - 125B ST Birthdate: 67MAR20
 SURREY BC V3V 5A8

D0005 Ind. Debtor: KHAN ROBINA
 10469 - 125B ST Birthdate: 72MAR03
 SURREY BC V3V 5A8

D0006 Bus. Debtor: BC CURRENCY EXCHANGE INC
 10230 - 152ND STREET
 SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
 OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
 PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BURRARD
 VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 07, 2019 Reg. Length: 2 YEARS
 Reg. Time: 08:59:21 Expiry Date: MAY 07, 2021
 Base Reg. #: 482544L Control #: D6020109

Block#

Continued on Page 2

Search Criteria: CONIAN DEVELOPMENTS (LA VODA II) INC.

Page: 2

S0001 Secured Party: CBA ENTERPRISES LTD.
13616 MARINE DRIVE
WHITE ROCK BC V4B 1A4

=D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA II) INC.
(Business) 10469 125B STREET
SURREY BC V3V 5A8

General Collateral:

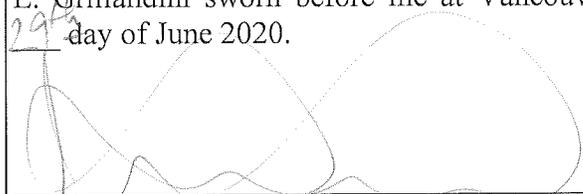
ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PROPERTY AND INTEREST THEREIN OF EVERY NATURE AND KIND, INCLUDING ALL PERSONAL PROPERTY AND INTERESTS THEREIN NOW AND HEREAFTER HELD BY THE DEBTOR IN TRUST FOR ANY PERSON(S) OR BY ANY PERSON(S) IN TRUST FOR THE DEBTOR LOCATED AT OR USED IN CONNECTION WITH THE PROPERTIES AT: 11037 RAVINE ROAD, SURREY, BC, LEGALLY DESCRIBED AS: PID: 007-131-895 LOT 80 EXCEPT: PARCEL H (BYLAW PLAN 87021) SEC 15 BLK 5 N RANGE 2 W NWD PLAN 34840; 11049 RAVINE ROAD, SURREY, BC, LEGALLY DESCRIBED AS: PID: 011-422-220 LOT 5 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739; 11057 RAVINE ROAD, SURREY, BC, LEGALLY DESCRIBED AS: PID: 011-422-203 LOT 4 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739; 11069 RAVINE ROAD, SURREY, BC, LEGALLY DESCRIBED AS: PID: 011-427-288 LOT 3 SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 9739; 11054 132ND STREET, SURREY, BC, LEGALLY DESCRIBED AS: PID: 000-674-672 LOT 1, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791; 11066 132ND STREET, SURREY, BC, LEGALLY DESCRIBED AS: PID: 011-362-588 LOT 2, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791; AND 11080 132ND STREET, SURREY, BC, LEGALLY DESCRIBED AS: PID: 011-362-596 LOT 3, EXCEPT PART DEDICATED ROAD ON PLAN LMP41027, SECTION 15 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 8791.

Registering

Party: GARY K. LO LAW CORPORATION
5728 EAST BOULEVARD
VANCOUVER BC V6M 4M4

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

This is Exhibit "MM" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
day of June 2020.


A Commissioner for taking Affidavits within British Columbia

Page: 1

BC OnLine: PPRS SEARCH RESULT 2020/06/03
 Lterm: XPSP0054 For: PT52800 OWEN BIRD LAW CORPORATION 15:35:15

Index: BUSINESS DEBTOR

Search Criteria: B.C. CURRENCY EXCHANGE INC.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 30, 2015 Reg. Length: 5 YEARS
 Reg. Time: 12:09:36 Expiry Date: JUL 30, 2020
 Base Reg. #: 755364I Control #: D3237401

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 8788 120TH STREET
 SURREY BC V3W 3N6

=D0001 Base Debtor: B.C. CURRENCY EXCHANGE INC.
 (Business) 107-10230 152 ST.
 SURREY BC V3R 6N7

D0002 Ind. Debtor: KHALIQ RANA W.
 10469 125B ST. Birthdate: 67MAR20
 SURREY BC V3V 8C6

D0003 Ind. Debtor: KHAN ROBINA C.
 10469 125B ST. Birthdate: 72MAR03
 SURREY BC V3V 8C6

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
 LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S).

Registering

Party: KHALSA CREDIT UNION
 8788 120TH STREET
 SURREY BC V3W 3N6

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 26, 2016 Reg. Length: 4 YEARS
 Reg. Time: 08:05:08 Expiry Date: DEC 26, 2020
 Base Reg. #: 735205J Control #: D4238976

Block#

S0001 Secured Party: HONDA CANADA FINANCE INC.
 180 HONDA BLVD
 MARKHAM ON L6C0H9

=D0001 Base Debtor: B.C. CURRENCY EXCHANGE INC
 (Business) 107 - 10230 152ND ST
 SURREY BC V3R6N7

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
------	----------	------	------------	----------

V0001 MV 1HGCR2F04HA804315 2017 HONDA ACCORD

Continued on Page 2

Search Criteria: B.C. CURRENCY EXCHANGE INC.

Page: 2

Registering

Party: SECUREFACT TRANSACTION SERVICES, INC.
300 - 365 BAY STREET
TORONTO ON M5H2V1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
Reg. Time: 06:12:30 Expiry Date: MAY 10, 2023
Base Reg. #: 748417K Control #: D5272145

Block#

S0001 Secured Party: TOYOTA CREDIT CANADA INC.
80 MICRO COURT
MARKHAM ON L3R 9Z5

=D0001 Base Debtor: B.C. CURRENCY EXCHANGE INC.
(Business) 10230-152ND ST
SURREY BC V3R 6N7

Vehicle Collateral:

Type Serial # Year Make/Model MH Reg.#

V0001 MV JTMJRJEVXJD201153 2018 TOYOTA RAV HYBRID

Registering

Party: D + H LIMITED PARTNERSHIP
2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON L4J 1H8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:19:14 Expiry Date: JUL 19, 2025
Base Reg. #: 906525K Control #: D5431983

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

D0003 Ind. Debtor: KHAN ROBINA

10469 - 125B ST
SURREY BC V3V 5A8

Birthdate: 72MAR03

=D0004 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

Continued on Page 3

Search Criteria: B.C. CURRENCY EXCHANGE INC.

Page: 3

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 207177L Reg. Date: DEC 12, 2018
Reg. Time: 10:15:46
Control #: D5739645

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 906525K Base Reg. Date: JUL 19, 2018

Details Description:

ADDITION OF DEBTOR D0005 TO REFLECT DEBTOR D0001
NAME/ADDRESS CHANGE

Block#

*** ADDED ***
D0005 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC.
10469 - 125B ST
SURREY BC V3V 5A8

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:19:24 Expiry Date: JUL 19, 2025
Base Reg. #: 906526K Control #: D5432093

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300

TORONTO BC M5R 3N5

D0001 Base Debtor: KHALIQ RANA WASIF
 (Individual) 10469 - 125B ST Birthdate: 67MAR20
 SURREY BC V3V 5A8

D0002 Ind. Debtor: KHAN ROBINA
 10469 - 125B ST Birthdate: 72MAR03
 SURREY BC V3V 5A8

=D0003 Bus. Debtor: BC CURRENCY EXCHANGE INC
 10230 - 152ND STREET
 SURREY BC V3R 6N7

Continued on Page 4

Search Criteria: B.C. CURRENCY EXCHANGE INC.

Page: 4

General Collateral:

ALL PRESENT AND FUTURE OBLIGATIONS, LIABILITIES AND INDEBTEDNESS, OF
 CONIAN DEVELOPMENTS INC. TO THE DEBTOR AND ALL SECURITY THEREFOR AND
 ALL PROCEEDS THEREOF, INCLUDING GOODS, INVESTMENT PROPERTY,
 INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND
 MONEY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BARRARD
 VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
 Reg. Time: 14:43:25 Expiry Date: DEC 19, 2025
 Base Reg. #: 221089L Control #: D5753830

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
 162 CUMBERLAND ST, SUITE 300
 TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA II) INC
 (Business) 10469 - 125B ST
 SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
 10469 - 125B ST
 SURREY BC V3V 5A8

D0003 Bus. Debtor: CONIAN DEVELOPMENTS INC
 10469 - 125B ST
 SURREY BC V3V 5A8

D0004 Ind. Debtor: KHALIQ RANA WASIF
 10469 - 125B ST Birthdate: 67MAR20

SURREY BC V3V 5A8

D0005 Ind. Debtor: KHAN ROBINA Birthdate: 72MAR03
 10469 - 125B ST
 SURREY BC V3V 5A8

=D0006 Bus. Debtor: BC CURRENCY EXCHANGE INC
 10230 - 152ND STREET
 SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
 OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
 PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BURRARD
 VANCOUVER BC V7X 1L3

Continued on Page 5

Search Criteria: B.C. CURRENCY EXCHANGE INC.

Page: 5

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
 Reg. Time: 14:43:32 Expiry Date: DEC 19, 2025
 Base Reg. #: 221090L Control #: D5753853

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
 162 CUMBERLAND ST, SUITE 300
 TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
 (Business) 10469 - 125B ST
 SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS INC
 10469 - 125B ST
 SURREY BC V3V 5A8

D0003 Ind. Debtor: KHALIQ RANA WASIF Birthdate: 67MAR20
 10469 - 125B ST
 SURREY BC V3V 5A8

D0004 Ind. Debtor: KHAN ROBINA Birthdate: 72MAR03
 10469 - 125B ST
 SURREY BC V3V 5A8

=D0005 Bus. Debtor: BC CURRENCY EXCHANGE INC
 10230 - 152ND STREET
 SURREY BC V3R 6N7

General Collateral:

ALL PRESENT AND FUTURE OBLIGATIONS, LIABILITIES AND INDEBTEDNESS, OF CONIAN DEVELOPMENTS (LA VODA II) INC. TO THE DEBTOR AND ALL SECURITY THEREFOR AND ALL PROCEEDS THEREOF, INCLUDING GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 01, 2019 Reg. Length: 4 YEARS
Reg. Time: 07:08:08 Expiry Date: JUN 01, 2023
Base Reg. #: 541082L Control #: D6079964

Block#

S0001 Secured Party: HONDA CANADA FINANCE INC.
180 HONDA BLVD
MARKHAM ON L6C0H9

=D0001 Base Debtor: BC CURRENCY EXCHANGE INC.
(Business) 107 - 10230 152 ST
SURREY BC V3R6N7

Continued on Page 6

Search Criteria: B.C. CURRENCY EXCHANGE INC.

Page: 6

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	5J8YD4H04KL802704	2019	ACURA MDX	

Registering

Party: D + H LIMITED PARTNERSHIP
2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON L4Z 1H8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: OCT 29, 2019 Reg. Length: 5 YEARS
Reg. Time: 07:06:00 Expiry Date: OCT 29, 2024
Base Reg. #: 858093L Control #: D6402715

Block#

S0001 Secured Party: HONDA CANADA FINANCE INC.
180 HONDA BLVD
MARKHAM ON L6C0H9

=D0001 Base Debtor: B.C. CURRENCY EXCHANGE INC.
(Business) 107 - 10230 152 ST
SURREY BC V3R6N7

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001	MV	2HGFB2F46FH047579	2015 HONDA CIVIC	

Registering

Party: D + H LIMITED PARTNERSHIP
2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON L4Z 1H8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 07, 2020	Reg. Length: 5 YEARS
Reg. Time: 13:05:04	Expiry Date: MAY 07, 2025
Base Reg. #: 204973M	Control #: D6756014

Block#

S0001 Secured Party: MONEYGRAM PAYMENT SYSTEMS INC.
1550 UTICA AVE SOUTH SUITE 100
MINNEAPOLIS MN 55416

=D0001 Base Debtor: BC CURRENCY EXCHANGE INC.
(Business) 107 - 10230 152 ST
SURREY BC V3R6N7

D0002	Ind. Debtor: KHAN	ROBINA	CHAUDRY
	107 - 10230 152 ST		Birthdate:
	SURREY	BC	V3R6N7

D0003	Ind. Debtor: KHAN	ROBINA	CHAUDRY
	10469 1125 B STREET		Birthdate: 72MAR03
	SURREY	BC	V3V5A8

Continued on Page 7

Search Criteria: B.C. CURRENCY EXCHANGE INC.

Page: 7

General Collateral:

FURNITURE, FIXTURES, EQUIPMENT, INVENTORY, ACCOUNTS (INCLUDING DEPOSIT ACCOUNTS AND ACCOUNTS RECEIVABLE), INSURANCE, INSTRUMENTS AND DOCUMENTS, BOOKS AND RECORDS, CONTRACT RIGHTS AND GENERAL INTANGIBLES THAT TRUSTEE HAS OR MAY ACQUIRE AN INTEREST IN, AND ACCESSIONS AND PROCEEDS THEREOF.

Registering

Party: AVS SYSTEMS INC.
201-1325 POLSON DR.
VERNON BC V1T 8H2

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not

This is Exhibit "NN" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
29th day of June 2020.



A Commissioner for taking Affidavits within British Columbia

Page: 1

BC OnLine: PPRS SEARCH RESULT 2020/06/03
 Lterm: XPSP0054 For: PT52800 OWEN BIRD LAW CORPORATION 15:33:56

Index: BUSINESS DEBTOR

Search Criteria: CONIAN DEVELOPMENTS INC.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 30, 2017 Reg. Length: 5 YEARS
 Reg. Time: 20:08:36 Expiry Date: MAY 30, 2022
 Base Reg. #: 038577K Control #: D4548826

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 110 8028 128 STREET
 SURREY BC V3W4E9

=D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125 B STREET
 SURREY BC V3V5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125 B STREET Birthdate: 670320
 SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)
 / LINE(S) OF CREDIT / LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
 110 8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
 Reg. Time: 12:31:19 Expiry Date: MAY 10, 2023
 Base Reg. #: 750226K Control #: D5273973

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

=D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125B STREET
 SURREY BC V3V5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125B STREET Birthdate: 67MAR20
 SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/

LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Continued on Page 2

Search Criteria: CONIAN DEVELOPMENTS INC.

Page: 2

Registering

Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
 Reg. Time: 12:59:51 Expiry Date: MAY 10, 2023
 Base Reg. #: 750381K Control #: D5274136

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

=D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125B STREET
 SURREY BC V3V5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125B STREET Birthdate: 67MAR20
 SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
 LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
 Reg. Time: 13:07:56 Expiry Date: MAY 10, 2023
 Base Reg. #: 750411K Control #: D5274171

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

=D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125B STREET
 SURREY BC V3V5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF

10469 125B STREET Birthdate: 67MAR20
SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Continued on Page 3

Search Criteria: CONIAN DEVELOPMENTS INC.

Page: 3

Registering

Party: KHALSA CREDIT UNION
#110,8028 128 STREET
SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:19:14 Expiry Date: JUL 19, 2025
Base Reg. #: 906525K Control #: D5431983

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

=D0001 Base Debtor: CONIAN DEVELOPMENTS INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

D0003 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0004 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 207177L

Reg. Date: DEC 12, 2018

Reg. Time: 10:15:46

Control #: D5739645

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 906525K

Base Reg. Date: JUL 19, 2018

Details Description:

ADDITION OF DEBTOR D0005 TO REFLECT DEBTOR D0001
 NAME/ADDRESS CHANGE

Block#

Continued on Page 4

Search Criteria: CONIAN DEVELOPMENTS INC.

Page: 4

*** ADDED ***

D0005 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC.
 10469 - 125B ST
 SURREY BC V3V 5A8

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BURRARD
 VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: AUG 13, 2018

Reg. Length: 5 YEARS

Reg. Time: 15:14:48

Expiry Date: AUG 13, 2023

Base Reg. #: 956304K

Control #: D5483913

Block#

S0001 Secured Party: AJIT SINGH GILL
 9030 HOLT ROAD
 SURREY BC V3V 4H3

D0001 Base Debtor: KHALIQ RANA WASIF
 (Individual) 10469 - 125B STREET Birthdate: 67MAR20
 SURREY BC V3V 5A8

=D0002 Bus. Debtor: CONIAN DEVELOPMENTS INC.
 10469 - 125B STREET
 SURREY BC V3V 5A8

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL
 PROCEEDS THEREOF OF WHATSOEVER NATURE AND KIND AND WHEREVER SITUATE,
 INCLUDING ALL INVENTORY AND ALL DEBTS, ACCOUNTS, DEPOSITS, CLAIMS, MONEYS
 AND CHOSSES IN ACTION WHICH NOW ARE OR WHICH MAY AT ANY TIME HEREAFTER
 BE DUE OR OWING TO OR OWNED BY THE DEBTOR, BILLS, NOTES, AND OTHER
 DOCUMENTS NOW HELD OR OWNED BY THE DEBTOR

SURREY BC V3V 5A8

=D0003 Bus. Debtor: CONIAN DEVELOPMENTS INC
10469 - 125B ST
SURREY BC V3V 5A8

D0004 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

D0005 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0006 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:
ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

Continued on Page 6

Search Criteria: CONIAN DEVELOPMENTS INC.

Page: 6

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURNARD
VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:43:32 Expiry Date: DEC 19, 2025
Base Reg. #: 221090L Control #: D5753853

Block#

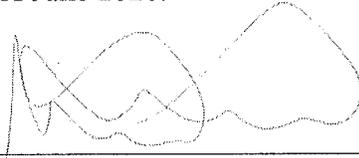
S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

=D0002 Bus. Debtor: CONIAN DEVELOPMENTS INC
10469 - 125B ST
SURREY BC V3V 5A8

D0003 Ind. Debtor: KHALIQ RANA WASIF

This is Exhibit "OO" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
___ day of June 2020.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

A Commissioner for taking Affidavits within British Columbia

Page: 1

BC OnLine: PPRS SEARCH RESULT 2020/06/11
 Lterm: XPSP0050 For: PT52800 OWEN BIRD LAW CORPORATION 09:19:05

Search Criteria: KHALIQ RANA Index: INDIVIDUAL DEBTOR
 WASIF

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 30, 2015 Reg. Length: 5 YEARS
 Reg. Time: 12:09:36 Expiry Date: JUL 30, 2020
 Base Reg. #: 755364I Control #: D3237401

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 8788 120TH STREET
 SURREY BC V3W 3N6

D0001 Base Debtor: B.C. CURRENCY EXCHANGE INC.
 (Business) 107-10230 152 ST.
 SURREY BC V3R 6N7

=D0002 Ind. Debtor: KHALIQ RANA W.
 10469 125B ST. Birthdate: 67MAR20
 SURREY BC V3V 8C6

D0003 Ind. Debtor: KHAN ROBINA C.
 10469 125B ST. Birthdate: 72MAR03
 SURREY BC V3V 8C6

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
 LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S).

Registering

Party: KHALSA CREDIT UNION
 8788 120TH STREET
 SURREY BC V3W 3N6

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 30, 2017 Reg. Length: 5 YEARS
 Reg. Time: 20:08:36 Expiry Date: MAY 30, 2022
 Base Reg. #: 038577K Control #: D4548826

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 110 8028 128 STREET
 SURREY BC V3W4E9

D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125 B STREET
 SURREY BC V3V5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125 B STREET Birthdate: 670320
 SURREY BC V3V5A8

Continued on Page 2

Search Criteria: KHALIQ

RANA

WASIF

Page: 2

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)
 / LINE(S) OF CREDIT / LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
 110 8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
 Reg. Time: 12:31:19 Expiry Date: MAY 10, 2023
 Base Reg. #: 750226K Control #: D5273973

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125B STREET
 SURREY BC V3V5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125B STREET Birthdate: 67MAR20
 SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
 LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
 Reg. Time: 12:59:51 Expiry Date: MAY 10, 2023
 Base Reg. #: 750381K Control #: D5274136

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125B STREET
 SURREY BC V3V5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125B STREET Birthdate: 67MAR20
 SURREY BC V3V5A8

Continued on Page 3

Search Criteria: KHALIQ RANA WASIF Page: 3

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
 LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: MAY 10, 2018 Reg. Length: 5 YEARS
 Reg. Time: 13:07:56 Expiry Date: MAY 10, 2023
 Base Reg. #: 750411K Control #: D5274171

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
 (Business) 10469 125B STREET
 SURREY BC V3V5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125B STREET Birthdate: 67MAR20
 SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
 LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
 #110,8028 128 STREET
 SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
 Reg. Time: 14:19:14 Expiry Date: JUL 19, 2025
 Base Reg. #: 906525K Control #: D5431983

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

Continued on Page 4

Search Criteria: KHALIQ RANA WASIF Page: 4

D0003 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0004 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BARRARD
VANCOUVER BC V7X 1L3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 207177L

Reg. Date: DEC 12, 2018

Reg. Time: 10:15:46

Control #: D5739645

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 906525K

Base Reg. Date: JUL 19, 2018

Details Description:

ADDITION OF DEBTOR D0005 TO REFLECT DEBTOR D0001
NAME/ADDRESS CHANGE

Block#

*** ADDED ***
D0005 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC.
10469 - 125B ST
SURREY BC V3V 5A8

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BARRARD
 VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
 Reg. Time: 14:19:24 Expiry Date: JUL 19, 2025
 Base Reg. #: 906526K Control #: D5432093

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
 162 CUMBERLAND ST, SUITE 300
 TORONTO BC M5R 3N5

=D0001 Base Debtor: KHALIQ RANA WASIF
 (Individual) 10469 - 125B ST Birthdate: 67MAR20
 SURREY BC V3V 5A8

Continued on Page 5

Search Criteria: KHALIQ RANA WASIF Page: 5

D0002 Ind. Debtor: KHAN ROBINA
 10469 - 125B ST Birthdate: 72MAR03
 SURREY BC V3V 5A8

D0003 Bus. Debtor: BC CURRENCY EXCHANGE INC
 10230 - 152ND STREET
 SURREY BC V3R 6N7

General Collateral:

ALL PRESENT AND FUTURE OBLIGATIONS, LIABILITIES AND INDEBTEDNESS, OF
 CONIAN DEVELOPMENTS INC. TO THE DEBTOR AND ALL SECURITY THEREFOR AND
 ALL PROCEEDS THEREOF, INCLUDING GOODS, INVESTMENT PROPERTY,
 INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND
 MONEY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BARRARD
 VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: AUG 13, 2018 Reg. Length: 5 YEARS
 Reg. Time: 15:14:48 Expiry Date: AUG 13, 2023
 Base Reg. #: 956304K Control #: D5483913

Block#

S0001 Secured Party: AJIT SINGH GILL
 9030 HOLT ROAD
 SURREY BC V3V 4H3

=D0001 Base Debtor: KHALIQ RANA WASIF
 (Individual) 10469 - 125B STREET Birthdate: 67MAR20
 SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS INC.
 10469 - 125B STREET
 SURREY BC V3V 5A8

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL
 PROCEEDS THEREOF OF WHATSOEVER NATURE AND KIND AND WHEREVER SITUATE,
 INCLUDING ALL INVENTORY AND ALL DEBTS, ACCOUNTS, DEPOSITS, CLAIMS, MONEYS
 AND CHOSSES IN ACTION WHICH NOW ARE OR WHICH MAY AT ANY TIME HEREAFTER
 BE DUE OR OWING TO OR OWNED BY THE DEBTOR, BILLS, NOTES, AND OTHER
 DOCUMENTS NOW HELD OR OWNED BY THE DEBTOR

Registering

Party: TIWANA DEOL SANDHU LLP
 SUITE 202, 12899 - 80 AVENUE
 SURREY BC V3W 0E6

Continued on Page 6

Search Criteria: KHALIQ RANA WASIF Page: 6

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: OCT 05, 2018 Reg. Length: 5 YEARS
 Reg. Time: 10:52:33 Expiry Date: OCT 05, 2023
 Base Reg. #: 072868L Control #: D5602696

Block#

S0001 Secured Party: KHALSA CREDIT UNION
 8788 120 STREET
 SURREY BC V3W 3N6

D0001 Base Debtor: FLII CONSTRUCTION LTD.
 (Business) 10469 125B STREET
 SURREY BC V3V 5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
 10469 125B STREET Birthdate: 67MAR20
 SURREY BC V3V 5A8

D0003 Ind. Debtor: KHAN ROBINA CHAUDRY
 10469 125B STREET Birthdate: 72MAR03
 SURREY BC V3V 5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THIER
 SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/

LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
8788 120 STREET
SURREY BC V3W 3N6

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: NOV 14, 2018 Reg. Length: 5 YEARS
Reg. Time: 12:27:00 Expiry Date: NOV 14, 2023
Base Reg. #: 151744L Control #: D5683033

Block#

S0001 Secured Party: KHALSA CREDIT UNION
#110, 8028 128 STREET
SURREY BC V3W4E9

D0001 Base Debtor: CONIAN DEVELOPMENTS INC.
(Business) 10469 125B STREET
SURREY BC V3V5A8

=D0002 Ind. Debtor: KHALIQ RANA WASIF
10469 125B STREET Birthdate: 67MAR20
SURREY BC V3V5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THEIR
SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Continued on Page 7

Search Criteria: KHALIQ RANA WASIF Page: 7

Registering

Party: KHALSA CREDIT UNION
#110, 8028 128 STREET
SURREY BC V3W4E9

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:43:25 Expiry Date: DEC 19, 2025
Base Reg. #: 221089L Control #: D5753830

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA II) INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
10469 - 125B ST
SURREY BC V3V 5A8

D0003 Bus. Debtor: CONIAN DEVELOPMENTS INC
10469 - 125B ST
SURREY BC V3V 5A8

=D0004 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

D0005 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0006 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:43:32 Expiry Date: DEC 19, 2025
Base Reg. #: 221090L Control #: D5753853

Block#

Continued on Page 8

Search Criteria: KHALIQ RANA WASIF Page: 8

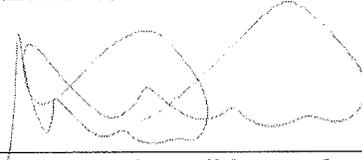
S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS INC
10469 - 125B ST
SURREY BC V3V 5A8

=D0003 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20

This is Exhibit "PP" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this _____ day of June 2020.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

A Commissioner for taking Affidavits within British Columbia

Page: 1

BC OnLine: PPRS SEARCH RESULT 2020/06/11
 Lterm: XPSP0050 For: PT52800 OWEN BIRD LAW CORPORATION 09:19:25

Index: INDIVIDUAL DEBTOR

Search Criteria: KHAN ROBINA

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 12, 2015 Reg. Length: 5 YEARS
 Reg. Time: 14:20:48 Expiry Date: JUN 12, 2020
 Base Reg. #: 661573I Control #: D3141623

Block#

S0001 Secured Party: MERCEDES-BENZ FINANCIAL SERVICES
 CANADA CORPORATION
 2680 MATHESON BLVD. E. STE 500
 MISSISSAUGA ON L4W 0A5

S0002 Secured Party: MERCEDES-BENZ FINANCIAL
 2680 MATHESON BLVD. E, STE 500
 MISSISSAUGA ON L4W 0A5

D0001 Base Debtor: UNIVERSAL DECOR WEDDINGS AND EVENTS
 (Business) INC.
 SUITE8-3979 MARINE WAY
 BURNABY BC V5J 5E3

=D0002 Ind. Debtor: KHAN ROBINA NASREEN
 5558 123RD STREET Birthdate: 58JUL15
 SURREY BC V3X 3H8

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	WDABF4CCXF9618745	2015	MERCEDES-BENZ SP 3CC1706	

General Collateral:

ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, ALTERATIONS, REPLACEMENTS & REPAIRS (WHETHER PRESENT OR FUTURE) TO THE VEHICLE COLLATERAL. PROCEEDS: ALL CASH AND NON-CASH PROCEEDS OF THE VEHICLE COLLATERAL INCLUDING WITHOUT LIMITATION PROCEEDS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE VEHICLE COLLATERAL OR THAT INDEMNIFIES OR COMPENSATES THE DEBTOR (S) FOR THE DESTRUCTION OR DAMAGE TO OR LOSS OF THE VEHICLE COLLATERAL. THE PROCEEDS MAY TAKE THE FORM OF ANY ONE OR MORE OF THE FOLLOWING: GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, SECURITIES OR INTANGIBLES. ACCORDINGLY, ANY OF THE DEBTOR (S)' AFTER-ACQUIRED PERSONAL PROPERTY MAY BE PROCEEDS AND THEREFORE SUBJECT TO THE SECURED PARTY'S SECURITY INTEREST.

Registering

Party: MERCEDES-BENZ FINANCIAL SERVICES
 CANADA CORPORATION
 2680 MATHESON BLVD. E. STE 500
 MISSISSAUGA ON L4W 0A5

SURREY BC V3V 5A8
 =D0003 Ind. Debtor: KHAN ROBINA Birthdate: 72MAR03
 10469 - 125B ST
 SURREY BC V3V 5A8

Continued on Page 3

Search Criteria: KHAN ROBINA Page: 3

D0004 Bus. Debtor: BC CURRENCY EXCHANGE INC
 10230 - 152ND STREET
 SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
 OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
 PROPERTY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BARRARD
 VANCOUVER BC V7X 1L3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 207177L Reg. Date: DEC 12, 2018
 Reg. Time: 10:15:46
 Control #: D5739645

Base Reg. Type: PPSA SECURITY AGREEMENT
 Base Reg. #: 906525K Base Reg. Date: JUL 19, 2018

Details Description:

ADDITION OF DEBTOR D0005 TO REFLECT DEBTOR D0001
 NAME/ADDRESS CHANGE

Block#

*** ADDED ***
 D0005 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC.
 10469 - 125B ST
 SURREY BC V3V 5A8

Registering

Party: BLAKE CASSELS & GRAYDON LLP
 ATTN: PPSA CLERK
 PO BOX 49314 2600 595 BARRARD
 VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2018 Reg. Length: 7 YEARS
 Reg. Time: 14:19:24 Expiry Date: JUL 19, 2025
 Base Reg. #: 906526K Control #: D5432093

Block#

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO BC M5R 3N5

D0001 Base Debtor: KHALIQ RANA WASIF
(Individual) 10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

=D0002 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

Continued on Page 4

Search Criteria: KHAN ROBINA Page: 4

D0003 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENT AND FUTURE OBLIGATIONS, LIABILITIES AND INDEBTEDNESS, OF
CONIAN DEVELOPMENTS INC. TO THE DEBTOR AND ALL SECURITY THEREFOR AND
ALL PROCEEDS THEREOF, INCLUDING GOODS, INVESTMENT PROPERTY,
INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND
MONEY.

Registering

Party: BLAKE CASSELS & GRAYDON LLP
ATTN: PPSA CLERK
PO BOX 49314 2600 595 BURRARD
VANCOUVER BC V7X 1L3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: OCT 05, 2018 Reg. Length: 5 YEARS
Reg. Time: 10:52:33 Expiry Date: OCT 05, 2023
Base Reg. #: 072868L Control #: D5602696

Block#

S0001 Secured Party: KHALSA CREDIT UNION
8788 120 STREET
SURREY BC V3W 3N6

D0001 Base Debtor: FLII CONSTRUCTION LTD.
(Business) 10469 125B STREET
SURREY BC V3V 5A8

D0002 Ind. Debtor: KHALIQ RANA WASIF
10469 125B STREET Birthdate: 67MAR20
SURREY BC V3V 5A8

=D0003 Ind. Debtor: KHAN ROBINA CHAUDRY
10469 125B STREET Birthdate: 72MAR03

SURREY BC V3V 5A8

General Collateral:

ALL DEPOSITS AND TERM DEPOSITS, PRESENT AND FUTURE, AND THIER
SUBSEQUENT RENEWALS ARE HELD UNDER LIEN AS SECURITY FOR LOAN(S)/
LINE(S) OF CREDIT/ LETTER(S) OF CREDIT AND ANY OTHER BORROWING(S)

Registering

Party: KHALSA CREDIT UNION
8788 120 STREET
SURREY BC V3W 3N6

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: DEC 19, 2018 Reg. Length: 7 YEARS
Reg. Time: 14:43:25 Expiry Date: DEC 19, 2025
Base Reg. #: 221089L Control #: D5753830

Block#

Continued on Page 5

Search Criteria: KHAN

ROBINA

Page: 5

S0001 Secured Party: ROMSPEN INVESTMENT CORPORATION
162 CUMBERLAND ST, SUITE 300
TORONTO ON M5R 3N5

D0001 Base Debtor: CONIAN DEVELOPMENTS (LA VODA II) INC
(Business) 10469 - 125B ST
SURREY BC V3V 5A8

D0002 Bus. Debtor: CONIAN DEVELOPMENTS (LA VODA) INC
10469 - 125B ST
SURREY BC V3V 5A8

D0003 Bus. Debtor: CONIAN DEVELOPMENTS INC
10469 - 125B ST
SURREY BC V3V 5A8

D0004 Ind. Debtor: KHALIQ RANA WASIF
10469 - 125B ST Birthdate: 67MAR20
SURREY BC V3V 5A8

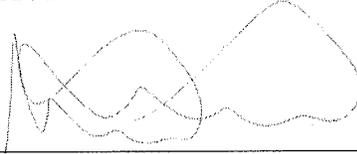
=D0005 Ind. Debtor: KHAN ROBINA
10469 - 125B ST Birthdate: 72MAR03
SURREY BC V3V 5A8

D0006 Bus. Debtor: BC CURRENCY EXCHANGE INC
10230 - 152ND STREET
SURREY BC V3R 6N7

General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST
OF THE DEBTOR IN AND TO ALL PRESENTLY AND AFTER ACQUIRED PERSONAL
PROPERTY.

This is Exhibit "QQ" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
___ day of June 2020.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

A Commissioner for taking Affidavits within British Columbia



The Bowra Group Inc.
Suite 430, One Bentall Centre
505 Burrard Street, Box 72
Vancouver, BC Canada
V7X 1M3
Tel: 604.689.8939
Fax: 604.689.8584
bowragroup.com

June 23, 2020

Owen Bird Law Corporation
Bentall Three
Suite 2900 – 595 Burrard Street
Vancouver, BC V7X 1J5

Attention: Scott H. Stephens

Dear Sirs;

**Re: Conian Developments Inc.
Conian Developments (La Voda) Inc.
Conian Developments (La Voda II) Inc.
collectively referred to as the (the “Companies”)**

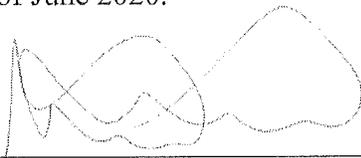
We confirm that The Bowra Group Inc. is prepared to act as Receiver and Manager of the assets, undertakings and properties of one or more of the Companies and will abide by any Order of the Supreme Court of British Columbia.

Yours very truly,
The Bowra Group Inc.

per:

Mario Mainella, CPA, CA, CIRP

This is Exhibit "RR" referred to in the affidavit of
L. Grillandini sworn before me at Vancouver this
___ day of June 2020.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

A Commissioner for taking Affidavits within British Columbia



The Bowra Group Inc.
Suite 430, One Bentall Centre
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bowragroup.com

June 23, 2020

Owen Bird Law Corporation
Bentall Three
Suite 2900 – 595 Burrard Street
Vancouver, BC V7X 1J5

Attention: Scott H. Stephens

Dear Sirs;

Re: Real Estate Experience of The Bowra Group Inc.

As requested we are providing you with a summary of the real estate experience of The Bowra Group Inc.

Our involvement on real estate projects include Business Reviews, Court Appointed Receiverships and Court Appointed Monitor under CCAA proceedings.

The Bowra Group Inc. has been involved in the following different types of real estate projects over the past 15 years:

- i. Condominium and single family projects;
- ii. Land and land subdivisions;
- iii. Resort properties; and,
- iv. Retirement Residence.

A summary of our work with respect to one or more of the projects we have been involved with includes, but is not limited to, the following:

- i. Manage and complete construction and development on condominium towers;
- ii. Manage and complete construction and development on land servicing developments;

- iii. Manage and complete construction and development of show homes on single family land developments;
- iv. Prepare a cost to complete analysis;
- v. Amend development permits;
- vi. Manage marketing programs to complete the sale of units (presale units and units sold by Receiver or Monitor);
- vii. Liaise with Home Warranty provider and obtain Home Owner Warranty insurance;
- viii. Liaise with insurance provider to obtain Course of Construction and Wrap Up Liability insurance coverage;
- ix. Obtain DIP financing or Receiver borrowings to complete project;
- x. Prepare and file a new Disclosure Statement and sell units after Cease Marketing Order was issued by the Superintendent of Real Estate;
- xi. Liaise with City Hall regarding development and construction permitting; and,
- xii. Market and sell a project on an "as is, where is".

Attached as **Appendix A** is a detailed list of the real estate projects we have worked on.

Attached as **Appendix B** is the resumes of Mr. Mario Mainella, President of The Bowra Group Inc. and Mr. Alan Davies, Development Consultant.

If you have any questions, please contact us.

Yours very truly,
The Bowra Group Inc.

per:



Mario Mainella, CPA, CIRP

APPENDIX A

Detailed List of Real Estate Projects



Summary of Real Estate Experience

In the past 15 years, we have been involved in the liquidation and disposition of the following real estate projects as Court Appointed Receiver or Court Appointed Monitor under CCAA proceedings.

I. Condominium Projects:

1. St Anne, a 66 unit multifamily project in Maple Ridge, BC
2. Murrayville House, a 92 unit condo development in Langley, BC
3. Mariner's Village, 33 unit condo tower and 16 townhome development in Sooke, BC
4. The Killarney Villa – a 28 unit residential strata development in Vancouver, BC
5. Kaleido at Lakewind, a 82 unit condominium tower in West Kelowna, BC
6. Pointe of View Developments Ltd. (Squamish) Inc., 128 unit condominium and townhouse development, Squamish, BC
7. Mission Hill, a 5 phase – 254 unit condo project in Kamloops, BC
8. Tuscan Villas, an 84 unit condo project in West Kelowna, BC
9. Carmel Cove, a 21 unit project in Blind Bay, BC on Shuswap Lake
10. Essencia Verde, a 42 unit development in Victoria, BC
11. Portside Court, a 30 unit condo development in Sicamous, BC (in-house)
12. Georgia Laine "33", a 64 unit condo development with 3 commercial spaces in Chinatown, Vancouver, BC
13. Riverbend, a 36 unit strata single family townhome development in Coquitlam, BC
14. H&H Yaletown, a 192 unit condo project in Yaletown, Vancouver, BC (in-house)
15. Garden City Living, a 108 unit condo project in Richmond, BC
16. The Mountaineer, a 23 unit condo development with 1 commercial space in Squamish, BC
17. The Sophia, an 81 unit condo in Mt. Pleasant of Vancouver, BC
18. Amadeo, a 41 unit condo development plus 4 commercial units in New Westminister, BC
19. Legacy on Robson, a 21 unit condo development with 3 commercial units in downtown Vancouver, BC
20. The Conservatory, a 99 unit condo development in Kelowna, BC

II. Land and Land Subdivision:

1. Westpointe of Windermere, 100 acre serviced subdivision with 173 estate size residential lots, Edmonton, Alberta
2. Pinnacle Ridge, Anmore B.C. - a 66 acre land subdivision consisting of two phases. Phase I includes 22 one acre lots and Phase II with a proposed 52 half acre lots
3. Mariner's Village, 8.6 acres zoned for mixed use multi-family residential and commercial, including a 1.69 acre water lot lease with a 44 slip marina located in Sooke, BC
4. Kaleido at Lakewind, 4.2 acres zoned for development of approximately 210 condominium units in West Kelowna, BC
5. Regal Ridge Development (New Growth Capital Corp.), multiple parcels of property totalling approximately 1,000 acres in various stages of development in Osoyoos, BC
6. Millennium Evelyn Properties, a 21 acre site we marketed and sold in-house
7. Harrison Highlands, a 90 acre subdivision in Kent, BC with a potential for 400 units
8. Pointe of View Developments (Squamish) Inc., 1.91 acre development site zoned for 92 condos and townhomes in Squamish, BC
9. Clayton Heights, a 16 unit single-family subdivision in Surrey, BC
10. Tuan Developments, 51 cottages in various stages of construction in Saltspring, BC

III. Resort Properties:

1. Kamlands Holdings Ltd. ("Tobiano") a 1,000 acre resort development with an 18 hole championship golf course, in Kamloops BC
2. Gibson Pass Resort, a 4-season resort including downhill skiing located in Manning Park
3. Westbeach Resort recreational RV park on Shuswap Lake near Scotch Creek
4. Hemlock Valley Ski Resort in Harrison Mills, BC
5. Kutenai Landing, development property in Nelson, BC
6. Timber Ridge, development property on Okanagan Lake in Kelowna, BC

IV. Retirement Residence:

1. Squamish Retirement Residence, a 75-unit, four-storey retirement home on one acre of land in Squamish, BC.

APPENDIX B

Resume of Mr. Mario Mainella, President of The Bowra Group Inc.

Resume of Mr. Alan Davies, Development Consultant

MARIO MAINELLA, CPA, CIRP

PROFESSIONAL QUALIFICATIONS

BACKGROUND

Mario Mainella is a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional and Licensed Insolvency Trustee. He is the President of The Bowra Group Inc.

Mario has practiced exclusively in the area of insolvency since 2001 and has been involved in numerous mid and large size business reorganizations.

EXPERIENCE

Mario has experience in carrying out financial assessments and insolvency related engagements on behalf of financial institution, other creditors, and debtors in a variety of industries including forestry, mining, real estate, agriculture, manufacturing, and retail and service sectors.

Specific industry experience includes the following:

REAL ESTATE INDUSTRY

Involved in a variety of real estate projects that have ranged from the completion of construction and sale of condominium units, viability assessments on land or partially completed projects, to the completion of site servicing for land developments.

Currently managing the following real estate projects:

- Monitor under CCAA proceedings on 1034179 B.C. Ltd. (known as "St. Annes"), a 66 unit multifamily project in Maple Ridge, BC.
- Receiver-Manager of 0981478 BC Ltd. (known as "Murrayville House"), a 92 condo development located in Langley, BC;
- Receiver-Manager of Westpointe of Windermere, a 100 acre land development in Edmonton, Alberta consisting of 173 estate size residential lots;
- Receiver-Manager of Kings Legacy Development Inc., a 66 acre land development located

Mario Mainella, CPA, CIRP

in Anmore, B.C.;

- Receiver-Manager of The Killarney Villa, a 28 unit residential strata development located in Vancouver, BC

Managed the completion, development and sales and marketing of the following developments:

- Managed the receivership and sale of Millennium Evelyn Properties, a 21 acre master planned site in West Vancouver;
- Receiver-Manager of Medican Westbank Development Inc., an 82 unit condo project in West Kelowna, B.C.;
- Receiver of Newgen Harrison Development Inc., a 90 acre land development located in the District of Kent in B.C.;
- Receiver-Manager of Tuscany Villas, an 84 unit condo project in West Kelowna, B.C.;
- Pointe of View (Squamish) Development Inc., a five-phase development with over 250 units in Squamish, B.C.;
- Chandler Homer Street Ventures Ltd., a 190 unit condominium development known as the Homer & Helmcken Yaletown, located in the Yaletown district in Downtown Vancouver;
- Cook and Katsura Homes Inc., a 108 unit condominium development known as the Garden City Living project, located Richmond, B.C.;
- N&R Trucking Ltd., a 30 unit town house development known as Portside Court, located in Sicamous, B.C.;
- CB Development 2000 Ltd, 36 single family detached home development known as the Riverbend project located in Coquitlam, B.C.;
- Monitor under the CCAA of New Future Building Group which includes the following:
 - Five phase – 254 unit condo project in Kamloops, B.C.
 - 84 unit condo project in West Kelowna, B.C.
 - Operating retirement residence in Squamish, B.C.
 - Operating recreational RV park on Shuswap Lake near Scotch Creek
 - 21 unit project in Blind Bay, B.C. on Shuswap Lake
 - Development property on Okanagan Lake

- Development property in Nelson, B.C.

FORESTRY INDUSTRY

Involved in a variety of forest industry related assignments including pulpmills, sawmills, remanufacturing plants, wood preservers, log broker and logging contractors.

Mario managed the Bankruptcy of Port Alice Specialty Cellulose Inc from December 2004 to December 2005 on a full-time basis and included the following:

- Preparation and distribution of CIM to prospective purchasers;
- Preparation of cash flows and cash management;
- Management of the pulp mill site;
- Ensure adequate maintenance, environmental management, and safety staff;
- Worked with the following at the Province of British Columbia:
 - Ministry of Economic Development;
 - Ministry of Forests;
 - Ministry of Environment;
 - Ministry of Community Services; and
 - Ministry of Agriculture and Lands.
- Worked with the National and Local Executives of the Communication Energy and Paperworkers Union; and
- Worked with the Mayor and various Council Members of the Village of Port Alice.

Other forestry related assignments Mario has been involved with are:

- New Skeena Forest Products Ltd., a major pulp and lumber manufacturer acting as Monitor under CCAA;
- Sale of the assets of Lytton Lumber Ltd. as Interim Receiver including the sawmill, remanufacturing plant and forest licenses;
- Viability and management assessment of a B.C. interior logging operation;
- Viability and management assessment of a specialty wood product manufacturer;

Mario Mainella, CPA, CIRP

- Viability assessment and review of costs of lumber remanufacturing plant;
- Viability assessment and Business Plan assessment of a cedar shake and shingle operation;
- Sale of the assets of Lytton Lumber Ltd. as Interim Receiver, including the sawmill, remanufacturing plant and forest licenses; and
- Viability and management assessment of a lumber remanufacturing operation located in the Fraser Valley.

MINING INDUSTRY

Mario is currently involved in the Receivership of Quinsam Coal Corporation and includes:

- Preparation and oversight of a sales process for the assets of Quinsam Coal Corporation;
- Preparation of cash flows and cash management;
- Management of mine site;
- Ensure adequate maintenance, management and site safety;
- Managing a sales and investment solicitation process;
- Liaising with the representatives of the Provincial Government and mine site personnel to comply with environmental, mining and safety procedures and to prepare for the possibility of a reclamation of the mine site;
- Liaise with the following at the Province of British Columbia:
 - Ministry of Energy, Mines and Petroleum Resources;
 - Ministry of Environment;
 - Ministry of Jobs, Trade and Technology;
 - Ministry of Finance; and,
 - Ministry of Attorney General.

AGRICULTURE INDUSTRY

- Viability and management assessment of a Hot House company with operations in Canada and the U.S. with gross sales in excess of \$125 million and 250 acres under glass;
- CFO and General Manager of a 48 Acre Hot House operation located in the Fraser Valley;

Mario Mainella, CPA, CIRP

- Interim CFO/General Manager to a large hot house operation in the Fraser Valley;
- Interim CFO/General Manager of Houweling Nurseries Ltd, B.C. operations;
- Involved in the restructuring of Houweling Nurseries, a greenhouse vegetable grower in B.C. and the U.S. with a combined 134 acres of greenhouses, to perform the following:
 - Viability assessment of the operations;
 - Monitor under CCAA of the Canadian operations; and
 - Interim CFO/COO of the Canadian operations for six months.

MANUFACTURING INDUSTRY

- Interim Receiver of Alpha Neon Ltd. with the mandate to sell the company as a going concern;
- Trustee under a Proposal for Precision Metalform Ltd.;
- Receiver of Darford International Inc.;
- Receiver-Manager of Whistler Creek Furniture Company;
- Sale of a going concern operation of a sign leasing/manufacturing company in receivership;
- Viability and management assessment of an over-the-counter drug manufacturer; and
- Viability and management assessment of a large electronic manufacturing company with annual sales in excess of \$150 million.

RETAIL, SERVICE AND TECHNOLOGY INDUSTRIES

- Involved in a variety of business reviews, receiverships and bankruptcies including:
 - Trustee in bankruptcy of Netlink Computer Inc.;
 - Trustee in bankruptcy of United Front Games Ltd.;
 - Trustee in bankruptcy of Parktoria Technologies, Ltd.;
 - Receivership of Pollard Equipment (Kamloops) Ltd.;
 - Managed the receivership of Teco Natural Resource Group;
 - Viability and management assessment, and Receivership of David L. Jones, a floral and hard goods distributor with operations in B.C., Alberta, and Manitoba; and

Mario Mainella, CPA, CIRP

- Viability and management assessment of a retail company with operations in B.C., Alberta, Ontario, and Quebec.

SKILLS

- Business turnarounds
- Workouts
- Insolvency consulting
- Managing companies

EDUCATION

- Licensed Insolvency Trustee, 2006
- Chartered Insolvency and Restructuring Professional, 2006
- Chartered Accountant, 1999
- Bachelor of Business Administration – Simon Fraser University (Accounting and Finance)

DIRECTOR AND COMMITTEE

- Member of the Professional Conduct Committee for CAIRP (2014 – Present)
- Director of BCAIRP (2013 – 2016)
- CRA Liaison Committee Member of BCAIRP (2013 – 2016)

VOLUNTEER WORK

- Treasurer, Brentwood Nursery School Society (2006-2009)
- Coach and Manager of Cliff Avenue United Football Club (2010 – Present)

PROFESSIONAL QUALIFICATIONS

ALAN DAVIES

BACKGROUND

Alan Davies is President of Listrac Developments Ltd. and has been an integral part of the development and construction industry for over thirty five years.

He has extensive experience in land acquisition, negotiations with local authorities in respect to zoning changes, development permits and building permits. This includes development and construction of condominiums, residential, rental, industrial buildings, commercial buildings, hotels, non-profit housing and care homes, as well as marketing, leasing and property management of residential, industrial and commercial properties.

PROFESSIONAL EXPERIENCE

As President of Listrac Developments Ltd. and Vice-President for British Columbia for a major development company responsible for land acquisition, project development including rezoning, development and building permit approvals, marketing, leasing and property management of some 50 projects. These projects included condominiums, multifamily residential rental, multi tenant industrial and commercial. The following are some of the specific projects:

- Site acquisition, City of Vancouver approval, development and construction of a 700 unit high rise and low rise condominium project. Required rezoning, subdivision, site servicing, park and City road dedication and construction;
- Development, construction and marketing of a 515 unit low rise and townhouse project, Richmond, BC;
- Development, construction and property management of a multi tenant service commercial building, Richmond, BC;
- Site acquisition, development, City approvals, construction and marketing of a 200 unit high rise condominium project, Burnaby, BC;
- Site acquisition, development, City approvals, construction and property management of a 115 unit townhouse rental project, Delta, BC;
- Development, subdivision, servicing and marketing of a single family lot subdivision, Delta, BC;

- Site acquisition, development, City approvals, construction and property management of a 165 unit low rise residential strata rental project, South Surrey, BC;
- Land acquisition, development, City approvals, construction, interior design, furniture, fixtures and equipment coordination, negotiations for liquor licence, negotiations and monitoring of operator for a 5 star downtown Vancouver hotel. This hotel contains restaurants and banquet rooms;
- Development, construction and property management of a retail/residential building in Vancouver, BC;
- Land acquisition, development, City approvals, construction, interior design, coordination of furniture purchasing and installation for an all suite hotel in downtown Vancouver, BC;
- Development, construction and marketing of a 144 unit high rise condominium in Richmond, BC;
- Retained by the Receiver Manager to act as marketing coordinator and consultant on a luxury high rise condominium in downtown Vancouver, BC. Assisted in preparing amended disclosure documents, setting up marketing program and assisted in sales of condominiums;
- Owner's agent for the development and construction of the Chilliwack Holiday Inn. Obtain City approvals, coordinate consultants, coordinate construction tender, recommend contractor, monitor construction, obtain liquor licence, coordinate furniture purchase and installation;
- Retained by a major accounting firm to undertake a development, construction and marketing review of a multi staged townhouse and apartment project in Whistler, BC. Required analysis of existing contracts, cost allocation of site services to each stage, development costs and marketing values and strategy;
- Construction management of 24,000 square foot retail store, included code and seismic upgrade of existing building and coordination of design and installation of interior offices and sales floor. Coordination of consultants, obtain all City approvals and permits;
- Approximately 100,000 square feet of multi use industrial space for the Beedie Group. Coordinate consultants, obtain development permit, confirm site servicing, and review costs;
- Secured by way of an option to renovate and sell four strata units projects;
- Retained by the Receiver Manager to provide construction management and marketing consulting on a low rise condominium in White Rock, BC. Complete construction, negotiate with City for approvals, set up marketing program and assist in sales of the condominiums.
- Project management of a retail and commercial building in Calgary, Alberta. Included finalizing plans, obtaining City approvals, assist contractor on coordination and contracts to construct a 2,500 square foot addition, a 5,000 square foot mezzanine for offices and a 26,000 square foot retail floor. Work with interior designer to have all millwork and special finishes manufactured and installed. Monitor costing and obtain occupancy permit;
- Development and marketing analysis of a 650 unit condominium project in Burnaby, BC for

a Japanese Company;

- Retained by the Receiver Manager to provide construction management and marketing coordination on a condominium townhouse project in Port Coquitlam. Complete construction, assist in preparation of amended disclosure, prepare marketing plan and assist in sale of townhouses;
- Retained by one of the major banks to prepare a report for recommended course of action on a partially completed project. Analyze condominium market for completed building and recommend sales strategy and pricing. Analyze market potential and make recommendation for portion of site zoned for restaurant or pub use;
- Retained by the Receiver Manager to manage the sale of numerous properties, land and buildings on Vancouver Island and in the Lower Mainland with a value of approximately \$20,000,000;
- Retained by one of the major banks to provide a recommended course of action to generate sales at a condominium project in Powell River, BC. Inspect building, check local market and prepare report of recommended pricing and marketing;
- Project management for a golf centre, which included a driving range, clubhouse and golf course. Services included obtaining approvals from Department of Fisheries and Ministry of Environment. Coordinate all consultants; obtain development and building permits from the City of Coquitlam. Coordinate and monitor construction and contractors;
- Retained by the Receiver Manager to monitor property management and assist in the sale of a commercial building in Victoria, BC;
- Development and construction of a senior citizens housing complex and community centre in Langley, BC;
- Development and construction of a non profit rental apartment in Vancouver, BC;
- Retained by the Trustee in Bankruptcy to coordinate leasing of an office building in Vancouver, BC;
- Retained by the Trustee in Bankruptcy to coordinate marketing of a townhouse project in Duncan, Vancouver Island, BC. Attend project to inspect townhouses, check local market, recommend and implement sales pricing and strategy and coordinate sales;
- Retained by a bank to provide a report on municipal, environmental and servicing requirements together with estimated costs. Analyze market for serviced land value and estimated raw land value for an industrial property in Delta, BC;
- Retained by a major accounting firm to review lease rates, potential for leasing, costs involved in code and seismic upgrades to allow change of use from retail to commercial for a building in downtown Vancouver, BC. Provide estimated residual value of property;
- Retained by a bank to review the marketability of an existing single family development and townhouse property. Provide projected sales values and construction development costs on a property in Parksville, Vancouver Island, BC;

- Negotiate an amendment to the Community Plan to allow industrial use, obtain subdivision and site servicing approval. Preload site for an industrial property in the City of Richmond, BC;
- Retained by the Receiver/Manager to oversee the completion of construction and secure occupancy of The Sophia, a 81 unit condominium development in Mount Pleasant, Vancouver, BC;
- Retained by the Receiver/Manager to oversee the completion of construction and secure occupancy of The Amadeo, a 41 unit condominium development plus 4 commercial units in New Westminister, BC;
- Retained by the Receiver/Manager to oversee the completion of construction and secure occupancy of Riverbend, a 36 unit single family development in Coquitlam, BC.

OTHER PROFESSIONAL ACTIVITIES

- Past Director of the Urban Development Institute;
- Invited and participated in the following committees;
- Provincial Government – Labour relations;
- Provincial Government – Non-profit housing;
- City of Vancouver – Liaison Committee urban development.

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., CONIAN DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC., RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD., MEGA CRANES LTD., EXCHANGE BANK OF CANADA, WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING SERVICES INCORPORATED, RITU KARMA ENTERPRISES CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD., W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC., NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK DISPOSAL SERVICES INC., SIDHU IQBAL SINGH, NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD., TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007) LTD., MSD ENGINEERING INC., WEDLER ENGINEERING LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA ENTERPRISES LTD.

Respondents

AFFIDAVIT

OWEN BIRD LAW CORPORATION

P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5

Attention: Scott H. Stephens
File No. 30354-0026

TAB 6

This is the 2nd Affidavit
of L. Grillandini in this case
and was made on July 6, 2020

No. VLC-S-S-206552
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN
DEVELOPMENTS (LA VODA II) INC., CONIAN
DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC.,
RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL,
PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING
INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING
INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD.,
MEGA CRANES LTD., EXCHANGE BANK OF CANADA,
WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA
PLUMBING & HEATING LTD., RONA INC., KC'S PUMPING
SERVICES INCORPORATED, RITU KARMA ENTERPRISES
CORP., D.J. MASONRY LTD. aka D.J. MASONRY LTD.,
W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC.,
NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK
DISPOSAL SERVICES INC., SIDHU IQBAL SINGH,
NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD.,
TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007)
LTD., MSD ENGINEERING INC., WEDLER ENGINEERING
LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA
ENTERPRISES LTD.

Respondents

AFFIDAVIT

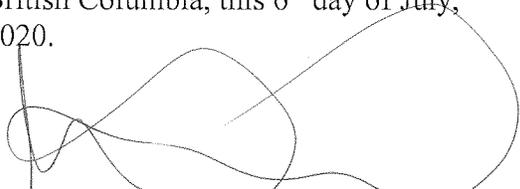
I, Lynette Grillandini, of 2900 – 595 Burrard Street, in the City of Vancouver, in the
Province of British Columbia, AFFIRM THAT:

1. I am a legal assistant with Owen Bird Law Corporation, solicitors for the petitioner, Romspen
Investment Corporation, and as such have personal knowledge of the matters and facts hereinafter

deposed to, except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.

- 2. Capitalized terms herein are as defined in the petition.
- 3. For each of the corporate respondents set out in the style of cause other than those included within Exhibit "B":
 - a. I obtained a company search through BC Online;
 - b. On Thursday, July 2, 2020 I couriered the petition, notice of hearing (unfiled) and affidavits #1 of W. Roitman (unfiled), A.L. Hooper and L. Grillandini to the corporate respondent's records office address as set out on the company search; and
 - c. An example of the form of cover letter used for the service described in 2(b) is attached as Exhibit "A".
- 4. Attached as Exhibit "B" is a copy of the service list for BCCE's NOI proceeding. I separately emailed the petition, notice of hearing (unfiled) and affidavits #1 of W. Roitman (unfiled), A.L. Hooper and L. Grillandini to each party's counsel as set on the service list.
- 5. For the three individual respondents, Sidhu Iqbal Singh, Ninderpal Singh Sidhu and Narinder Khehra aka Narinder Kkhehra, I couriered the petition, notice of hearing (unfiled) and affidavits #1 of W. Roitman (unfiled), A.L. Hooper and L. Grillandini to the address for the lawyer shown on the charge registered on their behalf against the La Voda and/or La Voda II Lands. Attached as Exhibit "C" is an example of the form of cover letter used.

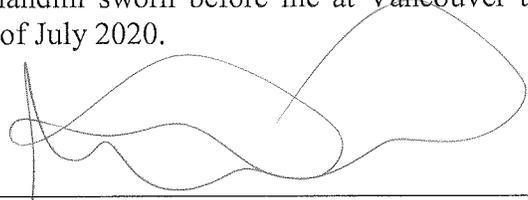
AFFIRMED BEFORE ME at Vancouver,)
 British Columbia, this 6th day of July,)
 2020.)


 _____)
 A Commissioner for taking Affidavits)
 within British Columbia)


 _____)
LYNETTE GRILLANDINI)

SCOTT H. STEPHENS
BARRISTER & SOLICITOR
 2900 - 595 BURRARD STREET
 VANCOUVER, B.C. V7X 1J5
 604-688-0401

This is Exhibit "A" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 6th day of July 2020.

A handwritten signature in black ink, consisting of several loops and a vertical stroke on the left side.

A Commissioner for taking Affidavits within British Columbia

James D Burns*
Jeffrey B Lightfoot*
Christopher P Weafer*
Gregory J Tucker, QC* ** ***
Laura A Wright
James H McBeath*
Scott W Urquhart
Pamela E Sheppard*
Jocelyn M Bellerud*
Brian Y K Cheng**
Georgia Barnard

Duncan J Manson*
Daniel W Burnett, QC*
Ronald G Paton*
Gary M Yaffe*
Harley J Harris*
Jennifer M Williams*
Barbara E Janzen
George J Roper*
Tony R Anderson
Charlene R Joanes
Lucky D Johal

Alan A Frydenlund, QC**
Harvey S Delaney*
Paul J Brown*
Heather E Macconachie
Jonathan L Williams*
Kari F Richardson*
Scott H Stephens*
David W P Moriarty
Katharina R Spotzl*
Steffi M Boyce
H Hailey Graham

Allison R Kuchta*
James L Carpick*
Patrick J Haberl*
Terence W Yu*
Michael F Robson*
Paul A Brackstone* *
James W Zaitsoff*
Daniel H Coles* *
Sameer Kamboj
Patrick J Weafer
Brittney S Dumanowski

Rose-Mary L Basham, QC, Associate Counsel*
Josephine M Nadel, QC, Associate Counsel*
Hon Walter S Owen, QC, QC, LLD (1981)
John I Bird, QC (2005)

* Law Corporation
* Also of the Yukon Bar
** Also of the Alberta Bar
*** Also of the Ontario Bar
** Also of the Washington Bar

OWEN BIRD
LAW CORPORATION

PO Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, BC
Canada V7X 1J5

Telephone 604 688-0401
Fax 604 688-2827
Website www.owenbird.com

Direct Line: 604 691-7521
Direct Fax: 604 632-4447
E-mail: sstephens@owenbird.com
Our File: 30354/0026

July 2, 2020

SEE ATTACHED SERVICE LIST

Dear Sirs/Mesdames:

**Re: Romspen Investment Corporation v. Conian
Developments (La Voda) Inc. et al
Supreme Court Action No. VLC-S-S-206552**

Enclosed for service are the following:

1. Petition to the court dated June 30, 2020.
2. Notice of hearing setting the matter for July 8, 2020 at 10am before Mr. Justice Sewell pursuant to the RUH-I process.
3. Unfiled affidavit no. 1 of W. Roitman made June 29, 2020.
4. Affidavit no. 1 of A. L. Hooper made June 29, 2020.
5. Affidavit no. 1 of L. Grillandini made June 29, 2020.

Once the affidavit of Mr. Roitman has been filed we will deliver the stamped first page. As the matter will be heard by telephone, if you wish to appear but were not included on the RUH-I email correspondence, please contact the writer so that appropriate arrangements may be made.

Yours truly,

OWEN BIRD LAW CORPORATION

Scott H. Stephens

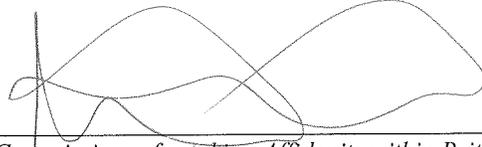
SHS/lg
Encls.

Pacific Edge Forming 2016 Ltd. c/o 152 – 6014 Vedder Road Chilliwack, B.C. V2R 5P5	AAA Plumbing & Heating Ltd. c/o 8430 192 Street Surrey, B.C. V4N 6B3
D.J. Masonary Ltd. aka D.J. Masonry Ltd. c/o 8955, 140 A Street Surrey, B.C. V3V 7H1	Pro-Fit Structures (2007) Ltd. c/o 9259 Main Street Chilliwack, B.C. V2P 6K2
Graestone Ready Mix Inc. c/o 1200 – 200 Burrard Street Vancouver, B.C. V6C 3L6	TTF Scaffolding Inc. c/o 1495 Marine Drive West Vancouver, B.C. V7T 1B8
E.S.R. Electric Ltd. c/o 702 Copping Street North Vancouver, B.C. V7L 3G6	Midvalley Rebar Ltd. c/o 225 – 20316 56A Avenue Langley, B.C. V3A 3Y7
Mega Cranes Ltd. c/o 100 – 624 Agnes Street New Westminster, B.C. V3M 1G8 c/o 6330 – 148 Street Surrey, B.C. V3S 3C4	West Coast Steel Ltd. c/o 1100 – 1111 West Hastings Street Vancouver, B.C. V6E 2J3
Dulai Roofing Ltd. c/o 200 – 8120 128 th Street Surrey, B.C. V3W 1R1	Rona Inc. c/o 220, Chemin Du Tremblay Boucherville, QC J4B 8H7 BHT Corporate Services Inc. c/o 1800 – 510 West Georgia Street Vancouver, B.C. V6B 0M3
KC's Plumbing Services Incorporated c/o 33066 First Avenue Mission, B.C. V2V 1G3	Ritu Karma Enterprises Corp. c/o 14746 61 st Avenue Surrey, B.C. V3S 3W5
Active Pharma Inc. c/o 1477 Brearley Street White Rock, B.C. V4B 5J9	W.S. Fire Protection Ltd. c/o 206 – 2922 Glen Drive Coquitlam, B.C. V3B 2P5
Peak Disposal Services Inc. c/o 400 – 725 Granville Street Vancouver, B.C. V7Y 1G5	King Stone Slinger Ltd. c/o 7729 – 125 Street Surrey, B.C. V3W 7W2
CBA Enterprises Ltd. c/o 19 th Floor, 885 West Georgia Street Vancouver, B.C. V6C 3H4	Wedler Engineering LLP c/o PO Box 390 Chilliwack, B.C. V2P 4M8

6

Barnett Dembek Architects Inc. c/o 330 – 522 Seventh Street New Westminster, B.C. V3M 5T5	Tides Consulting Ltd. c/o 213 – 3993 Henning Drive Burnaby, B.C. V5C 6P7
MSD Engineering Inc. c/o 53 – 2450 Hawthorne Avenue Port Coquitlam, B.C. V3C 6B3	

This is Exhibit "B" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 6th day of July 2020.

A handwritten signature in black ink, consisting of several overlapping loops and a vertical stroke on the left side.

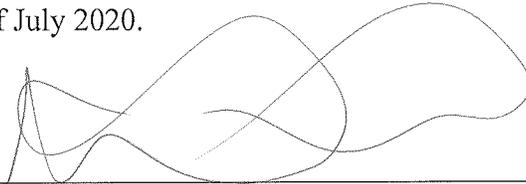
A Commissioner for taking Affidavits within British Columbia

Schedule "A" – Service List

Counsel for McEown & Associates Inc.	Clark Wilson LLP 900 – 885 West Georgia Street Vancouver, B.C. V6C 3H1 Attention: Chris Ramsay / Katie G. Mak / Deborah Hamann-Trou Email: CRamsay@cwilson.com KMak@cwilson.com DHamann-Trou@cwilson.com
Counsel for Conian Developments (La Voda) Inc., Conian Developments (La Voda II) Inc., Conian Developments Ltd., Rana Wasif Khaliq, Robina Khan and BC Currency Exchange	Ellis Business Lawyers 400 – 1681 Chestnut Street Vancouver, B.C. V6J 4M6 Attention: Meldon Ellis Email: meldon@ellislawyers.com
Her Majesty the Queen in Right of Canada	British Columbia Regional Office Department of Justice Canada 900 – 840 Howe Street Vancouver, B.C. V6Z 2S9
Her Majesty the Queen in Right of the Province of British Columbia	Deputy Attorney General Minister of Justice PO Box 9280 Stn Prov Govt Victoria, B.C. V8W 9J7
Counsel for Kuzco Lighting Inc.	Burns Fitzpatrick LLP 1400 – 510 Burrard Street Vancouver, B.C. V6C 3A8 Attention: Scott A. Turner Email: sturner@burnsfitz.com
Counsel for Exchange Bank of Canada	Edwards, Kenny & Bray LLP 1900 – 1040 W Georgia Street Vancouver, B.C. V6E 4H3 Attention: David E.C. Turner / Dan Nugent Email: dturner@ekb.com dnugent@rbs.ca
Counsel for HSBC Bank (Canada)	Fasken LLP 2900 – 560 Burrard Street Vancouver, B.C. V6C 0A3

	Attention: John Grieve Email: jgrieve@fasken.com
Office of the Superintendent of Bankruptcy	2000 – 300 W Georgia Street Vancouver, B.C. V6B 6E1 Attention: Gary Sam/ Danny Park Email: gary.sam@canada.ca danny.park@canada.ca
Counsel for 0711655 BC Limited	Watson Goepel LLP 1200 – 1075 West Georgia Street Vancouver, B.C. V6E 3C9 Attention: Jeremy West/ Chelsey Cochrane Email: jwest@watsongoepel.com ccochrane@watsongoepel.com
Counsel for Brar Natural Flour Milling (BC) Inc. and House of Sher 2018 Ltd.	MTL Aikins 2600 – 1066 West Hastings Street Vancouver, B.C. V6E 3X1 Attention: William E.J. Skelly/ Thomas W. Clifford Email: wskelly@mltaikins.com tclifford@mltaikins.com
Counsel for 0711655 B.C. Ltd.	Gehlen Dabbs Lawyers 1201 – 1030 W Georgia Street Vancouver, B.C. V6E 2Y3 Attention: Gregory J. Gehlen Email: gg@gdlaw.ca
Counsel for Ajit Singh Gill	McMillian LLP 1500 – 1055 West Georgia Street Vancouver, B.C. V6E 4N7 Attention: Vicki Tickle Email: vicki.tickle@mcmillan.ca

This is Exhibit "C" referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 6th day of July 2020.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

A Commissioner for taking Affidavits within British Columbia

James D Burns¹
Jeffrey B Lighthfoot¹
Christopher P Weafer¹
Gregory J Tucker, QC^{1, 2, 3, 4}
Laura A Wright¹
James H McBeath¹
Scott W Uquhart¹
Pamela B Sheppard¹
Jocelyn M Ballerud¹
Brian Y K Cheng^{4, 5}
Georgina Barnard¹

Rose-Mary L Basham, QC, Associate Counsel¹
Josephine M Nadel, QC, Associate Counsel¹
Hon Walter S Owen, QC, QC, LLD (1981)
John I Bird, QC (2005)

Duncan J Manson¹
Daniel W Burnell, QC¹
Ronald G Paton¹
Gary M Yaffe¹
Harley J Harris¹
Jennifer M Williams¹
Barbara B Janzen¹
George J Roper¹
Tony R Anderson¹
Charlene R Joanes¹
Lucy D Johal¹

Alan A Prydenlund, QC^{1, 2}
Harvey S Delaney¹
Paul J Brown¹
Heather E Maconachie¹
Jonathan L Williams¹
Karl F Richardson¹
Scott H Stephens¹
David W P Moriarty¹
Katharina R Spotzl¹
Steffi M Boyce¹
H Hailey Graham¹

Allison R Kuchta¹
James I Carplek¹
Patrick J Haberl¹
Terence W Yu¹
Michael P Robson¹
Paul A Brackstone^{1, 2}
James W Zaltsoff¹
Daniel H Coles^{1, 2}
Sameer Kamboj¹
Patrick J Weafer¹
Britney S Dumanowski¹

¹ Law Corporation
² Also of the Yukon Bar
³ Also of the Alberta Bar
⁴ Also of the Ontario Bar
⁵ Also of the Washington Bar

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Fax 604 688-2827
Website www.owenbird.com

Direct Line: 604 691-7521
Direct Fax: 604 632-4447
E-mail: sstephens@owenbird.com
Our File: 30354/0026

July 2, 2020

VIA COURIER

Gautam & Associates
210 – 8028 128 Street
Surrey, B.C. V3W 4E9

Dear Sirs/Mesdames:

Re: Romspen Investment Corporation v. Conian Developments (La Voda) Inc. et al
Supreme Court Action No. VLC-S-S-206552

You are receiving this letter because you registered a charge against lands owned by Conian Developments (La Voda) Inc. and/or Conian Developments (La Voda II) Inc. on behalf of Ninderpal Singh Sidhu. We are counsel to the first mortgagee of the lands, Romspen Investment Corporation (“Romspen”). Romspen sought and obtained a hearing date of July 8, 2020 (see enclosed notice of hearing) for a receivership application through the court’s urgent hearing process. Due to the impracticality of effecting personal service on Ninderpal Singh Sidhu before the hearing, we are serving you on his behalf and intend to seek an order that such service be deemed good and sufficient.

Enclosed for service are the following:

1. Petition to the court dated June 30, 2020.
2. Notice of hearing setting the matter for July 8, 2020 at 10am before Mr. Justice Sewell pursuant to the RUH-I process.
3. Unfiled affidavit no. 1 of W. Roitman made June 29, 2020 (without exhibits due to volume – please contact the writer if you require the exhibits).
4. Affidavit no. 1 of A. L. Hooper made June 29, 2020.
5. Affidavit no. 1 of L. Grillandini made June 29, 2020.

Once the affidavit of Mr. Roitman has been filed we will deliver the stamped first page. As the matter will be heard by telephone, if you wish to appear but were not included on the RUH-I email correspondence, please contact the writer so that appropriate arrangements may be made.

(01650051;1)



INTERLAW MEMBER OF INTERLAW, AN INTERNATIONAL ASSOCIATION
OF INDEPENDENT LAW FIRMS IN MAJOR WORLD CENTRES



12

July 2, 2020
Page 2

~~OWEN BIRD~~
LAW CORPORATION
LAW CORPORATION

Yours truly,

~~OWEN BIRD LAW CORPORATION~~

Scott H. Stephens

SHS/lg
Encls.

No. VLC-S-S-206552
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN
DEVELOPMENTS (LA VODA II) INC., CONIAN
DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC.,
RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL,
PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING
INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING
INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD.,
MEGA CRANES LTD., EXCHANGE BANK OF CANADA,
WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA
PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING
SERVICES INCORPORATED, RITU KARMA ENTERPRISES
CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD.,
W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC.,
NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK
DISPOSAL SERVICES INC., SIDHU IQBAL SINGH,
NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD.,
TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007)
LTD., MSD ENGINEERING INC., WEDLER ENGINEERING
LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA
ENTERPRISES LTD.

Respondents

AFFIDAVIT

OWEN BIRD LAW CORPORATION

P.O. Box 49130

Three Bentall Centre

2900 - 595 Burrard Street

Vancouver, BC V7X 1J5

Attention: Scott H. Stephens

File No. 30354-0026

TAB 7



No. **VLC-S-B-200207**
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
B.C. CURRENCY EXCHANGE INC.

NOTICE OF APPLICATION

Names of Applicant: B.C. Currency Exchange Inc. (the "Applicant")
To: Kuzco Lighting Inc.
And To: McKeown & Associates Inc.
And To: Exchange Bank of Canada and HSBC Bank (Canada)

TAKE NOTICE that an application will be made by the Applicants to the presiding Judge or Master at the Courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on Friday, May 29, 2020 at 9:45 am for the Orders set out in Part 1 below.

PART 1: ORDERS SOUGHT

1. An order abridging the time for service of this Notice of Application and the materials herein such that the application is properly returnable on May 29, 2020; and
2. An order extending the stay of proceedings and the time for the filing of a proposal by the Company to July 15, 2020.

PART 2: FACTUAL BASIS

1. The Applicant, B.C. Currency Exchange Inc., ("BCCE" or the "Company"), filed a Notice of Intention to make a Proposal (the "NOI") pursuant to the *Bankruptcy and Insolvency Act* (the "BIA") on April 30, 2020.
2. BCCE is a foreign exchange dealer that has been in operations in British Columbia for approximately 20 years. Mr. Rana Khaliq is the sole Director and Shareholder of BCCE. It operates its business across 4 stores in the lower mainland which are located in Vancouver, Surrey, White Rock and Abbotsford.

3. The NOI appointed McEown and Associates Ltd. as Trustee and it provided for a 30 day stay of proceedings which expires on May 30, 2020. The Company filed the NOI for the purpose of considering its restructuring options.

4. On May 6, 2020, Kuzco Lighting Inc., ("Kuzco") applied for and the Honourable Justice Fitzpatrick granted an Order appointing McEown & Associates Inc. ("McEown") as Interim Receiver (the "the Interim Receiver Order").

5. The Company now seeks an extension of the stay of proceedings for a further 45 days after the expiry of the current stay period so that its principal can continue discussions with interested parties in relation to an expression of interest to acquire real estate assets owned the Company's principal which could be included in the current Proposal process being administered by McEown and Associates Ltd.

Background

6. According the Interim Receiver, the total amount owed to creditors is \$21,631,347.46 (combined Canadian and USD amounts). USD have not been converted the Canadian dollars.

7. Kuzco's claim is \$9,000,000 CDN. Kuzco is the largest single creditor of the Company. The claims of the Exchange Bank of Canada ("EBC") total \$1,000,000 USD, or approximately \$1,412,000 CDN.

8. On March 23, 2020 a Garnishee Order was granted in favour of the Exchange Bank of Canada in the amount of \$1,412,000 CDN and was served on the Company's bank account, Khalsa Credit Union. Upon receipt of the Garnishee Order the Company's bank account were immediately frozen, and as a result the Company could not continue to operate and therefore closed its stores on March 23, 2020.

9. Since filing the NOI, the Company has retained certain internal key staff to assist McEown in its capacity as both Trustee under the NOI and Interim Receiver. The Company is providing McEown with financial information on the Company's bank accounts, access to the Company's books and records and is providing background on the currency exchange business as well as a real estate development project Mr. Khaliq owns through a separate entity (described more fully below).

10. According to Mr. Khaliq, the Company's financial insolvent circumstances were created by mismanagement and lack of proper financial controls. According to Mr. Khaliq, funds flowed back and forth through the Company to a real estate entity owned and controlled by himself. According to Mr. Khaliq, the Company also suffered some market losses in respect of active currency exchange trades that were open at the end of April, 2020.

The Company's Restructuring Efforts

11. The Company has been diligently working with the Interim Receiver to update the Company's records to produce a fulsome accounting of the Company's cash flows, including transfers back and forth flowing between the Company and separate entities owned by Mr. Khaliq.

12. Mr. Khaliq is well established businessman in the Indo-Canadian business community and, as such, he attracted many investors to his business ventures.

13. During the course of the Company operations, significant amounts of funds invested or loaned to the Company by private lenders and entities (the arrangements are not yet clear) were transferred, at Mr. Khaliq's direction, into real estate projects owned by by Conian Developments Inc, ("CDI") and two related entities, Conian Development (La Voda) Inc. and Conian Development (La Voda II) Inc. (together, the "**La Voda Development**").

14. Mr. Khaliq made agreements with private lenders to replenish the cash transferred from the Company's business in order to meet the Company's obligations.

15. Mr. Khaliq is the sole shareholder and director of Conian Developments Inc, ("CDI") and Conian Development (La Voda II) Inc. CDI of is the sole owner of Conian Development (La Voda) Inc. and Mr. Khaliq is its sole director.

16. The La Voda Development involves a number of building development sites organized into in two phases. Phase One is approximately 35% partially completed and has approximate value of \$35 million, based recent Quantity Surveyor Reports. Phase II is just land and has with Development Proposal that has been submitted to the City of Surrey. The approximate current value of Phase 11 is \$16 or million. The potential finished total value of the La Voda Development may be in excess of \$100 million.

17. During the period from May 6, 2020, when the Interim Receiver Order was granted, until the date of this application, the Company has been exploring restructuring proposals to bring funds from back from the La Voda Development into a pool of funds for the creditors in this intended Proposal process.

18. The Company and Mr. Khaliq are in the process of negotiating a transaction with Promerita Capital Management Corp. ("Promerita"), and potentially other interested parties, that could see significant funds in excess of in the range of \$12 million to \$30,000 returned to Mr. Khaliq's investors and creditors of the Company. The structure of this transaction could include a sale of Phase 1 and a profit-sharing arrangement concerning the development of Phase 11.

19. Promerita has declared its current intention to work with Rana Khaliq to make a Proposal to the creditors of BC Currency Exchange.

20. If that Proposal is accepted, Mr. Khaliq and Conian Developments Inc. are prepared to assign the equity they have in the La Voda Development to McEown , Trustee for the benefit of the creditors of the Company and the persons and/or entities whose funds flowed the Company into the La Voda Development.

21. The Company, the Promerita Group are continuing to engage in meaningful discussions to formulate an agreeable proposal in these proceedings with respect to the debt.

The Interim Receiver's Efforts:

22. Since the appointment of the Interim Receiver on May 6, 2020, the Interim Receiver has:

- (a) Secured the cash that was located at safes at the stores;
- (b) Deposited into its trust account cash (converted into Canadian dollars) along with Company funds from its bank accounts at the Kahlsa Credit Union and Prospera Credit Union, as follows:
 - (i) Kahsala Funds - \$432,823.15;
 - (ii) Prospera Funds - \$74,236.27; and,
 - (iii) Cash Converted by Exchange Bank of Canada - \$427,939.08; and,
- (c) Engaged in Company's principal, Mr. Khaliq to conduct a fulsome accounting and to explore restructuring options.

PART 3: LEGAL BASIS

1. The Company relies on section 50.4(9) of the BIA.

The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

- (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
- (b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
- (c) no creditor would be materially prejudiced if the extension being applied for were granted.

2. The Company has acted, and is acting, in good faith and with due diligence in respect of coordinating with the Promerita Group and making a proposal to its creditors.
3. No creditor or stakeholder will be materially prejudiced if the extension being applied for were granted.
4. The Company submits that, in the circumstances, the extension sought is appropriate and necessary.
5. The Court has the power to abridge the time for service pursuant to Rule 6(4).
Bankruptcy and Insolvency General Rules, CRC, c 368, r 6(4)
6. The Applicants will rely on section 183 of the BIA, Rule 3 of the BIA Rules, Rule 22-5(8) of the *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit # 1 of Mr. Khaliq, sworn on May 27, 2020.
2. The pleadings and materials filed herein.
3. Such further and other materials as counsel may advise and this Honourable Court may allow.

The Applicants estimate that the application will take 30 minutes.

- This matter is within the jurisdiction of a Master.
- This matter is not within the jurisdiction of a Master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application:

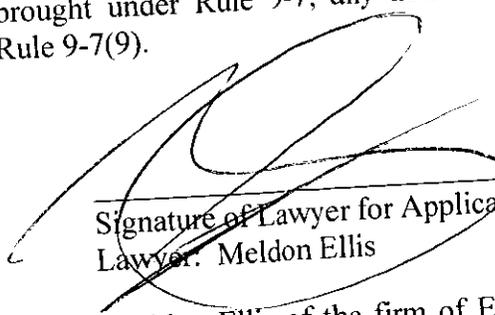
- (a) file an Application Response in Form 33;
- (b) file the original of every Affidavit, and of every other document, that:
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding; and

(c) serve on the Applicant 2 copies of the following, and on every other party of record one copy of the following:

- (i) a copy of filed Application Response;
- (ii) a copy of each of the filed Affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;

(iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: May 27, 2020



Signature of Lawyer for Applicants
Lawyer: Meldon Ellis

This NOTICE OF APPLICATION is prepared by Meldon Ellis of the firm of Ellis Business Lawyers whose place of business is 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6 (Direct #: 604.671-7374, Fax #: 604.737-1140 Email: meldon@ellislawyers.com)

To be completed by the court only:

Order made

- in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
- with the following variations and additional terms:

Date: _____
[dd/mmm/yyyy]

Signature of Judge Master

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matters concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

TAB 8



Affidavit #1 of Rana Khaliq
Sworn on May 27, 2020

No. **VLC-S-B-200207**
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE NOTICE OF INTENTION

TO MAKE A PROPOSAL OF

B.C. CURRENCY EXCHANGE INC.

AFFIDAVIT OF RANA KHALIQ

I, RANA KHALIQ, President and Director of B.C. Currency Exchange Inc. ("BCCE" or "the Company"), of 10230 152nd Street, Surrey, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President and Director of the Company and as such have personal knowledge of the facts and matters hereinafter deposed to save and except those based on information and belief and whereso stated I verily believe them to be true.
2. I am providing this information to the Court pursuant to my duty to assist pursuant to the Interim Receiver Order in these proceedings.
3. BCCE is a foreign exchange dealer that has been in operations in British Columbia for approximately 20 years. It operates its business across 4 stores in the lower mainland which are located in Vancouver, Surrey, White Rock and Abbotsford.
4. I acknowledge that the Company's current financial insolvent circumstances were by in large created by my mismanagement and lack of proper financial controls. The Company also suffered market losses as a result of currency exchange orders that were open during the month March, 2020. In addition, the Company experienced challenges as a result of the impact on business revenues created by COVID 19.
5. I also acknowledge that substantial amounts of funds flowed back and forth from the Company to a real estate development project owned by entities that were owned and controlled by myself.
6. I often considered them all part of one enterprise, even though I knew each of these entities was legally separate.

7. Over the years, I have established myself as a businessman in the Indo-Canadian community and as such I have attracted many clients, partners and willing financial participants in my various business ventures.

The La Voda Real Estate Development:

8. I am the sole shareholder and director of Conian Developments Inc, ("CDI"). CDI is the sole owner of Conian Development (La Voda) Inc. and Conian Development (La Voda II) Inc. and I am the sole director of all the Conian entities. This was the first time I was involved in a real estate development.
9. All three Conian entities are involved in the development of a real estate development project in Surrey known as the La Voda Development.
10. The La Voda Development involves a number of building development sites organized into in two phases. Phase One is approximately currently 35% completed and has an approximate value of \$35 million, based on recent Quantity Surveyor Reports. Phase II is bare land and a Development Proposal in respect of the land has been submitted to the City of Surrey. Phase II and has an approximate current value of \$16 or million.
11. The approximate total mortgage and financing charges against the La Voda Development are \$22 million.
12. The potential finished total value of the La Voda Development may be in excess of \$100 million.

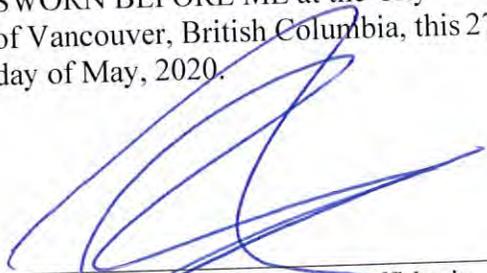
The Company's Efforts Since the NOI:

13. Since the appointment of McEown and Associates as Interim Receiver and Trustee ("McEown") in these proceedings, I have worked diligently with McEown to assist in providing financial information on the Company's bank accounts, access to the Company's books and records and is providing background on the currency exchange business as well as a real estate development project I own through a separate entities (described more fully below).
14. I have been diligently working with the Interim Receiver to update the Company's records to produce a fulsome accounting of the Company's cash flows, including transfers back and forth flowing between the Company and separate entities owned by me.

The Company's Restructuring Plans:

15. I have also been engaged in meaningful discussions with the Trustee to develop a Proposal in this proceeding which would include a potential transaction between Promerita Capital Management Corp. ("Promerita") and Conian Developments that could result in significant amounts of funds being brought back into the Company from the completion of La Voda Development.
16. In particular, the Company is in the process of negotiating a transaction with Promerita, and potentially other interested parties, that could see significant funds in excess of the \$12 million current value, with a potential return up to \$30 million to creditors, partners and willing financial participants in the Company.
17. If that Proposal is accepted, Conian Developments Inc. is prepared to assign the equity it has the La Voda Development to McEown and Associates, Trustee for the benefit of the creditors of the Company and the persons and/or entities whose funds flowed through the Company into the La Voda Development.
18. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is the copy of a letter from William L. Roberts of Lawson Lundell LLP, solicitors for Promerita Capital Management Corp.
19. Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a copy of the letter from H. Roderick Anderson of Harper Grey LLP, solicitors for Rana Khaliq and Conian Developments Inc.
20. I swear this affidavit in support of the Company's application to extend the time for filing a proposal under the *Bankruptcy and Insolvency Act* (the "BIA").

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



A Commissioner for taking Affidavits
In the Province of British Columbia.

MELDON ELLIS
Barrister & Solicitor
400 - 1681 Chestnut Street
Vancouver, B.C. V6J 4M6



RANA KHALIQ

Harper Grey LLP

BARRISTERS & SOLICITORS
3200 • 650 West Georgia Street
Vancouver BC Canada V6B 4P7
Tel. 604 687 0411 • Fax 604 669 9385

H. RODERICK ANDERSON
DIRECT LINE: 604 895 2849
randerson@harpergrey.com
www.harpergrey.com

This is Exhibit "A" referred to
in the Affidavit of

Rana Khaliq
Sworn before me this 27th day
of May, A.D. 2020

File Number: 147550

May 27, 2020

VIA EMAIL

McEown & Associates Ltd.
1140 - 800 West Pender Street
Vancouver, BC V6C 2V6

A Commissioner for Oaths in and for
the Province of British Columbia

Ellis Business Lawyers
Suite 400 - 1681 Chestnut Street
Vancouver, BC, V6J 4M6

Attention: John McEown

Attention: Meldon Ellis

Dear Sirs:

Re: BC Currency Exchange Inc./Rana Khaliq/Conian Developments Inc. et al

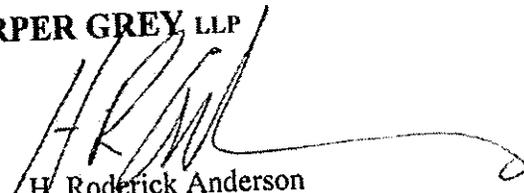
I am writing to confirm that I act for Rana Khaliq and Conian Developments Inc. Mr. Khaliq is the sole shareholder, director and officer of Conian Developments Inc. As you are aware, Conian Developments Inc. has two wholly owned subsidiaries, Conian Developments (La Voda) Inc. and Conian Developments (La Voda II) Inc. La Voda and La Voda II are involved in real estate developments in Surrey, British Columbia.

With respect to the proposal intended to be prepared on behalf of BC Currency Exchange Inc., Mr. Khaliq and Conian Developments Inc. are prepared to assign the equity they have in La Voda and La Voda II to McEown and Associates, Trustee for the benefit of the creditors of the BC Currency Exchange Inc. and the persons and/or entities whose funds flowed through the BC Currency Exchange Inc. into the La Voda developments referred to above if the proposal is accepted.

I trust the above is the information you require.

Yours truly,

HARPER GREY LLP


Per: H. Roderick Anderson
Law Corporation

HRA/mw

MEMBER OF THE TAGLAW INTERNATIONAL LEGAL NETWORK



Suite 1600 Cathedral Place
 925 West Georgia Street
 Vancouver, BC
 Canada V6C 3L2
 T: 604.685.3456

This is Exhibit "B" referred to
 in the Affidavit of

..... *Rana Khaliq*

Sworn before me this 20 day

of May A.D. 2020

[Signature]
 A Commissioner for Oaths in and for
 the Province of British Columbia

May 27, 2020

VIA EMAIL meldon@ellislawyers.com

Ellis Business Lawyers
 Suite 400 – 1681 Chestnut Street
 Vancouver, BC
 V6J 4M6

Attention: Meldon Ellis

Dear Sirs and Mesdames:

Re: B.C. Currency Exchange Inc.

We are solicitors for Promerita Capital Management Corp.. ("Promerita").

As discussed, Promerita has expressed an interest in acquiring the real estate projects owned by Conian Developments Inc. that are commonly referred to as La Voda I and La Voda II (the "La Voda Development"), with a view to funding and completing construction.

We understand that various creditors of BC Currency Exchange Inc. have advanced claims against Conian Developments and/or the La Voda Development. As such, in order to acquire good and clean title to the La Voda Developments, Promerita will need to address the claims of these creditors in some fashion. Promerita's current intention is to work with Rana Khaliq, the principal of both Conian Developments Inc. and BC Currency Exchange Inc., to make a Proposal to the creditors of BC Currency Exchange Inc. That Proposal will be 'funded' by way of a portion of the profits to be earned from the development and sale of the La Voda Developments, and will likely take the form of limited partnership units.

Given the various constituencies of investors and creditors of both the La Voda Development and B.C. Currency Exchange Inc., it is very unlikely that Promerita could pursue this transaction unless it is under a formal court proposal process, and preferably within the current Proposal process being administered by McEown and Associates Ltd.

William L. Roberts
 D: 604.631.9163
 F: 604.641.4401
wroberts@lawsonlundell.com

Page 2

We trust the above is satisfactory.

Yours very truly,

LAWSON LUNDELL LLP

A handwritten signature in black ink, appearing to read 'WLR', with a large, stylized flourish at the end.

William L. Roberts

WLR/czc

TAB 9



**Estate No. 11-2642694
Court No. B200207
Vancouver Registry**

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
B.C. CURRENCY EXCHANGE INC.**

PROPOSAL TRUSTEE'S FIRST REPORT TO THE COURT

DATED MAY 28, 2020

A. Introduction

1. On April 30, 2020, B.C. Currency Exchange Inc. (the "Company") filed a Notice of Intention to Make a Proposal ("NOI") pursuant to paragraph 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA"). McEown and Associates Ltd. was appointed as proposal trustee (the "Proposal Trustee") in the NOI proceedings.
2. On May 8, 2020 the Company filed a Projected Cash-Flow Statement with the Office of the Superintendent of Bankruptcy (the "OSB") as required pursuant to paragraph 50.4(2) of the BIA. The stay of proceedings and the time for filing a proposal in the NOI proceedings expires on May 30, 2020.
3. The Company is not in a position to file a proposal to its creditors at this time and has applied to this Honourable Court for an extension of the stay and time for filing a proposal as provided for in paragraph 50.4(9) of the BIA from May 30, 2020 to July 15, 2020.
4. The purpose of the Proposal Trustee's First Report to the Court is to inform the Court of the following:
 - a. The background of these NOI proceedings;
 - b. The activities of the Company since the filing of the NOI;
 - c. The activities of the Proposal Trustee since the filing of the NOI,
 - d. The activities of the Interim Receiver (as defined herein) since being appointed;
 - e. The Interim Receiver's investigation into the Company's business affairs;
 - f. The Company's restructuring plan;
 - g. The Company's cash flow projection for the period from May 25, 2020 to July 19, 2020; and
 - h. The Company's request for an extension of the stay and time for filing a proposal from May 30, 2020 to July 15, 2020.
5. Information in respect of these proceedings are posted on the Proposal Trustee's website at <https://www.mceownassociates.com/b-c-currency-exchange-inc>.

B. Disclaimer and Terms of Reference

1. Except as specified, in preparing this report the Proposal Trustee has obtained and relied upon unaudited, draft and/or internal information which the Company advises has been compiled from the Company's books and records. Where available, the Proposal Trustee has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.
2. Except as otherwise described in this report:
 - a. the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook; and
 - b. the Proposal Trustee has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.
3. This report has been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.
4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

C. Background

1. The Company is a foreign currency exchange dealer that has been in operations in British Columbia for approximately 20 years. Mr. Rana Khaliq is the sole director and shareholder of the Company. The Company operates from four store fronts in the lower mainland which are located in Vancouver, Surrey, White Rock and Abbotsford.
2. Prior to the filing of the NOI, on March 23, 2020, the Exchange Bank of Canada ("EBC") was granted a Garnishing Order before Judgment in the amount of \$1,412,465 (the "Garnishing Order") which was served on the Company's bank, Khalsa Credit Union. Upon receipt of the Garnishing Order, Khalsa Credit Union immediately froze the bank account and paid funds into Court to the credit of EBC's action. EBC's civil action against the Company was commenced on April 20, 2020, in which EBC claims a debt of \$1,000,000 USD (or approximately \$1,412,000) (*Exchange Bank of Canada v. B.C. Currency Exchange Inc.*, BCSC Action No. S-204090).

3. As a result of the freezing of the Company's bank account, the Company could not continue to operate and therefore closed its stores on April 22, 2020.
4. The Company commenced the NOI proceedings in order to provide time to consider its restructuring options.
5. On May 4, 2020, the Company's largest creditor, Kuzco Lighting Inc. ("Kuzco"), commenced a civil action against the Company for amounts due of approximately \$9,000,000 (*Kuzco Lighting Inc. v. B.C. Currency Exchange Inc.*, BCSC Action No. S-204368). Upon being advised of the stay and the NOI proceedings, Kuzco made an application to the Court to have McEown and Associates Ltd. appointed as interim receiver ("Interim Receiver") in the NOI proceedings.
6. On May 6, 2020, the Honourable Madam Justice Fitzpatrick granted an Order appointing McEown and Associates Ltd. as Interim Receiver (the "Interim Receiver Order").

D. Activities of the Company Since the Filing of the NOI

1. The Company has retained certain key staff to assist McEown and Associates Ltd. in its capacity as both Proposal Trustee and as Interim Receiver.
2. The assistance provided by the staff have included providing information on the banks the Company has accounts with, providing access to the books and records of the Company, updating the financial records/creditor information and providing background regarding the currency exchange business as well as a real estate project that Mr. Khaliq owns through a separate entity.
3. Further assistance will be required by the staff as the books and records are still not up to date.
4. Since the filing of the NOI, the Company has also been considering its restructuring options, which are discussed later in this report.

E. Activities of the Proposal Trustee Since the Filing of the NOI

1. The Proposal Trustee has performed its statutory duties in the NOI proceedings with respect to notifying creditors and reporting on the cash flow statement as well as fielding numerous calls from creditors.
2. The Proposal Trustee has made enquiries of the Company's staff, Mr. Khaliq and his independent legal counsel regarding the financial affairs of the Company and in particular the use of the Company's funds for other purposes which is discussed later in this report.

3. The Proposal Trustee has spoken to the Company's staff, Mr. Khaliq and his independent legal counsel regarding the prospect of resuming the Company's operations. It has been concluded that the Company's operations will be permanently shut down.
4. The Company is taking immediate steps to disclaim all leases and cancel all services that will no longer be required.
5. The Proposal Trustee has also been in numerous discussions with the Company's staff, Mr. Khaliq and legal counsel regarding a restructuring plan to repay the Company's creditors from a partially completed real estate project in Surrey and other properties that Mr. Khaliq owns or has an interest in personally or through his corporations. The restructuring plan is further commented on later in the report.

F. Activities of the Interim Receiver Since being Appointed

1. Upon its appointment, the Interim Receiver contacted the Company's two banks, the Khalsa Credit Union and Prospera Credit Union, and requested that the Company's accounts be immediately closed and all funds in the accounts paid to the Interim Receiver.
2. The Interim Receiver also arranged to secure the actual cash that was kept in the safes at the stores. Arrangements were made to have the cash, which were in numerous different currencies, picked up by the EBC and converted to Canadian dollars.
3. The Interim Receiver has now received and deposited into a trust account the actual cash (converted into Canadian dollars) and the funds in the Company's bank accounts at the Khalsa Credit Union and Prospera Credit Union. The funds in the Interim Receiver's Trust account can be summarized as follows:

Funds From the Khalsa Credit Union	\$ 432,823.15
Funds From Prospera Credit Union	\$ 74,236.27
Cash converted by Exchange Bank of Canada	\$ 427,939.08

4. Counsel for the Interim Receiver is in the process of having the funds paid into Court pursuant to the Garnishing Order paid to the Interim Receiver in trust pursuant to the Interim Receiver Order. The amount paid into Court is \$363,325.40.

G. Interim Receiver's Investigation into the Company's Business Affairs

1. The results of the Interim Receiver's preliminary investigation to date into the business affairs of the Company can be summarized as follows:

- a. The Company was dealing with a high volume of transactions in the currency exchange business and has advised that the annual amount of funds exchanged exceeded \$800 million;
- b. Mr. Khaliq intermingled the Company's funds with his other real estate businesses which appears to have resulted in millions of dollars of the Company's fund being used to fund the real estate businesses and to fund interest payments to the investors in Mr. Khaliq's real estate businesses;
- c. As a result of the significant funds that were taken from the Company it was necessary for Mr. Khaliq to find new investors and/or lenders to replenish the cash that had been taken so that the Company's currency exchange business could meet its obligations;
- d. Mr. Khaliq also negotiated terms with the Company's currency exchange customers that would give them preferred exchange rates if they delayed the payment of the exchanges funds for a few days, and in some cases even longer;
- e. The funds paid by the Company to the real estate businesses' investors on account of interest were often paid in cash and were not properly recorded in the Company's records;
- f. The books and records of the Company have not been kept up to date and will require significant effort and time to be brought up to date; and
- g. The preliminary estimate of the amount owed to Mr. Khaliq's real estate investors is approximately \$25,000,000, which amount does not include the Company's creditors.

H. Restructuring Plan

1. The Proposal Trustee is advised that Mr. Khaliq would like to make a proposal to the Company's creditors which would be funded through the sale and or refinancing of his real estate holdings.
2. The Proposal Trustee has spoken to one party, Promerita Capital Management Corp., which is interested in taking over the real estate project in Surrey, B.C. This party has indicated that available funds to repay Mr. Khaliq's real estate investors and the Company's creditors could exceed \$30,000,000.
3. Mr. Khaliq has advised the Proposal Trustee that he requires more time to consider the options available to maximize the return to his real estate investors and the Company's

creditors. Mr. Khaliq believes that a proposal to the Company's creditors will result in the higher return to not only the Company's creditors but also to the real estate investors.

I. Cash Flow Report

1. Attached to this report as Exhibit A is a cash flow report for the period from May 25, 2020 to July 19, 2020, which the Proposal Trustee has filed with the OSB.
2. The cash flow provides for payment of wages to the Company's staff in the extension period in the total amount of \$46,000. The Proposal Trustee feels that retaining the staff to assist with bringing the Company's books and records up to date is necessary and reasonable in the circumstances.

J. The Company's Request for an Extension

1. The Company is seeking a 45 day extension of the stay of proceeding from May 30, 2020 to July 15, 2020, during which time Mr. Khaliq intends to make a proposal to the Company's creditors.
2. The Proposal Trustee has considered the factors under Section 50.4(9) of the BIA in order for the Court to grant an extension of the stay of proceedings and time for filing of a proposal, namely that:
 - a. the insolvent person has acted, and is acting, in good faith and with due diligence;
 - b. the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
 - c. no creditor would be materially prejudiced if the extension being applied for were granted.
3. Despite the actions taken by the Company and Mr. Khaliq preceding the commencement of the NOI proceedings, it appears that the Company, through its principal, Mr. Khaliq, have been acting in good faith and with due diligence with respect to seeking potential restructuring options that would see the Company's creditors receive a better return than in a bankruptcy.
4. In the event Mr. Khaliq is able to secure funding, the Trustee believes that the Company will be a position to present a proposal to its creditors.

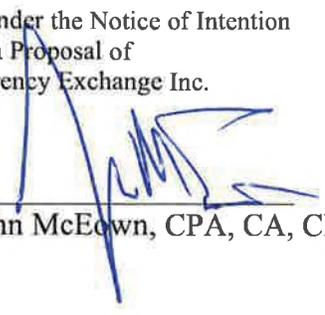
Proposal Trustee's First Report to the Court
May 28, 2020

Page 7 of 7

5. The Proposal Trustee does not believe that there will be any material prejudice to the Company's creditors if the extension were granted.

McEown and Associates Ltd.

Trustee under the Notice of Intention
to Make a Proposal of
B.C. Currency Exchange Inc.



Per: John McEown, CPA, CA, CIRP, LIT

Exhibit A
Cash Flow Report

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200207
 Estate No. 11-2642694

-- FORM 29 --
 Trustee's Report on Cash-Flow Statement
 (Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the Notice of Intention to Make a Proposal of
 B.C. CURRENCY EXCHANGE INC.
 of the city of Surrey
 in the Province of British Columbia

The attached statement of projected cash flow of B.C. CURRENCY EXCHANGE INC., as of the 27th day of May 2020, consisting of projected cash inflows and cash outflows for the period of May 25 to July 19, 2020 has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

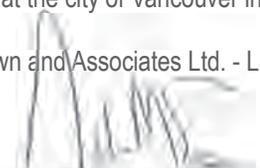
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Vancouver in the Province of British Columbia, this 27th day of May 2020.

McEown and Associates Ltd. - Licensed Insolvency Trustee
 Per:



 John McEown - Licensed Insolvency Trustee
 1140 - 800 West Pender Street
 Vancouver BC V6C 2V6
 Phone: (604) 558-8020 Fax: (604) 558-8021

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200207
Estate No. 11-2642694

56

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the Notice of Intention to Make a Proposal of
B.C. CURRENCY EXCHANGE INC.
of the city of Surrey
in the Province of British Columbia

Purpose:

The purpose of this projected statement of cash flow is to comply with S. 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

The Trustee has reviewed the unaudited Statement of Projected Cash Flow for the period May 25 to July 19, 2020 prepared by management of B.C. Currency Exchange Inc. (the "Company"). The Trustee has not audited, or otherwise attempted to verify the accuracy or completeness of the information supplied.

Assumptions:

The Company operates a currency exchange with four (4) branches located in the Metro Vancouver area. The Company suspended operations in April 2020 due to a Garnishee Order that froze the bank account. The Company has determined that it will not be able to recommence operations and therefore has close the business permanently.

There are no cash inflows projected as the operations have ceased.

Cash outflows for wages, benefits and office expenses are based on management's estimated staffing costs for those staff that will continue to be employed for the purposes of bringing the books and records up to date and assisting with the restructuring plan.

Cash outflows for professional fees are based on estimates provided by the professionals engaged by the Company.

Cash inflows and outflows are shown net of goods & service tax and provincial sales tax.

Dated at the city of Vancouver in the Province of British Columbia, this 27th day of May 2020.

McEown and Associates Ltd. - Licensed Insolvency Trustee
Per:



John McEown - Licensed Insolvency Trustee
1140 - 800 West Pender Street
Vancouver BC V6C 2V6
Phone: (604) 558-8020 Fax: (604) 558-8021

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200207
Estate No. 11-2642694

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the Notice of Intention to Make a Proposal of
B.C. CURRENCY EXCHANGE INC.
of the city of Surrey
in the Province of British Columbia

The Management of B.C. CURRENCY EXCHANGE INC., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 27th day of May 2020, consisting of projected cash inflows and cash outflows for the period of May 25 to July 19, 2020

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Vancouver in the Province of British Columbia, this 27th day of May 2020.



B.C. CURRENCY EXCHANGE INC.
Debtor

Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200207
Estate No. 11-2642694

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the Notice of Intention to Make a Proposal of
B.C. CURRENCY EXCHANGE INC.
of the city of Surrey
in the Province of British Columbia

Purpose:

The purpose of this projected statement of cash flow is to comply with S. 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

The Trustee has reviewed the unaudited Statement of Projected Cash Flow for the period May 25 to July 19, 2020 prepared by management of B.C. Currency Exchange Inc. (the "Company"). The Trustee has not audited, or otherwise attempted to verify the accuracy or completeness of the information supplied.

Assumptions:

The Company operates a currency exchange with four (4) branches located in the Metro Vancouver area. The Company suspended operations in April 2020 due to a Garnishee Order that froze the bank account. The Company has determined that it will not be able to recommence operations and therefore has close the business permanently.

There are no cash inflows projected as the operations have ceased.

Cash outflows for wages, benefits and office expenses are based on management's estimated staffing costs for those staff that will continue to be employed for the purposes of bringing the books and records up to date and assisting with the restructuring plan.

Cash outflows for professional fees are based on estimates provided by the professionals engaged by the Company.

Cash inflows and outflows are shown net of goods & service tax and provincial sales tax.

Dated at the city of Vancouver in the Province of British Columbia, this 27th day of May 2020.



B.C. CURRENCY EXCHANGE INC.

B.C. Currency Exchange Inc.
Statement of Projected Cash Flow
May 25 to July 19, 2020

Week of	May 25	June 1	June 8	June 15	June 22	June 29	July 6	July 13	Total
Projected Cash Inflows									
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Cash Outflows									
<i>Operations</i>									
Wages and Benefits	-	13,000	-	11,000	-	11,000	-	11,000	46,000
Office Expenses	300	300	300	300	300	300	300	300	2,400
Professional Fees	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	40,000
	5,300	18,300	5,300	16,300	5,300	16,300	5,300	16,300	88,400
Net Cash Inflow (Outflow)	(5,300)	(18,300)	(5,300)	(16,300)	(5,300)	(16,300)	(5,300)	(16,300)	(88,400)
Opening Cash Position on May 25, 2020 (Note 1)	906,124	900,824	882,524	877,224	860,924	855,624	839,324	834,024	906,124
Closing Cash Position	\$ 900,824	\$ 882,524	\$ 877,224	\$ 860,924	\$ 855,624	\$ 839,324	\$ 834,024	\$ 817,724	\$ 817,724

Note 1: The opening cash position of \$906,124 represents the funds held in trust by the Interim Receiver excluding the retainer funds.

This Statement of Projected Cash Flow of B.C. Currency Exchange Inc. is prepared in accordance with the requirements of S. 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the reasonableness of the Statement of Projected Cash Flow.

McEown & Associates Ltd.

Trustee in the Matter of the Notice of Intention to Make a Proposal of B.C. Currency Exchange Inc.



Per: John McEown

B.C. Currency Exchange Inc.



Per: Rana Wasif Khaliq

TAB 10



Estate No. 11-2642694
Court No. B200207
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
B.C. CURRENCY EXCHANGE INC.**

INTERIM RECEIVER'S FIRST REPORT TO THE COURT

DATED JUNE 24, 2020

A. Introduction

1. On April 30, 2020, B.C. Currency Exchange Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to paragraph 50.4(1) of the *Bankruptcy and Insolvency Act* ("**BIA**"). McEown and Associates Ltd. was appointed as proposal trustee (the "**Proposal Trustee**") in the NOI proceedings.
2. On May 4, 2020, the Company's largest creditor, Kuzco Lighting Inc. ("**Kuzco**"), commenced a civil action against the Company for amounts due of approximately \$9,000,000 (*Kuzco Lighting Inc. v. B.C. Currency Exchange Inc.*, BCSC Action No. S-204368). Upon being advised of the stay and the NOI proceedings, Kuzco made an application to the Court to have McEown and Associates Ltd. appointed as interim receiver ("**Interim Receiver**") in the NOI proceedings. On May 6, 2020, the Honourable Madam Justice Fitzpatrick granted an Order appointing McEown and Associates Ltd. as Interim Receiver (the "**Interim Receiver Order**").
3. On May 8, 2020 the Company filed a Projected Cash-Flow Statement with the Office of the Superintendent of Bankruptcy (the "**OSB**") as required pursuant to paragraph 50.4(2) of the BIA. The stay of proceedings and the time for filing a proposal in the NOI proceedings was to expire on May 30, 2020.
4. On May 28, 2020 the Proposal Trustee filed its First Report to the Court dated May 27, 2020 in response to the Company's application to Court to request an extension of the stay and time for filing a proposal (the "**Proposal Trustee's First Report**"). The Proposal Trustee's First Report included information with respect to the Interim Receiver's activities and investigations.
5. On May 29, 2020, the Honourable Mr. Justice Sewell granted an Order extending the stay of proceedings in the NOI proceedings to June 29, 2020, on certain conditions including that Mr. Rana Khaliq deliver his shares of the La Voda Project Companies (as defined below) to the Proposal Trustee as security for Mr. Khaliq's undertaking to assign the equity in the La Voda Project Companies for the benefit of the Company's creditors.
6. Mr. Khaliq is the sole director and shareholder of the La Voda Project Companies.
7. On June 9, 2020, Conian Developments Inc., Conian Developments (La Voda) Inc. ("**La Voda**"), Conian Development (La Voda II) Inc. and FLII Construction Ltd. (collectively referred to as the "**La Voda Project Companies**") each filed a NOI pursuant to the BIA. McEown and Associates Ltd. was appointed as proposal trustee in each of the La Voda Project Companies' NOI proceedings.

8. The La Voda Project Companies are in the business of developing a multi-residential rental complex located in Surrey, BC (the "**La Voda Project**").
9. On June 19, 2020, the La Voda Project Companies each filed a Projected Cash-Flow Statement with the Office of the Superintendent of Bankruptcy (the "**OSB**") as required pursuant to paragraph 50.4(2) of the BIA. The stay of proceedings and the time for filing a proposal in their respective NOI proceedings expires on July 11, 2020
10. The purpose of the Interim Receiver's First Report to the Court is to inform the Court of the following:
 - a. The recent activities of the Interim Receiver, including with respect to the La Voda Project Companies and the La Voda Project; and
 - b. The Interim Receiver's application to this Honourable Court to authorize the Interim Receiver to make the following payments from the funds of BCCE to La Voda:
 - i. \$20,000 for office and payroll costs;
 - ii. \$30,000 for insurance;
 - iii. \$12,000 for security; and
 - iv. \$30,000 as a retainer to legal counsel to the La Voda Companies.
11. Information in respect of these proceedings are posted on the Trustee's website at <https://www.mceownassociates.com/b-c-currency-exchange-inc>.

B. Disclaimer and Terms of Reference

1. Except as specified, in preparing this report the Interim Receiver has obtained and relied upon unaudited, draft and/or internal information which the Company advises has been compiled from the Company's books and records. Where available, the Interim Receiver has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.
2. Except as otherwise described in this report:
 - a. the Interim Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook; and

- b. the Interim Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.
3. This report has been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.
4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
5. Capitalized terms shall have the same meaning ascribed to them in the Proposal Trustee's First Report unless otherwise defined.

C. Recent Activities of the Interim Receiver

1. The background and further information with respect to the Company, its NOI proceedings and the Interim Receiver's initial investigation can be found in the Proposal Trustee's First Report. As described in the Proposal Trustee's First Report, following its appointment, the Interim Receiver secured all funds in the Company's bank accounts and the cash held at the retail premises.
2. Since the date of the Proposal Trustee's First Report to the Court, the Interim Receiver has received the funds paid into Court pursuant to the Garnishing Order in the amount of \$363,325.40 and is holding those funds in its trust account.
3. Attached as Appendix A to this report an Interim Statement of the Receipts and Disbursements to the date of this report.
4. As set out in the Proposal Trustee's First Report, the Interim Receiver determined that the Company intermingled funds from its currency exchange business with funds from the La Voda Project, resulting in millions of dollars of the Company's funds being used to fund the La Voda Project and to fund interest payments to lenders and investors in the La Voda Project.
5. The funds provided by the individuals and companies were initially deposited into the accounts of the Company and then either later transferred to the La Voda Project or used to pay interest to lenders and investors. Mr. Khaliq was using funds received from new lenders and investors to pay interest to existing lenders and investors as well as to pay creditors of the Company.
6. To date, the Interim Receiver has not received any documentation in relation to the advance of the funds to the Company or to the La Voda Project. Accordingly, it has been

difficult for the Interim Receiver to further investigate, review or provide comments with respect to the details and nature of these transactions.

7. The Company intermingled its funds with those of the La Voda Project and it will take considerable effort and time to sort out and determine the respective claims of the different creditors, investors and lenders.
8. The Interim Receiver, with the assistance of Mr. Khaliq and the Company's staff, has further updated the Company's creditor list and prepared a separate list of individuals and companies that loaned funds to Mr. Khaliq that were intended to be for the La Voda Project.
9. The Interim Receiver has been monitoring the activities of the La Voda Project in order to preserve and protect the property as an asset of the Company's stakeholders.

D. La Voda Project Companies' Restructuring Plan and Preservation of Assets

1. Mr. Khaliq would like to repay the creditors of the Company and the La Voda Project Companies from equity in the La Voda Project and believes that to maximize the recovery a sales and investment process (the "SISP") for the La Voda Project must be implemented quickly as the value of the partially completed project will diminish if delayed.
2. On June 9, 2020, the La Voda Project Companies each filed an NOI to provide a stay of proceedings so that they can proceed with the SISP.
3. The Interim Receiver is aware of at least three different groups that are interested in purchasing or investing in the La Voda Project. The Interim Receiver has reviewed recent appraisals of the La Voda Project and has spoken to interested parties. Based on this, there likely will be funds available to creditors of both the Company and the La Voda Project Companies from a sale or refinancing after payment in full of secured lenders and lien claimants.
4. The La Voda Project Companies have advised the Interim Receiver that they would like to initiate the SISP so that funds will be available for distribution to both their creditors and the creditors of the Company which would be funded through the sale or refinancing of the La Voda Project.
5. The La Voda Project Companies require funds imminently to protect the La Voda Project and move forward with their restructuring plan. Attached as Appendix B to this report is the Cash Flow Projection for La Voda for the period from June 15, 2020 to July 12, 2020, which has been filed with the OSB. The Cash Flow Projection has been prepared by the proposal trustee of La Voda. The Cash Flow Projection for the other three La Voda

Project Companies is nil as they were combined with the Cash Flow Projection for La Voda.

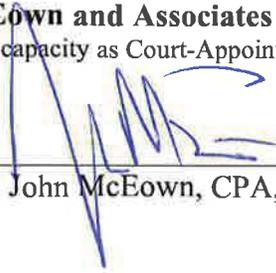
6. The Cash Flow Projection includes an anticipated GST refund of \$220,000 that is expected to be received in the next couple of weeks, however there is no certainty with respect to the payment or its timing.
7. The La Voda Project Companies urgently require funds to pay essential expenses, including the costs of securing and insuring the La Voda Project, office and payroll payments and fees and expenses of counsel to the La Voda Project Companies. Based on the Cash Flow Projection, the La Voda Project Companies require the following funds for the period to July 12, 2020:
 - a. \$20,000 for office and payroll, which includes wages to the La Voda Project Companies' Controller;
 - b. \$30,000 for insurance;
 - c. \$12,000 for security; and
 - d. \$50,000 for the fees and disbursements of the restructuring professionals, however it is proposed that only \$30,000 be advanced to counsel to the La Voda Project Companies as a retainer at this time.
8. The Interim Receiver has applied to this Honourable Court for an Order authorizing it to advance a total of \$92,000 to the La Voda Project Companies to be disbursed as set out above, in accordance with its powers and duties under the Interim Receiver Order.
9. The Interim Receiver believes that the advance of the funds is in the best interest of the Company's stakeholders as it will preserve and protect the assets for their benefit.
10. The La Voda Project Companies have advised that they will be bringing an application in the near future to initiate the SISP, commence a claims process and seek approval of interim financing as necessary to allow it to move forward with the restructuring for the benefit of stakeholders. The Interim Receiver understands that this may include appointing an interim receiver over the La Voda Project.
11. The Interim Receiver believes that it will be in the best of all stakeholders that a court-appointed officer be appointed over the assets of the La Voda Project Companies as part of the restructuring to preserve and protect the interest of the stakeholders.

E. Conclusions and Recommendations

1. The Interim Receiver recommends that the Court authorize the Interim Receiver to advance a total of \$92,000 to the La Voda Project Companies to be disbursed as set out above.

McEown and Associates Ltd.

in its capacity as Court-Appointed Interim Receiver



Per: John McEown, CPA, CA, CIRP, LIT

APPENDIX A
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

District of British Columbia
 Division No. 03 - Vancouver
 Court No. B200207
 Estate No. 11-2642694

**In the matter of the Notice of Intention to Make a Proposal of
 B.C. CURRENCY EXCHANGE INC.
 of the city of Surrey
 in the Province of British Columbia**

Form 12

Interim Statement of Receipts and Disbursements

Interim

RECEIPTS

1. Asset Realization		
Cash in bank	935,010.50	935,010.50
2. Miscellaneous		
Wage Subsidy	33,444.35	
Funds from Court	363,325.40	396,769.75
TOTAL RECEIPTS		1,331,780.25

DISBURSEMENTS

3. Fees Paid		
To official receiver	70.00	70.00
4. Federal and Provincial taxes		
GST paid on disbursements exclusive of fees	134.89	
QST paid on disbursements exclusive of fees	173.77	308.66
5. Miscellaneous		
Bank charges	34.00	
Telephone	116.04	
Payroll deductions	6,320.64	
Courier	87.07	
IT services	2,494.66	
Wages	29,778.09	
Receiver's fees and costs	23,515.26	
Ascend License Fee	275.00	
GST on Ascend License Fee	13.75	
GST on Receiver's fees and cost	1,175.77	
PST on Ascend License Fee	19.25	63,829.53
TOTAL DISBURSEMENTS		64,208.19

Note: How much of the total disbursements was paid for services provided by persons related to the trustee?

0.00

Amount available for distribution

1,267,572.06

6. Levy payable under section 147 of the Act

0.00

7. Unsecured creditors

 Proved claims of 0.00

8. Amount retained in the Trust account by the Trustee:

1,267,572.06

Dated at the city of Vancouver in the Province of British Columbia, this 23rd day of June 2020.

McEown and Associates Ltd. - Licensed Insolvency Trustee
 Per: 

John McEown - Receiver
 1140 - 800 West Pender Street
 Vancouver BC V6C 2V6
 Phone: (604) 558-8020 Fax: (604) 558-8021

APPENDIX B
LA VODA CASH FLOW PROJECTION

Conian Developments (La Voda) Inc.
Statement of Projected Cash Flow
June 15 to July 12, 2020

Week of	June 15	June 22	June 29	July 6	Total
Projected Cash Inflows					
Advance from Interim Receiver B.C. Currency Exchange	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Goods & Service Tax Refund			220,000	-	220,000
	60,000	-	220,000	-	280,000
Projected Cash Outflows					
<i>Operations</i>					
Office and Payroll	-	10,000	-	10,000	20,000
Insurance	-	15,000	15,000	-	30,000
Security Expenses	3,000	3,000	3,000	3,000	12,000
Professional Fees & Disbursements	10,000	10,000	15,000	15,000	50,000
	13,000	38,000	33,000	28,000	112,000
Net Cash Inflow (Outflow)	47,000	(38,000)	187,000	(28,000)	168,000
Opening Cash Position on June 15, 2020	692	47,692	9,692	196,692	692
Closing Cash Position	\$ 47,692	\$ 9,692	\$ 196,692	\$ 168,692	\$ 168,692

This Statement of Projected Cash Flow of Conian Developments (La Voda) Inc. is prepared in accordance with the requirements of S. 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the reasonableness of the Statement of Projected Cash Flow.

McEown & Associates Ltd.

Trustee in the Matter of the Notice of Intention
to Make a Proposal of Conian Developments (La Voda) Inc.

Per: John McEown

Conian Developments (La Voda) Inc.

Per: Rana W. Khaliq

TAB 11



Estate No. 11-2642694
Court No. B200207
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
B.C. CURRENCY EXCHANGE INC.**

**SUPPLEMENTAL REPORT
TO THE INTERIM RECEIVER'S FIRST REPORT TO THE COURT**

DATED JUNE 24, 2020

A. Introduction

1. On April 30, 2020, B.C. Currency Exchange Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to paragraph 50.4(1) of the *Bankruptcy and Insolvency Act* ("**BIA**"). McEown and Associates Ltd. was appointed as proposal trustee (the "**Proposal Trustee**") in the NOI proceedings.
2. On May 4, 2020, the Company's largest creditor, Kuzco Lighting Inc. ("**Kuzco**"), commenced a civil action against the Company for amounts due of approximately \$9,000,000 (*Kuzco Lighting Inc. v. B.C. Currency Exchange Inc.*, BCSC Action No. S-204368). Upon being advised of the stay and the NOI proceedings, Kuzco made an application to the Court to have McEown and Associates Ltd. appointed as interim receiver ("**Interim Receiver**") in the NOI proceedings. On May 6, 2020, the Honourable Madam Justice Fitzpatrick granted an Order appointing McEown and Associates Ltd. as Interim Receiver (the "**Interim Receiver Order**").
3. On May 8, 2020 the Company filed a Projected Cash-Flow Statement with the Office of the Superintendent of Bankruptcy (the "**OSB**") as required pursuant to paragraph 50.4(2) of the BIA. The stay of proceedings and the time for filing a proposal in the NOI proceedings was to expire on May 30, 2020.
4. On May 28, 2020 the Proposal Trustee filed its First Report to the Court dated May 27, 2020 in response to the Company's application to Court to request an extension of the stay and time for filing a proposal (the "**Proposal Trustee's First Report**"). The Proposal Trustee's First Report included information with respect to the Interim Receiver's activities and investigations.
5. On May 29, 2020, the Honourable Mr. Justice Sewell granted an Order extending the stay of proceedings in the NOI proceedings to June 29, 2020, on certain conditions including that Mr. Rana Khaliq deliver his shares of the La Voda Project Companies (as defined below) to the Proposal Trustee as security for Mr. Khaliq's undertaking to assign the equity in the La Voda Project Companies for the benefit of the Company's creditors.
6. Mr. Khaliq is the sole director and shareholder of the La Voda Project Companies.
7. On June 9, 2020, Conian Developments Inc. ("**Conian**"), Conian Developments (La Voda) Inc. ("**La Voda**"), Conian Development (La Voda II) Inc. and FLII Construction Ltd. (collectively referred to as the "**La Voda Project Companies**") each filed a NOI pursuant to the BIA. McEown and Associates Ltd. was appointed as proposal trustee in each of the La Voda Project Companies' NOI proceedings.

8. The La Voda Project Companies are in the business of developing a multi-residential rental complex located in Surrey, BC (the "**La Voda Project**").
9. On June 19, 2020, the La Voda Project Companies each filed a Projected Cash-Flow Statement with the Office of the Superintendent of Bankruptcy (the "**OSB**") as required pursuant to paragraph 50.4(2) of the BIA. The stay of proceedings and the time for filing a proposal in their respective NOI proceedings expires on July 11, 2020.
10. On June 23, 2020, the Interim Receiver prepared and served an application to authorize the Interim Receiver to make certain payments from the funds of BCCE to La Voda.
11. On June 24, 2020, the Interim Receiver prepared and served the Interim Receiver's First Report to the Court (the "**Interim Receiver's First Report**").
12. The purpose of this Supplemental Report to the Interim Receiver's First Report to the Court is to provide information to this Honourable Court with respect to:
 - a. the value of the La Voda Project; and
 - b. the secured debts and liabilities of the La Voda Project Companies.
13. Information in respect of these proceedings are posted on the Trustee's website at <https://www.mceownassociates.com/b-c-currency-exchange-inc>.

B. Disclaimer and Terms of Reference

1. Except as specified, in preparing this report the Interim Receiver has obtained and relied upon unaudited, draft and/or internal information which the Company advises has been compiled from the Company's books and records. Where available, the Interim Receiver has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.
2. Except as otherwise described in this report:
 - a. the Interim Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook; and
 - b. the Interim Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.

3. This report has been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.
4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
5. Capitalized terms shall have the same meaning ascribed to them in the Interim Receiver's First Report unless otherwise defined.

C. La Voda Project

1. Pursuant to appraisals obtained by Conian on the two phases of the La Voda Project and the work in progress, the value of the La Voda Project to date can be summarized as follows:

Land Phase I (as at April 14, 2020)	\$13,720,000.00
Work in Progress on Phase I	\$18,000,000.00
Land Phase II (as at April 14, 2020)	\$18,600,000.00
TOTAL	\$50,320,000.00

2. Attached as Appendix A to this report are pages 1 to 6 of the Appraisal for Land Phase I.
3. Attached as Appendix B to this report are pages 1 to 6 of the Appraisal for Land Phase II.
4. Attached as Appendix C to this report is a summary from BTY's Project Monitoring Claim Report dated April 9, 2020 for the La Voda Project. This summary shows the progress of constructions and work in progress.

D. Debts and Liabilities of the La Voda Project Companies

1. The following is a summary of the amounts owed as at July 1, 2020 to the secured creditors and the approximate aggregate amount owed to trade creditors (including lien claimants) as against the La Voda Project:

Romspen Investment Corporation (mortgage)	\$16,517,303.96
--	-----------------

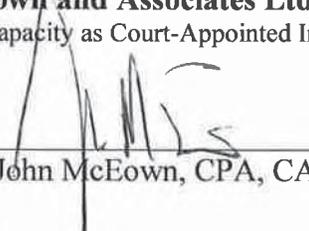
Interim Receiver's First Report to the Court
June 24, 2020

Page 4 of 4

Agit Gill (mortgage)	\$4,173,333.32
Trade Creditors (including lien claimants)	\$4,650,000.00
TOTAL	\$25,340,637.28

2. Individuals and companies who advanced funds on an unsecured basis for the La Voda Project are owed an aggregate amount of approximately \$24.2 million.
3. Based on the foregoing, there is equity in the La Voda Project of approximately \$25 million. The amount of equity is expected to increase if the Phase 1 of the La Voda Project is completed.

McEown and Associates Ltd.
in its capacity as Court-Appointed Interim Receiver


Per: John McEown, CPA, CA, CIRP, LIT

APPENDIX A

Pages 1 to 6 of the Appraisal for Land Phase I

**Appraisal of a
Rental Apartment Development Site**

located at:

**11077 Ravine Road
Surrey, BC**

effective date of valuation:

April 14th, 2020

prepared for:

Conian Developments Inc.



April 24th, 2020

Our Reference #:2004-0453

Conian Developments Inc.
10469 – 125B Street
Surrey, BC
V3V 5A8

Attention: Mr. Rana Khaliq

RE: Appraisal of a Rental Apartment Development Site
Located at 11077 Ravine Road, Surrey B.C.

In accordance with your request, we have completed an appraisal estimating the fair market value of underlying land value of the above referenced property based on an 'as is' basis, as of April 14th, 2020, for potential mortgage financing purposes.

The subject property comprises an irregular shaped site located on the southeast corner of King George Boulevard and the 132nd Street Diversion and the north side of the Ravine Road cul-de-sac. The subject property has approximately ±322 feet of frontage along the 132 Street Diversion, ±107 feet of frontage along King George Boulevard, ±180 feet of frontage along Ravine Road and a return depth of ±319 feet along the southern property boundary according to information taken from the City of Surrey's COSMOS map.

The subject property is zoned CD (Comprehensive Development Zone Bylaw No. 18783), which is intended to accommodate and regulate the development of medium density, multiple unit residential buildings and ground oriented multiple unit residential buildings and related amenity spaces, which are developed in accordance with a comprehensive design

The subject property is designated "Multiple Residential" in the City of Surrey's OCP. This designation is intended to support higher-density residential development including local, neighbourhood-serving commercial and community uses. Densities within this designation can reach a maximum of 2.5 FAR if located within the City Centre Plan. Residential uses in this designation may include apartment buildings (generally up to 6 storeys), higher-density townhouses (typically with underground or structured parking) and supportive housing community care facilities are that are constructed as multiple-family buildings.

The subject property is also designated "Low to Mid Rise (Up to 2.5 FAR)" in the Surrey City Centre Plan.

After consideration of the facts and our analysis, it is our opinion that the market value of the underlying land of the subject property on an 'as is' basis, effective April 14th, 2020, subject to the underlying Assumptions and Limiting Conditions set out herein, is:

THIRTEEN MILLION SEVEN HUNDRED TWENTY THOUSAND DOLLARS
(\$13,720,000)

Our report and addenda are attached and forms the basis of this opinion. We trust this is sufficient for your requirements, but should you require anything further please do not hesitate to contact us.

Respectfully submitted,
L.W. Property Advisors Ltd.



Per: Andrew Bisnar
B.Comm., AACI, P.App
AACI Membership No. 904284
Signed: April 24th, 2020

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Appendix "B"	Copy of the CD Zoning Bylaw
Appendix "C"	Copy of the Architectural Plans by Barnett Dembek Architects Inc.
Appendix "D"	Copy of the Building Proforma
Appendix "E"	Qualifications of the Appraiser

1.0 SUMMARY OF FACTS

Effective Date of Valuation:	April 14 th , 2020
Civic Address:	11077 Ravine Road, Surrey, B.C.
Net Site Area:	±53,677 sq.ft. (±1.23 acres) (based on the Architectural Plans prepared by Barnett Dembek Architects Inc.)
Gross Buildable Area for FAR Calculation purposes:	±134,111 sq.ft. (based on the Architectural Plans prepared by Barnett Dembek Architects Inc.)
Net Rentable Area:	±114,560 sq.ft. (based on the Architectural Plans prepared by Barnett Dembek Architects Inc.)
Proposed Development:	One six storey rental apartment building with 156 residential rental suites. The development also includes two levels of underground parking comprising a total of 207 parking stalls
Zoning:	CD (Comprehensive Development Zone Bylaw No. 18783)
Official Community Plan:	Multiple Residential
City Centre Land Use Plan:	Low to Mid-Rise (up to 2.50 FAR)

2020 Property Assessments, 2019 Property Taxes & Gross Site Areas:

Address	Site Area (Sq.Ft.)	Site Area (Acres)	Land	Improvements	2020 Total Value	2019 Property Tax
11077 Ravine Road	53,711	1.23	\$8,056,000	\$18,022,000	\$26,078,000	\$39,452.36
Gross Total:	53,711	1.23	\$8,056,000	\$18,022,000	\$26,078,000	\$39,452.36

Information in the table above is taken from BC Assessment records and Legal Plan EPP73667.

SUMMARY OF FACTS (continued)

Highest and Best Use:	Development of a proposed rental apartment building in accordance with the existing CD (Comprehensive Development Zone Bylaw No. 18783).
Vacant Land Value:	\$13,750,000 (based on \$102.50 per sq.ft., buildable)
Land Residual Value:	\$13,690,000
Income Approach:	\$69,678,044 (as if 100% complete and ready for occupancy)
Final Estimate of Value:	\$13,720,000

Our analysis and value conclusions above assume market exposure under typical market conditions. We are not yet able to comment on the potential impact on value due to the current COVID-19 pandemic and reserve the right to amend our value conclusions when more updated economic data becomes available.

APPENDIX B

Pages 1 to 6 of the Appraisal for Land Phase II

**Appraisal of a
Rental Apartment Development Site**

located at:

**11037 - 11069 Ravine Road &
11054 – 11080 - 132nd Street
Surrey, BC**

effective date of valuation:

April 14th, 2020

prepared for:

Conian Developments Inc.



May 4th, 2020

Our Reference #:2004-0478

Conian Developments Inc.
10469 – 125B Street
Surrey, BC
V3V 5A8

Attention: Mr. Rana Khaliq

RE: Appraisal of a Rental Apartment Development Site

Located at 11037 - 11069 Ravine Road & 11054 – 11080 - 132nd Street, Surrey B.C.

In accordance with your request, we have completed an appraisal estimating the fair market value of underlying land value of the above referenced properties based on an 'as is' basis, as of April 14th, 2020, for potential mortgage financing purposes.

The subject properties comprises an irregular shaped land assembly demised into 7 adjacent lots located on the east side of 132nd Street/the 132nd Street Diversion and the west side of Ravine Road, just north of 110th Avenue. The subject site has approximately ±342 feet of frontage along the 132 Street Diversion, ±368 feet of frontage along Ravine Road, ±257 feet of frontage along the southern site boundary and ±345 feet of frontage along the northern site boundary according to information taken from the City of Surrey's COSMOS map.

The subject properties are generally zoned RF (Single Family Residential) with the exception of 11049 Ravine Road and 11054 - 132nd Street, which are zoned RM-D (Duplex Residential). The RF zoning bylaw is intended to accommodate single family dwellings and the RM-D zoning bylaw is intended to accommodate and regulate duplex dwellings on urban lots.

The subject property is designated "Multiple Residential" in the City of Surrey's OCP. This designation is intended to support higher-density residential development including local, neighbourhood-serving commercial and community uses. Densities within this designation can reach a maximum of 2.50 FAR if located within the City Centre Plan. Residential uses in this designation may include apartment buildings (generally up to 6 storeys), higher-density townhouses (typically with underground or structured parking) and supportive housing community care facilities are that are constructed as multiple-family buildings.

The subject property is also designated "Low to Mid Rise (Up to 2.50 FAR)" in the Surrey City Centre Plan.

After consideration of the facts and our analysis, it is our opinion that the market value of the underlying land of the subject property on an 'as is' basis, effective April 14th, 2020, subject to the underlying Assumptions and Limiting Conditions set out herein, is:

EIGHTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$18,600,000)

Our report and addenda are attached and forms the basis of this opinion. We trust this is sufficient for your requirements, but should you require anything further please do not hesitate to contact us.

Respectfully submitted,
L.W. Property Advisors Ltd.



Per: Andrew Bisnar
B.Comm., AACI, P.App
AACI Membership No. 904284
Signed: May 1st, 2020

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Appendix "E"	Qualifications of the Appraiser

1.0 SUMMARY OF FACTS

Effective Date of Valuation:	April 14 th , 2020
Civic Address:	11037 - 11069 Ravine Road & 11054 – 11080 - 132 nd Street, Surrey, B.C.
Gross Site Area:	±102,467 sq.ft. (±2.352 acres) (Based on the architectural plans prepared by Barnett Dembek Architects Inc.)
Net Site Area:	±99,714 sq.ft. (±2.29 acres) (Based on the architectural plans prepared by Barnett Dembek Architects Inc.)
Gross Buildable Area:	±256,168 sq.ft. (Based on the potential development density of 2.50 FAR.)
Gross Buildable Area (Proposed):	±274,210 sq.ft. (Based on a development density of 2.68 FAR and the architectural plans prepared by Barnett Dembek Architects Inc.)
Net Rentable Area:	±230,229 sq.ft. (Taken from the architectural plans prepared by Barnett Dembek Architects Inc.)
Proposed Development:	Three, six storey residential rental apartment/townhouse buildings consisting of 333 units. The development also includes two levels of underground parking comprising a total of 369 parking stalls
Zoning:	RF (Single Family Residential) & RM-D (Duplex Residential)
Official Community Plan:	Multiple Residential
City Centre Land Use Plan:	Low to Mid-Rise (up to 2.50 FAR)

SUMMARY OF FACTS (continued)
2020 Property Assessments, 2019 Property Taxes & Gross Site Areas*:

Address	Site Area (Sq.Ft.)	Site Area (Acres)	Land	Improvements	2020 Total Value	2019 Property Tax
11037 Ravine Road	22,339	0.51	\$2,786,000	\$0	\$2,786,000	\$8,484.86
11049 Ravine Road	21,981	0.50	\$2,757,000	\$0	\$2,757,000	\$8,401.78
11057 Ravine Road	24,200	0.56	\$2,935,000	\$0	\$2,935,000	\$8,922.56
11069 Ravine Road	26,396	0.61	\$3,167,000	\$0	\$3,167,000	\$9,599.88
11054 132nd Street	3,164	0.07	\$752,000	\$0	\$752,000	\$2,526.30
11066 132nd Street	4,333	0.10	\$973,000	\$0	\$973,000	\$3,174.88
11080 132nd Street	1,038	0.02	\$246,000	\$0	\$246,000	\$1,047.07
Gross Total:	103,451	2.37	\$13,616,000	\$0	\$13,616,000	\$42,157.33

*Based on information taken from BC Assessment records.

Highest and Best Use: Development of the proposed residential rental apartment/townhouse development, consistent with the architectural plans prepared by Barnett Dembek Architects Inc., pending rezoning and receipt of the necessary development approvals from the City of Surrey.

Vacant Land Value: \$18,570,000 (based on \$72.50 per sq.ft., buildable)

Land Residual Value: \$18,620,000

Income Approach: \$140,359,438 (as if 100% complete and ready for occupancy)

Final Estimate of Value: \$18,600,000

Our analysis and value conclusions above assume market exposure under typical market conditions. We are not yet able to comment on the potential impact on value due to the current COVID-19 pandemic and reserve the right to amend our value conclusions when more updated economic data becomes available.

APPENDIX C

**Summary from BTY's Project Monitoring Claim Report
dated April 9, 2020**

Loan Advance Recommendation Certificate

Project: Lavoda Living

Location: Surrey, BC



CLAIM NO: 1

CODE	ELEMENT	(1) ORIGINAL BUDGET	(2) OVERALL REVISIONS	(3) CURRENT BUDGET (1+2)	(4) PREVIOUS CLAIM	(5) CURRENT CLAIM	(6) TOTAL CLAIM (4+5)	(7) COST TO COMPLETE (3-6)
1000	GENERAL REQUIREMENTS	4,238,570	50,000	4,288,570	1,470,785	227,735	1,698,520	2,590,050
2000	SITE WORK	2,465,794	0	2,465,794	1,456,094	88,375	1,544,469	921,325
3000	CONCRETE	3,552,558	305,387	3,857,945	1,890,254	1,106,202	2,996,457	861,488
4000	MASONRY	230,683	0	230,683	0	9,004	9,004	221,679
5000	METALS	714,820	59,561	774,381	30,000	26,182	56,182	718,199
6000	WOOD & PLASTICS	4,723,132	241,985	4,965,117	0	409,495	409,495	4,555,622
7000	THERMAL & MOISTURE	1,459,162	0	1,459,162	13,600	0	13,600	1,445,562
8000	DOORS & WINDOWS	1,656,852	0	1,656,852	11,708	1,681	13,389	1,643,463
9000	FINISHES	2,980,996	0	2,980,996	0	0	0	2,980,996
10000	SPECIALTIES	101,138	0	101,138	0	0	0	101,138
11000	EQUIPMENT	794,370	0	794,370	0	0	0	794,370
12000	FURNISHINGS	74,070	0	74,070	0	0	0	74,070
14000	CONVEYING SYSTEMS	540,000	0	540,000	157,202	0	157,202	382,798
15000	MECHANICAL	4,066,520	0	4,066,520	263,250	116,836	380,086	3,686,435
16000	ELECTRICAL	1,834,176	0	1,834,176	85,412	155,769	241,181	1,592,995
SUBTOTAL CONTRACT WORKS		29,432,841	656,933	30,089,774	5,378,306	2,141,279	7,519,584	22,570,190
17000	NON CONTRACT WORKS	185,000	0	185,000	0	0	0	185,000
TOTAL CONSTRUCTION		29,617,841	656,933	30,274,774	5,378,306	2,141,279	7,519,584	22,755,190
20000	LAND	14,000,000	0	14,000,000	14,000,000	0	14,000,000	0
21000	CONSULTANTS	1,838,917	174,278	2,013,195	1,395,473	87,731	1,483,204	529,991
22000	DEVELOPMENT	1,670,257	0	1,670,257	1,135,610	64,512	1,200,122	470,135
23000	GOVERNMENT TAXES & LEVIES	4,943,607	0	4,943,607	4,522,515	135	4,522,650	420,958
24000	MARKETING	1,151,649	5,480	1,157,129	663,651	5,480	669,131	487,998
25000	FINANCING	5,067,479	0	5,067,479	2,944,980	384,187	3,329,168	1,738,311
26000	CONTINGENCY	1,360,250	(236,691)	1,123,560	0	0	0	1,123,560
TOTAL DEVELOPMENT		30,032,159	(236,691)	29,795,226	24,662,230	542,044	25,204,274	4,770,952
TOTAL PROJECT COSTS		59,650,000	600,000	60,250,000	30,040,536	2,683,323	32,723,859	27,526,141

TAB 12

SCHEDULE "A"

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Petitioner

AND:

CONIAN DEVELOPMENTS (LA VODA) INC., CONIAN DEVELOPMENTS (LA VODA II) INC., CONIAN DEVELOPMENTS INC., B.C. CURRENCY EXCHANGE INC., RANA WASIF KHALIQ, ROBINA KHAN, AJIT SINGH GILL, PACIFIC EDGE FORMING 2016 LTD., KUZCO LIGHTING INC., GRAESTONE READY MIX INC., TTF SCAFFOLDING INC., E.S.R. ELECTRIC LTD., MIDVALLEY REBAR LTD., MEGA CRANES LTD., EXCHANGE BANK OF CANADA, WEST COAST STEEL LTD., DULAI ROOFING LTD., AAA PLUMBING & HEATNG LTD., RONA INC., KC'S PUMPING SERVICES INCORPORATED, RITU KARMA ENTERPRISES CORP., D.J. MASONARY LTD. aka D.J. MASONRY LTD., W.S. FIRE PROTECTION LTD., ACTIVE PHARMA INC., NARINDER KHEHRA aka NARINDER KKHEHRA, PEAK DISPOSAL SERVICES INC., SIDHU IQBAL SINGH, NINDERPAL SINGH SIDHU, KING STONE SLINGER LTD., TIDES CONSULTING LTD., PRO-FIT STRUCTURES (2007) LTD., MSD ENGINEERING INC., WEDLER ENGINEERING LLP, BARNETT DEMBEK ARCHITECTS INC., and CBA ENTERPRISES LTD.

Respondents

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MR/MADAM JUSTICE) ___/JUL/2020
)
)

ON THE APPLICATION of ~~[Plaintiff/Applicant]~~ the petitioner, Romspen Investment Corporation, for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") ~~and/or~~ and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing The Bowra Group Inc. [RECEIVER'S NAME] as ~~[Receiver and/or Receiver and Manager]~~ Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and property of Conian Developments (La Voda) Inc. and Conian Developments (La Voda II) Inc. [DEBTOR/DEBTORS'S NAME] (together, the "~~Debtor~~Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, coming on for hearing this day at Vancouver, _____, British Columbia.

AND ON READING the Affidavits #1 of W. Roitman, A.L. Hooper and L. Grillandini, # _____ of [NAME] sworn [DATE] and the consent of The Bowra Group Inc. [RECEIVER'S NAME] to act as the Receiver and the other materials filed herein; AND ON HEARING Scott H. Stephens, _____, Counsel for the petitioner [NAME] and other counsel as listed on Schedule "A" hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. The time for service of the petition, notice of hearing and affidavits #1 of W. Roitman, A.L. Hooper and L. Grillandini is abridged such that the petition is properly returnable on July 8, 2020 and service of the said documents is hereby declared to be good and sufficient and no other person is required to have been served.
- ~~1.2.~~ Pursuant to Section 243(1) of the BIA and ~~and/or~~ Section 39 of the LEA The Bowra Group Inc. [RECEIVER'S NAME] is appointed Receiver, without security, of all of the assets, undertakings and property of the ~~Debtor~~Debtors, including all proceeds (the "Property").

RECEIVER'S POWERS

- 2.3. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;

- (c) to manage, operate and carry on the business of the ~~Debtor~~Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (~~d~~)e) to take such actions as the Receiver considers prudent or necessary for the repair, protection, construction and/or completion of any improvements on the lands included in the Property;
- (~~e~~)f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors or any part or parts thereof;
- (~~f~~)g) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the ~~Debtor~~Debtors;
- (~~g~~)h) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors;
- (~~h~~)i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;
- (~~i~~)j) to undertake environmental or workers' health and safety assessments of the Property and operations of the ~~Debtor~~Debtors;
- (~~j~~)k) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the ~~Debtor~~Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (~~k~~)l) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (~~l~~)m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$250,000, \$ _____, provided that the aggregate consideration for all such transactions does not exceed \$750,000 \$ _____; and

- (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

~~(m)~~(n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;

~~(n)~~(o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;

~~(o)~~(p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

~~(p)~~(q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the ~~Debtor~~Debtors;

~~(q)~~(r) to enter into agreements with any Licensed Insolvency Trustee ~~trustee in bankruptcy~~ appointed in respect of the ~~Debtor~~Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Debtors;

~~(r)~~(s) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have; ~~and~~

(t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; ~~;~~ and

~~(s)~~(u) to receive further advances of the petitioner's loans to the Debtors, or either of them, which loan amounts may be further increased on the agreement of the Receiver and the petitioner, for the purposes of carrying on the Receiver's duties pursuant hereto, which advances from the petitioner to the Receiver shall be secured by the petitioner's mortgage(s) and repayable to the petitioner in full priority to the claims of all respondents herein and all other creditors, including secured creditors, including persons who have registered or may register Claims of Builders Lien, pursuant to s. 32(5) of the Builders Lien Act, S.B.C. 1997, c. 45 and s. 31(1) of the BIA,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- ~~3.4.~~ Each of (i) the ~~Debtor~~Debtors; (ii) all of the ~~Debtor~~Debtors's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
- 4.5. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
- ~~5.6.~~ Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in ~~paragraphs 4, 5 or 6~~ of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
- ~~6.7.~~ If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

- ~~7.8.~~ No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~DEBTORS OR THE PROPERTY

~~8.9.~~ No Proceeding against or in respect of the ~~Debtor~~Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~Debtors or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the ~~Debtor~~Debtors and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

~~9.10.~~ All rights and remedies (including, without limitation, set-off rights) against the ~~Debtor~~Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the ~~Debtor~~Debtors to carry on any business which the ~~Debtor~~Debtors is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

~~11.~~ No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

~~10.12.~~ Any person who has provided policies of insurance or indemnities (including warranties) at the request of the Receiver shall be required to continue or renew such policy of insurance or indemnity following the date of this Order provided that the Receiver makes payment of the premium (on the usual commercial terms) as if this proceeding had not been commenced.

CONTINUATION OF SERVICES

~~11.13.~~ All Persons having oral or written agreements with the ~~Debtor~~Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the ~~Debtor~~Debtors's

current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

~~12.~~14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post-Receivership Accounts**”) and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

~~13.~~15. Subject to the employees’ right to terminate their employment, all employees of the ~~Debtor~~Debtors shall remain the employees of the ~~Debtor~~Debtors until such time as the Receiver, on the ~~Debtor~~Debtors’s behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the ~~Debtor~~Debtors, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

~~14.~~16. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the

~~Debtor~~Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~15.~~17. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

~~16.~~18. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

~~17.~~19. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:

- (a) before the Receiver's appointment; or,
- (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

~~18.~~20. Notwithstanding anything in federal or provincial law, but subject to paragraph ~~19~~7 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

~~19.~~21. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

- (a) any gross negligence or wilful misconduct on its part; or
- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~20.~~22. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~21.~~23. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

24. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands;

(a) against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court;

(b) in payment of any charges for taxes, utilities, or insurance premiums which relate to any of the Property;

~~22.~~(c) in reduction and/or repayment of the amounts owing under the petitioner's mortgages and, subsequent to repayment of the petitioner in full, to the respondent mortgagees in reduction and/or repayment of the amounts owing under their respective mortgages.

FUNDING OF THE RECEIVERSHIP

~~23.~~25. The Receiver is authorized and empowered to borrow monies, standing in the place and stead of the Debtors, from the petitioner on the terms and conditions of its mortgages, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ _____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. In addition to being secured by the petitioner's mortgages, the ~~The~~ whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies ~~borrowed~~ advanced to the Receiver by the petitioner, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person,

but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

- ~~24.26. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall not be enforced without leave of this Court.~~
- ~~25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.~~
- ~~26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.~~

ALLOCATION

27. To the extent not secured by and repaid in accordance with the terms of the petitioner's mortgages, Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.bowragroup.com/engagements> [~~WEB ADDRESS~~] (the "**Website**") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the ~~Applicant-petitioner~~ a demand for notice in the form attached as Schedule B (the "**Demand for Notice**"). The Receiver and the ~~Applicant-petitioner~~ need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the ~~Applicant-petitioner~~ from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the Petition [~~OR the Notice of Application~~] and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the ~~Debtor~~Debtors’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a ~~trustee in bankruptcy~~Licensed Insolvency Trustee of the ~~Debtor~~Debtors or either of them.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in

carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

39. The ~~[Plaintiff/Applicant]~~petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the ~~[Plaintiff/Applicant]~~'spetitioners' security or, if not so provided by the ~~[Plaintiff/Applicant]~~'spetitioners' security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor~~Debtors's estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the ~~[Plaintiff/Applicant]~~petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Signature of ~~[type of print name]~~Scott H.
Stephens
lawyer for ~~[Plaintiff/Applicant]~~the petitioner,
Romspen Investment Corporation

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"

SCHEDULE "A"

<u>Counsel/Person Appearing</u>	<u>Party Represented</u>

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

- ~~THIS IS TO CERTIFY that [RECEIVER'S NAME], the [Receiver and/or Receiver and Manager] (the "Receiver") of all of the assets, undertakings and properties of [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "Court") dated the _____ day of _____, 201_ (the "Order") made in SCBC Action No. _____ and/or SCBC Action No. _____/Estate No. _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.~~
- ~~The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.~~

3. ~~Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.~~
4. ~~All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.~~
5. ~~Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.~~
6. ~~The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.~~
7. ~~The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.~~

DATED the _____ day of _____, 201____.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:—
Title:—

Schedule "B"

Demand for Notice

TO: Romspen Investment Corproation
c/o Owen Bird Law Corporation
Attention: Scott H. Stephens
Email: sstephens@owenbird.com

AND TO: The Bowra Group Inc.
Attention: Mario Mainella
Email: mmainella@bowragroup.com

Re: In the matter of the Receivership of Conian Developments (La Voda) Inc. and Conian Developments (La Voda II) Inc.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

- 1. By email, at the following address (or addresses):

OR

- 2. By facsimile, at the following facsimile number (or numbers):

OR

- 3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

SCHEDULE "A"

Action No.

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

Romspen Investment Corporation

Petitioner

- and -

Conian Developments (La Voda) Inc. et al

Respondent

B.C. MODEL RECEIVERSHIP ORDER VERSION
NO. 3, _____, 2015
