



This is the 1st affidavit of N. Sidhu in this case and was made on 11/MAR/2026

NO. S-258845 VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002 C. 57

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF 1061511 B.C. LTD., JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD., AND JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP

PETITIONERS

AFFIDAVIT

I, NAVNEET SIDHU, of 20th Floor, 250 Howe Street, Vancouver, British Columbia, Legal Assistant, MAKE OATH AND SAY AS FOLLOWS:

1. I am employed by Dentons Canada LLP ("**Dentons**"), the solicitors for 1061511 B.C. Ltd. ("**106**"), Jameson Broadway & Birch General Partnership Ltd. (the "**GP**"), and Jameson Broadway & Birch Limited Partnership (the "**LP**" and collectively with 106 and the GP and 106, the "**Petitioners**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as to such facts, I verily believe the same to be true.

2. Now shown to me and attached hereto as **Exhibit "A"** are a Form B Mortgage, Express Mortgage Terms and Beneficial Authorization and Charge Agreement, among 106, the LP, Computershare Trust Company of Canada and Argo Ventures Inc.

SWORN BEFORE ME at Vancouver, BC, on 11/MAR/2026.

A Commissioner for taking Affidavits within British Columbia

NAVNEET SIDHU

EAMONN WATSON
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

This is **Exhibit "A"** referred to in the affidavit of Navneet Sidhu sworn before me at **Vancouver, BC** this 11 day of March, 2026.



A Commissioner for taking Affidavits
For **British Columbia**



1. Application

Nathan Pelech, Cassels Brock & Blackwell LLP
2200, 885 West Georgia Street
Vancouver BC V6C 3E8
778.372.7361

LTO Client No: 121379572
 File No: 53481.153
 Portage Granville

2. Description of Land

PID/Plan Number	Legal Description
030-417-261	LOT 1 BLOCK 353 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP81033

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

1061511 B.C. LTD. 104, 1525 WEST 8TH AVENUE VANCOUVER BC V6J 1T5	BC1061511
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4. Lender(s) (Mortgagee(s))

COMPUTERSHARE TRUST COMPANY OF CANADA C/O CMLS FINANCIAL LTD. 2110, 1066 WEST HASTINGS STREET VANCOUVER BC V6X 3X2	A0052313
ARGO VENTURES INC. 660, 355 BURRARD STREET VANCOUVER BC V6C 2G8	BC1088204

5. Payment Provisions

Principal Amount \$35,000,000	Interest Rate 16% Per Annum	Interest Adjustment Date N/A
Interest Calculation Period Monthly, Not in Advance	Payment Dates 1st Day of Each Month	First Payment Date N/A
Amount of each periodic payment N/A	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum	Last Payment Date N/A
Assignment of Rents which the applicant wants registered? No	Place of payment Postal Address in Item 4	Balance Due Date On Demand



6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

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

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

Easement and Indemnity Agreement 499005M

Easement BE53176

Covenant CA7161138, CA8600156, CA8600158, CA8600160, CA8600163, CA8600165, CA8600167, CA8600169, CA8600175, CA8600177, CB368525, CB368526, CB368527, CB382782, and CB400523

Statutory Right of Way CA8600154, CA8600171, CA8600173, CB368528 and CB1699871

Equitable Charge CA8600179 and CB368529

Modification CB78990, CB382781 and CB975790

Mortgage CB400524 and Assignment of Rents CB400525

Priority Agreement CB975791

Mortgage CB2520606 and Assignment of Rents CB2520607



12. Execution(s)

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

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

YYYY-MM-DD

1061511 B.C. LTD.
By their Authorized Signatory

Name:

Name:

Officer Certification

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

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996, c 250, that you certify this document under section 168.41 (4) of the Act, and that an execution copy, or a true copy of that execution copy, is in your possession.

EXPRESS MORTGAGE TERMS

The following set of Express Mortgage Terms shall be Part 2 of the Mortgage Form, as provided for in Item 9(c) of the Mortgage Form.

ARTICLE 1 DEFINITIONS

1.1 Definitions.

In this Mortgage unless the context otherwise requires:

- (a) **"106 Mortgage"** means the second-ranking mortgage by 1060485 B.C. Ltd. in favour of Computershare registered in the New Westminster Land Title Office as Instrument Nos. CB2356066 and CB2356067 on September 23, 2025;
- (b) **"4534 Mortgage"** means second-ranking mortgage by 4354 Investments Ltd. in favour of Computershare registered in the New Westminster Land Title Office as Instrument Nos. CB1605013 and CB1605014 on September 19, 2024;
- (c) **"Argo"** means Argo Ventures Inc.;
- (d) **"Argo Mortgage"** means the second-ranking mortgage and assignment of rents by 0993786 B.C. Ltd. in favour of Argo registered in the Vancouver/New Westminster Land Title Office as Instrument Nos. CA8226165 and CA8226165 on June 4, 2020, modified by a modification of mortgage and a modification of assignment of rents registered in the Vancouver/New Westminster Land Title Office as Instrument nos. CA9150643 and CA9150644, respectively, on June 30, 2021 and further modified by a modification of mortgage and a modification of assignment of rents registered in the Vancouver/New Westminster Land Title Office as Instrument nos. CB383924 and CB383925, respectively, on December 12, 2022;
- (e) **"B&B CCAA Proceedings"** means the proceedings pursuant to the *Companies' Creditor Arrangement Act* (Canada) in the Supreme Court of British Columbia, Vancouver Registry, Action No. S258845;
- (f) **"Business Day"** means any day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia, Toronto, Ontario, and New York, New York;
- (g) **"Computershare"** means Computershare Trust Company of Canada;
- (h) **"Existing Court-Ordered Charges"** means those Court-ordered charges granted in the B&B CCAA Proceedings in the amounts and as they exist as of the date of the Mortgage;
- (i) **"Existing Defaults"** means any default under the Existing Mortgages and the Permitted Encumbrances as of the date of the Mortgage;
- (j) **"Existing Indebtedness"** means, collectively, the principal amount, accrued and unpaid interest, and all other amounts owed to the Mortgagees, respectively, and secured by each of the Existing Mortgages;
- (k) **"Existing Mortgages"** means, collectively, the 106 Mortgage, the 4534 Mortgage, the Original Computershare Mortgage and the Argo Mortgage;
- (l) **"Forbearance Agreement"** means the forbearance agreement dated as of February 9, 2026, as may be amended, supplemented, restated or replaced from time to time;

- (m) "**Guarantor**" means any person that has guaranteed any obligations of the Mortgagor to the Mortgagees or either of them;
- (n) "**Indebtedness**" means the Principal Amount, accrued and unpaid interest, and all other amounts owed by the Mortgagor to the Mortgagees and secured by this Mortgage, subject to the limitations set out in section 3.1;
- (o) "**Interest Rate**" means the rate of interest set out in Item 5 (Interest Rate) of the Mortgage Form;
- (p) "**James Holdings**" means James Holdings Ltd.
- (q) "**Lands**" means the lands and premises described in Item 2 of the Mortgage Form;
- (r) "**Loan Documents**" means, collectively, the Forbearance Agreement, this Mortgage, and all other documents, security agreements, instruments, guarantees, indemnities, agreements, certificates, undertakings and opinions now or hereafter given or entered into as evidence of or as security for the Indebtedness and the Existing Indebtedness;
- (s) "**Maturity Date**" means the balance due date set out in Item 5 (Balance Due Date) of the Mortgage Form, and is the date on which all unpaid Indebtedness becomes due and payable, or such earlier date on which the Mortgagees can lawfully require payment of the Indebtedness;
- (t) "**Monitor**" means Alvarez & Marsal Canada Inc. in its capacity as Court-appointed monitor in the B&B CCAA Proceedings;
- (u) "**Mortgage**" means, collectively, the Mortgage Form, the schedule or schedules attached to the Mortgage Form and these Express Mortgage Terms;
- (v) "**Mortgage Approval Order**" means an order of the Supreme Court of British Columbia in the B&B CCAA Proceedings authorizing and approving, among other things, the registration of the Mortgage on title to the Lands;
- (w) "**Mortgage Form**" means a Mortgage - Part 1 (*Land Title Act Form B*), which refers in Item 9 of the Mortgage Form to these Express Mortgage Terms;
- (x) "**Mortgagees**" means the mortgagees described in Item 4 of the Mortgage Form and "**Mortgagee**" means any one of the Mortgagees;
- (y) "**Mortgagor**" means the Mortgagor described in Item 3 of the Mortgage Form;
- (z) "**Original Computershare Mortgage**" means the second-ranking mortgage and assignment of rents by No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd. in favour of Computershare registered in the Vancouver/New Westminster Land Title Office as Instrument Nos. CA9557378 and CA9557379, respectively, on December 3, 2021, modified by a modification of mortgage registered in the Vancouver/New Westminster Land Title Office as Instrument No. CB1635714 on October 4, 2024;
- (aa) "**Petitioners**" has the meaning set out in the Mortgage Approval Order;
- (bb) "**Permitted Encumbrances**" means the encumbrances set out in Item 11 of the Mortgage Form and the other Existing Court-Ordered Charges;
- (cc) "**Principal Amount**" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Mortgagor to James Holdings wherever and

however incurred and unpaid, to the limit of the Principal Amount set out in Item 5 (Principal Amount) of the Mortgage Form; and

- (dd) "Receiver" includes a receiver, a manager and a receiver-manager.

ARTICLE 2 PAYMENT

2.1 Payment.

The Mortgagor hereby acknowledges that the Mortgagor is or may become obligated to pay to the Mortgagees the Indebtedness from time to time in accordance with and in the manner agreed to between the Mortgagees and the Mortgagor.

ARTICLE 3 GRANT AND MORTGAGE

3.1 Security.

As continuing security for payment to the Mortgagees of all Indebtedness and as security for the observance and performance of all other obligations pursuant to this Mortgage, the Mortgagor:

- (a) mortgages and charges all of the Mortgagor's right, title and interest in and to the Lands to the Mortgagees; and
- (b) subject to the provisions of this Mortgage, releases to the Mortgagees all of the Mortgagor's claims upon the Lands,

provided that the Indebtedness secured by this Mortgage will be limited to (1) any and all amounts owing by one or more of the Petitioners to James Holdings; and (2) any and all distributions that James Holdings is entitled to from the Lands (including in respect of any sale or refinancing thereof).

3.2 Continuing Security.

This Mortgage shall be continuing security for the payment of the Indebtedness despite any change in the nature, state or form of account between the Mortgagor and the Mortgagees or either of them.

ARTICLE 4 INTEREST

4.1 Interest.

Interest shall accrue at the Interest Rate both before and after default, demand, maturity, and judgment until paid on the Indebtedness.

4.2 Compound Interest.

If the Mortgagor defaults in the payment of any amount due for interest at any time appointed for payment thereof, compound interest shall be payable and the amount in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Interest Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default a rest shall be made, and compound interest at the Interest Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall form part of the Indebtedness.

ARTICLE 5 PAYMENT

5.1 Payments.

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- (a) This Mortgage will operate until all Indebtedness is paid in full to the Mortgagees and all obligations whose performance are secured by this Mortgage are performed, in the manner provided in this Mortgage.
- (b) The Mortgagor will pay:
 - (i) principal, interest at the Interest Rate on any amounts secured by this Mortgage, and any other amounts forming the Indebtedness at such time and at such place as agreed to between the Mortgagor and the Mortgagees; and
 - (ii) on the Maturity Date, the Indebtedness.
- (c) Any amounts paid on account of this Mortgage, including any insurance proceeds, will be allocated to the Indebtedness in the manner set out below:
 - (i) 80% shall be paid to Computershare; and
 - (ii) 20% shall be paid to Argo.

5.2 Application of Payments.

Any payment by the Mortgagor after default may be applied by the Mortgagees to any part of the Indebtedness secured by this Mortgage as the Mortgagees see fit despite any contrary stipulation by the Mortgagor, provided that the allocation of payments set out in paragraph 5.1(c) will continue to apply after default.

ARTICLE 6 MORTGAGOR'S COVENANTS

6.1 Covenants.

The Mortgagor covenants with the Mortgagees that:

- (a) the Mortgagor shall pay to the Mortgagees all Indebtedness of the Mortgagor to the Mortgagees pursuant to this Mortgage;
- (b) the Mortgagor has good title to the Lands;
- (c) subject to the granting of Mortgage Approval Order, the Mortgagor has the right to mortgage the Lands including the right to convey the Lands to the Mortgagees notwithstanding any act of the Mortgagor;
- (d) the Mortgagor shall execute such further assurances of the Lands as may be requisite;
- (e) except as previously disclosed to the Mortgagees in writing, the Mortgagor has no knowledge of any other claim against the Lands;
- (f) except for the Permitted Encumbrances, the Mortgagor has done nothing to encumber the Lands; and
- (g) subject to section 3.1, the Mortgagor releases to the Mortgagees all its claims on the Lands provided that the Mortgagor may continue to remain in possession of the Lands unless there is an event of default that continues beyond any cure period and is not waived by the Mortgagees.

ARTICLE 7 MAINTENANCE OF CHARGE

7.1 Maintenance of Charge.

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Subject to the granting of the Mortgage Approval Order, the Mortgagor shall maintain and keep the security created in this Mortgage as a valid and effective security during the currency of this Mortgage and shall not permit or suffer the registration of any debt, lien or privilege whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of the Lands, which could rank prior to the charge of this Mortgage (collectively, the "**Liens**" and each a "**Lien**"); provided that the registration of any such lien or privilege shall not be deemed to be a breach of this covenant if the Mortgagor in good faith contests to the same and, if the Mortgagees so require, gives security to the satisfaction of the Mortgagees in their sole discretion for the due payment of the amount claimed, together with possible costs, in case it shall be a valid lien or privilege and such lien or privilege is discharged from title to the Lands within thirty days of registration.

7.2 Mortgagees May Pay to Maintain Charge.

The Mortgagees may, but shall not be obliged to, pay and satisfy any sum required to maintain this Mortgage as set out in paragraph 7.1 (the "**Maintenance Amount**") above without thereby waiving a breach of this covenant by the Mortgagor in the event of the Mortgagor failing to pay off the same within a reasonable time. Any amount paid by the Mortgagees to maintain this Mortgage, together with all costs, charges, expenses and outlays of the Mortgagees thereby incurred shall:

- (a) be added to the Indebtedness; and
- (b) be payable with interest by the Mortgagor to the Mortgagees immediately without demand;

the propriety of paying out any such sum in respect of any such claim or lien shall be a matter in which the Mortgagees' discretion shall be absolute and final and in the event of either of the Mortgagees satisfying any such claim or charge it shall also be entitled to all the equities and securities of the person or persons so paid off whether any such claim or charge has or has not been in fact discharged.

7.3 First Right to Maintain Charge

Without limiting paragraph 7.2, upon the Mortgagees becoming aware of the registration of any Lien (the "**Lien Registration Date**"), Computershare will have ten days from the Lien Registration Date to deliver notice to Argo of its intention to pay the Maintenance Amount. If Computershare does not deliver notice within the period set out herein, then Argo will be entitled to pay such Maintenance Amount upon prior written notice to Computershare of Argo's intention to do so. Each Mortgagee shall provide written notice to the other Mortgagee within five days of making any payment pursuant to this paragraph 7.3, which notice shall include particulars of the amount paid. For greater certainty, if either Mortgagee exercises the right to maintain this Mortgage, then the Maintenance Amount together with all costs, charges, expenses and outlays of such Mortgagee thereby incurred shall be added to the Indebtedness owed by the Mortgagor to such Mortgagee.

ARTICLE 8 INSURANCE

8.1 Insurance Requirements.

The Mortgagor shall immediately insure, and during the continuance of this Mortgage keep insured and maintain the insurance required by the Mortgagees, including, without limitation, the following coverages:

- (a) all risks of direct loss or damage to all buildings, improvements and fixtures on the Lands, including, without limitation, coverage for the foundations of all improvements, all on a full replacement cost basis with loss payable to the Mortgagees under an Insurance Bureau of Canada mortgage clause;
- (b) comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical

apparatus on the Lands, for an amount satisfactory to the Mortgagees, with loss payable to the Mortgagees under a Boiler and Machinery Insurance Association mortgage clause;

- (c) such other insurable risks, perils or events including, without limiting the generality of the foregoing, plate glass, rental, business interruption, flood, earthquake and public liability insurance, and in such amounts as the Mortgagees may require, upon the improvements situate on the Lands to the full replacement value and for such period of time as the Mortgagees may from time to time require during the existence of this Mortgage; and
- (d) comprehensive general liability insurance, inclusive of bodily injury, death or property damage or loss, for a minimum amount of \$5,000,000.00 per occurrence or such other amount as the Mortgagees may reasonably request.

8.2 Additional Insurance Requirements.

All policies of insurance pursuant to this article 8 shall be placed with a company or companies satisfactory to the Mortgagees and the Mortgagor shall not do nor suffer anything whereby the policy or policies may be vitiated, and shall pay all premiums and sums of money necessary under the policy or policies as they become due and shall assign and deliver over to the Mortgagees the policy or policies of insurance, and related receipts. Deductible amounts shall also be subject to Mortgagees' approval. All cancellations and alteration clauses in the above-referenced policies, including those obtained in the mortgage clause endorsements, shall provide for at least thirty days' prior written notice to the Mortgagees of any cancellation of or material alteration to the policy. The Mortgagor shall provide evidence of policy renewal or satisfactory replacement annually at least thirty days prior to expiry. The Mortgagees shall be entitled to require coverage of such other risks and perils as the Mortgagees may from time to time consider advisable or desirable and in respect of which insurance coverage is available.

8.3 Mortgagees at Liberty to Insure.

If the Mortgagor neglects to keep the Lands insured as set out in this article 8, or to pay the said premiums, or to deliver such policy or policies of insurance, or the receipt or receipts relating thereto, or to deliver satisfactory evidence of the renewal of each policy of insurance to the Mortgagees at least [five] days before its expiry (the "**Expiry Date**"), then the Mortgagees shall be at liberty, but shall not be required, to insure the Lands as set out in this article 8, and the cost (the "**Insurance Renewal Costs**") of doing so shall be added to and form part of the Indebtedness.

Without limiting the foregoing, if the Mortgagor fails to deliver satisfactory evidence of the renewal of each policy on or prior to the applicable Expiry Date, then Computershare will have ten days following the Expiry Date to deliver notice to Argo of its intention to pay any Insurance Renewal Costs. If Computershare does not deliver notice within the period set out herein, then Argo will be entitled to pay such Insurance Renewal Costs upon providing prior written notice to Computershare of its intention to do so. Each Mortgagee shall provide written notice to the other Mortgagee within five days of making any payment pursuant to this paragraph 8.3, which notice shall include particulars of the amount paid. For greater certainty, if either Mortgagee exercises the right to pay the amounts contemplated hereunder, then the Insurance Renewal Costs paid by such Mortgagee shall be immediately added to the Indebtedness owed by the Mortgagor to such Mortgagee.

8.4 Insurer to be Acceptable to Mortgagees.

The Mortgagees shall be entitled at their option to name the company or companies and the agents thereof, by which the insurance shall be written, all at the cost of the Mortgagor. The Mortgagees may require any insurance of the buildings and Lands to be cancelled and new insurance effected.

8.5 Mortgagees to be Loss Payee.

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The loss under any policies or contracts of insurance required to be provided by the Mortgagor, and any renewal thereof, shall be payable to the Mortgagees as its interests may appear, and such policies or contracts shall be in terms satisfactory to the Mortgagees, shall have attached mortgage clauses in a form approved by the Mortgagees, and shall be delivered to and held by the Mortgagees.

8.6 Mortgagees' Right to Inspect.

In case of the cancellation of any insurance by reason of the unsatisfactory condition of the buildings on the Lands or from any other cause whatsoever, the Mortgagees or their agents shall have the right to enter the said buildings at any time for the purpose of inspection at the expense of the Mortgagor. The exercise of any of the powers enumerated in this section shall not result in the Mortgagees, or their agent being deemed to be in possession, management, or control of the Lands.

8.7 Mortgagees Not Liable.

Nothing in this Mortgage shall be deemed to hold the Mortgagees responsible for failure to have insurance placed or for any loss from any defects in any policy, or because of failure of any insurance company to pay for any loss or damage insured against.

8.8 Mortgagor Responsible Upon Insurable Loss.

On the happening of any loss or damage the Mortgagor shall, at its sole expense, provide all necessary proofs and do all necessary acts to enable the Mortgagees to obtain payment of the insurance moneys.

8.9 Application of Insurance Proceeds.

All moneys received by virtue of any policy or policies as aforesaid may, at the option of the Mortgagees, be in any proportion or combination:

- (a) applied toward repairing, rebuilding, or reinstating the improvements to the Lands;
- (b) paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Lands; or
- (c) subject to section 5.1(c), applied, at the sole discretion of the Mortgagees, in whole or in part to the Indebtedness or any other sums secured in this Mortgage and to ensure that any insurance proceeds may be so applied the Mortgagor waives all of the Mortgagor's rights and benefits under the *Fire Prevention (Metropolis) Act, 14 Geo. III, 1774 (imp.)*, c.78 or any other statute of like effect.

8.10 Limitation on Insurance Obligations.

Notwithstanding any other provision of this article 8, nothing in this Mortgage shall require the Mortgagor to obtain any insurance that is more onerous, costly or otherwise different than the insurance that the Mortgagor has provided to other creditors under the Permitted Encumbrances and nothing herein shall obligate the Mortgagor to incur any additional costs greater than the costs of the existing insurance policies. The Mortgagor's obligation under this article 8 shall be limited to maintaining the existing insurance policies and adding the Mortgagees as additional insureds and loss payees, as applicable, to the Mortgagor's existing insurance policies.

ARTICLE 9 TAXES, LIENS AND ENCUMBRANCES

9.1 Mortgagor to Pay When Due.

The Mortgagor shall pay, as and when due, all taxes, rates, liens, charges, encumbrances or claims which are or may become charges or claims against the Lands or on this Mortgage or on the Mortgagees in respect of this Mortgage and, on demand by the Mortgagees, shall produce and leave with the Mortgagees receipts for the same.

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9.2 Mortgagees May Pay.

The Mortgagees may, but shall not be required to, pay, as and when the same shall fall due (each a "**Due Date**"), all taxes, rates, liens, charges, encumbrances or claims which are or may be assessed or become charges or claims against the Lands or on this Mortgage or on the Mortgagees in respect of this Mortgage (collectively, the "**Taxes, Liens and Encumbrances Amounts**") and any amount so paid by the Mortgagees shall become part of the Indebtedness.

Without limiting the foregoing, Computershare will have ten days following a Due Date to deliver notice to Argo of its intention to pay any outstanding Taxes, Liens and Encumbrances Amounts. If Computershare does not deliver notice within the period set out herein, then Argo will be entitled to pay such Taxes, Liens and Encumbrances Amounts upon providing prior written notice to Computershare of Argo's intention to do so. Each Mortgagee shall provide written notice to the other Mortgagee within five days of making any payment pursuant to this paragraph 9.2, which notice shall include particulars of the amount paid. For greater certainty, if either Mortgagee exercises the right to pay the amounts contemplated hereunder, then the Taxes, Liens and Encumbrances Amounts paid by such Mortgagee shall be immediately added to the Indebtedness owed by the Mortgagor to such Mortgagee.

9.3 Mortgagees' Right to Redeem or Purchase.

If the Lands or any part of the Lands are sold or forfeited for non-payment of taxes or any other lien or encumbrance ("**Sale or Forfeiture**"), while any sum remains unpaid, the Mortgagees may acquire title and rights of a purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Mortgagees may pay, either in its own name or in the name of the Mortgagor, any sums necessary to be paid to redeem the Lands sold or forfeited, and to revert the Lands in the Mortgagor. The Mortgagor hereby nominates and appoints the Mortgagees, acting independently or jointly, as agent or agents, as the case may be, to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagees shall be repaid by the Mortgagor to the Mortgagees immediately, or in the alternative the Mortgagees shall have the right to bid on and/or purchase the Lands at any sale of the Lands, and in such an event shall become the absolute owner of the Lands.

Without limiting the foregoing, upon the occurrence of a Sale or Forfeiture of the Lands, Computershare will have the right to deliver notice of its intention to Argo to either:

- (a) pay any sums necessary to redeem the Lands that have been sold or forfeited in order to revert the Lands in the Mortgagor, provided such notice is delivered within ten days following the occurrence of the Sale or Forfeiture of the Lands; or
- (b) bid on and/or purchase the Lands at any sale of the Lands, provided such notice is delivered ten days prior to the date on which the sale of the Lands is held.

If Computershare does not deliver notice within the applicable period set out herein, then Argo will be entitled to redeem the Lands or bid-on and/or purchase the Lands, as the case may be, upon providing prior written notice to Computershare of Argo's intention to do so. For greater certainty, if either Mortgagee exercises the right to pay the sums necessary to redeem the Lands as contemplated hereunder, then any moneys so expended by such Mortgagee shall be repaid by the Mortgagor to such Mortgagee immediately or, in the alternative, if any Mortgagee shall bid on and/or purchase the Lands at any sale of the Lands, then in such event such Mortgagee shall become the absolute owner of the Lands, in its sole capacity.

ARTICLE 10 IMPROVEMENTS, FIXTURES, MAINTENANCE

10.1 Erections, Buildings, Improvements and Fixtures Form Part of Security.

All erections, buildings, improvements, and other fixtures which are now or which shall be placed or installed upon the Lands are or shall be deemed to be fixtures and form part of the realty and of the security and are included in the term "Lands", except for trade fixtures installed by tenants of the Lands which remain the property of such tenants and may be removed by them in accordance with their Leases. The Mortgagor acknowledges and agrees that all erections, buildings, machinery, plant and improvements whatsoever, including furnaces, boilers, water heaters and all plumbing, air conditioning, ventilating and heating equipment, electric light fixtures, storm windows and storm doors, window screens and screen doors, refrigerators, ranges, dishwashers, clothes washers, clothes dryers, garbage compactors and any other appliances and all apparatus and equipment appurtenant thereto, which are now or which shall hereafter be put upon the Lands, are or shall be deemed to be fixtures and a part of the Lands and the security for the Indebtedness, even though not attached otherwise than by their own weight, but excluding trade fixtures installed by tenants.

10.2 Maintenance and Repair.

The Mortgagor shall keep the Lands and the buildings and improvements on the Lands in good condition and repair and shall promptly make good and restore all loss or damage occurring to the Lands and the buildings and improvements on the Lands, and shall not commit or permit any act of waste on the Lands or permit anything which might impair the value of the Lands. In addition, the Mortgagor shall keep the Lands free from all noxious weeds and generally ensure that the property is maintained in a good operating condition.

10.3 Loss or Damage.

If, in the opinion of the Mortgagees, any loss or damage occurs to the Lands or destruction of any erections, buildings, improvements, and other fixtures:

- (a) the Mortgagees may give notice to the Mortgagor to repair, rebuild, replace or reinstate the same within a time to be determined by the Mortgagees and to be stated in such notice;
- (b) upon the Mortgagor failing so to repair, rebuild, replace or reinstate within the time stated by the Mortgagees, such failure shall constitute a breach of covenant under this Mortgage and the Indebtedness shall, at the option of the Mortgagees, become immediately due and payable; and
- (c) the Mortgagees may, but shall not be required to, repair, rebuild, replace or reinstate same at the cost of the Mortgagor and add all sums determined by the Mortgagees, in its sole discretion to be properly paid, to the Indebtedness.

10.4 Obligations Cumulative.

This article 10 shall be in addition to any statutory covenants implied in this Mortgage.

ARTICLE 11 STRATA PROVISIONS

11.1 Strata Title Provisions.

If any of the Lands are or become strata lots the following provisions shall apply to such of the Lands which are at any time strata lots:

- (a) **Pay Assessments.** The Mortgagor shall, on or before the due dates, pay each and every assessment, contribution or levy made against the Lands by the strata corporation governing the Lands. In the event the Mortgagor fails to pay any one or more of such assessments, contributions, or levies on or before their due date,

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including without limiting the generality of the foregoing, a default by the Mortgagor in payment of the Mortgagor's share of the common expenses, whereby the strata corporation may register a Certificate in Form "G" of the *Strata Property Regulation*, such failure shall constitute default under this Mortgage and the whole of the Indebtedness shall immediately, at the option of the Mortgagees, become due and be paid. Upon the Mortgagor's failure to pay such assessments, contributions or levies, the Mortgagees may make such payments but shall not be obliged to do so, and any amount so paid by the Mortgagees shall be added to the Indebtedness, and shall be paid to the Mortgagees together with interest immediately without demand;

- (b) **Observe Duties.** The Mortgagor shall observe, perform and carry out all the duties, obligations and requirements of an owner pursuant to the *Strata Property Act* (British Columbia) and the strata's by-laws from time to time in force with respect to the Lands;
- (c) **Assign Voting Rights.** Pursuant to Section 54 of the *Strata Property Act* (British Columbia), the Mortgagor assigns, transfers and confers upon the Mortgagees the power and right to vote in the place and stead of the Mortgagor in respect of any matters relating to insurance, maintenance, or finance or other matters affecting the security of the Mortgagees and upon which the Mortgagor is entitled to vote pursuant to the Strata By-laws which apply to the Lands;
- (d) **Mortgagees Not Liable.** The Mortgagor acknowledges and agrees that nothing contained in this Mortgage, including the exercise of any right to vote, shall render the Mortgagees a mortgagee in possession and that the right to vote does not entail or constitute a representation, expressed or implied, that the Mortgagees shall be obliged to vote or to protect the interest of the Mortgagor and the Mortgagees shall not be responsible for any exercise of the right to vote or any failure to vote;
- (e) **Certification.** Pursuant to Section 59 of the *Strata Property Act* (British Columbia), the Mortgagor authorizes any officer of the Mortgagees to apply at any time to the strata corporation for a Certificate in Form "B" of the *Strata Property Regulation*, which Certificate shall provide to the Mortgagees information in respect of:
 - (i) the monthly strata fees payable by the Mortgagor;
 - (ii) any amount that the Mortgagor owes the strata corporation, other than an amount paid into court or to the strata corporation in trust under Section 114 of the *Strata Property Act* (British Columbia);
 - (iii) any agreements under which the Mortgagor takes responsibility for expenses relating to alterations to the Lands, the common property or the common assets;
 - (iv) any amount that the Mortgagor is obligated to pay in the future for a special levy that has already been approved and the date by which the payment is to be made;
 - (v) 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;
 - (vi) the amount of the contingency reserve fund minus any expenditures which have already been approved but not yet taken from the fund;
 - (vii) any amendments to the By-laws that have not been filed in the Land Title Office;

- (viii) any resolution passed by a 3/4 vote or unanimous vote that is required to be filed in the Land Title Office but that has not yet been filed in the Land Title Office;
 - (ix) any notice that has been given for a resolution that has not been voted on, if the resolution requires a 3/4 vote or unanimous vote or deals with an amendment to the By-laws;
 - (x) any court proceeding or arbitration in which the strata corporation is a party and any judgements or orders against the strata corporation;
 - (xi) any notices or work orders received by the strata corporation that remain outstanding for the Lands, the common property or the common assets;
 - (xii) the number of strata lots in the strata plan that are rented; and
 - (xiii) any other information required by the regulations of the *Strata Property Act* (British Columbia).
- (f) **Form "F"**. Pursuant to Section 115 of the *Strata Property Act* (British Columbia), the Mortgagor authorizes any officer of the Mortgagees to apply at any time to the strata corporation on behalf of the Mortgagor for a Certificate in Form "F" of the *Strata Property Regulation* that no monies are owing to the strata corporation by the Mortgagor;
- (g) **Notices**. Upon the request of the Mortgagees the Mortgagor shall deliver to the Mortgagees copies of all notices of meetings, minutes, financial statements and documents of a similar nature of the strata corporation and delivered by the strata corporation to the Mortgagor; and
- (h) **Leases**. It, at any time while this Mortgage remains registered against the Lands, the Mortgagor shall give possession of the Lands to a person on the basis of a lease, sublease or assignment of lease for a term of three years or more and by so doing be deemed pursuant to Sections 147 and 148 of the *Strata Property Act* (British Columbia) to have assigned to the occupier all the Mortgagor's rights, powers, duties and obligations under the *Strata Property Act* (British Columbia), then all sums owing under this Mortgage, shall, at the option of the Mortgagees immediately become due and payable.

**ARTICLE 12
INTENTIONALLY DELETED**

**ARTICLE 13
DEFAULT**

13.1 Events of Default.

Notwithstanding that the Indebtedness or any part thereof may be payable on demand, and without prejudice thereto, the following shall constitute events of default under this Mortgage:

- (a) **Payment**. The Mortgagor fails to pay any amount owing when due to the Mortgagees pursuant to this Mortgage or any other agreement between the Mortgagor and the Mortgagees.
- (b) **Default**. The Mortgagor defaults on any of the covenants, agreements, provisos, stipulations or events of default under this Mortgage or any other agreement between the Mortgagor and the Mortgagees.

- (c) **Other Obligations.** The Mortgagor fails to observe, perform or satisfy any obligations pursuant to this Mortgage or any other agreement between the Mortgagor and the Mortgagees, or either of them including, for the avoidance of doubt, the Forbearance Agreement.
- (d) **Misrepresentation.** Any fact, circumstance, representation or warranty given or acknowledged or agreed to by the Mortgagor or any Guarantor (including by any director or officer thereof if the Mortgagor or Guarantor is a corporation) in the Forbearance Agreement or these Express Mortgage Terms is untrue in any material respect.
- (e) **Winding Up.** An order is made or a resolution passed for the winding-up of the Mortgagor or a Guarantor, or a petition is filed for the winding-up of the Mortgagor.
- (f) **Bankruptcy.** Except for the Existing Defaults, the Mortgagor or a Guarantor commits or threatens to commit any act of bankruptcy or becomes insolvent, files a notice of intention to make a proposal or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* (Canada) or a general assignment in favour of its creditors or a bulk sale of its assets, or a bankruptcy petition is filed or presented against the Mortgagor or a Guarantor, without the consent of the Mortgagees.
- (g) **CCAA Proceedings.** The termination of the B&B CCAA Proceedings, the termination or expiration of the stay issued thereunder or the granting of relief from such stay in favour of any person not agreed to in advance by the Mortgagees;
- (h) **Seeking Additional Support.** The seeking or support by the Mortgagor of any order, or if any order is made by in the B&B CCAA Proceedings that contravenes or is inconsistent with this Mortgage or the Loan Documents that adversely affects the interest of the Mortgagees, as determined by the Mortgagees, acting reasonably.
- (i) **Breach of CCAA Order.** If the Mortgagor is in material breach of the Mortgage Approval Order and any other order granted in the B&B CCAA Proceedings.
- (j) **Receiver.** A Receiver is appointed over any asset of the Mortgagor or of a Guarantor.
- (k) **Loss of Income.** If the Lands are capable of generating income and there is loss or damage to them which materially adversely affects their income-generating ability in the reasonable opinion of the Mortgagees, and such loss or damage cannot be repaired or replaced so as to re-establish the income-generating ability of the Lands within 120 days following such loss or damage.
- (l) **Maintain Business.** If the Mortgagor operates a business on the Lands, and it fails to maintain and operate such business as a going concern in a prudent and businesslike manner to the reasonable satisfaction of the Mortgagees.
- (m) **Abandonment.** The Mortgagor abandons the Lands or any part of the Lands.
- (n) **Sale of Lands.** The Mortgagor sells, transfers or disposes of the Lands or any part thereof without the express written consent of the Mortgagees.
- (o) **Execution Etc.** Any execution, judgment, order, sequestration, extent or any other process of any Court becomes enforceable against the Mortgagor or the Lands or if a distress or analogous process is levied upon the property of the Mortgagor or any part thereof.
- (p) **Proceeding by Other Encumbrancee.** If any other Mortgagees, encumbrancee or other party having a charge on the Lands commences proceedings to enforce its rights

or security in such mortgage, encumbrance or charge or takes steps to collect all or any of the income generated from the Lands.

- (q) **Other Indebtedness.** The Mortgagor permits any sum, which has been admitted as due by the Mortgagor or is not disputed to be due by the Mortgagor and which forms or is capable of being made a charge upon the Lands, to remain unpaid for thirty days after proceedings have been taken to enforce the same.
- (r) **Floating Charge.** Any charge or encumbrance created or issued by the Mortgagor in the nature of a floating charge becomes enforceable and any step is taken to enforce the same.
- (s) **Strata Fees.** The Mortgagor fails to pay when due any amount owing by the Mortgagor to the strata corporation in relation to the Lands, or any agent of the strata corporation.
- (t) **Change of Control.** Where, without the prior written consent of the Mortgagees, there is a change of control in relation to the Mortgagor or any Guarantor (where the same are not individuals).
- (u) **Granting Security.** Without the prior written consent of the Mortgagees, the Mortgagor grants or attempts to grant any form of security to any person other than the Mortgagees ranking or purporting to rank in priority to or equally with the security held by the Mortgagees on the Lands, or agrees to or requests any increase in the amount of the Permitted Encumbrances.
- (v) **Failure to Effect or Maintain Insurance.** If for any reason any insurance in relation to the Lands cannot be effected or maintained.
- (w) **Failure to Pay Taxes, Liens and Encumbrances When Due.** If payments are not made as set out in article 9 and such default continues for a period of ten days.
- (x) **Security at Risk.** If for any other reason the Mortgagees reasonably determines that there is a material adverse change to the title to the Lands or this Mortgage (collectively the "**Material Adverse Changes**") whereby such Material Adverse Change would put this Mortgage at risk.

13.2 Realization of Security and No Merger.

The Mortgagor acknowledges and agrees that the Mortgagees may realize upon various securities securing any part of the Indebtedness in such order as it may deem advisable in its sole discretion, and any such realization by any means upon any security shall not bar realization upon any other security or this Mortgage and the taking of a judgment on any of the covenants or provisos in this Mortgage shall not operate as a merger thereof or of this Mortgage.

ARTICLE 14 REMEDIES ON DEFAULT

14.1 Remedies on Default.

In the event of default being made in any of the covenants, agreements, provisos or stipulations expressed or implied in this Mortgage, then in addition to the rights and privileges of the Mortgagees at common law, in equity, or by statute and subject to the terms of any order granted in the B&B CCAA Proceedings:

- (a) the Mortgagees may, but shall not be required to, at the expense of the Mortgagor and when and to such extent as the Mortgagees deem advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained in this Mortgage;

- (b) the Mortgagees may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the Lands;
- (c) the Mortgagees or agent of the Mortgagees may enter into possession of the Lands and whether in or out of possession collect the rents and profits of the Lands, and make any demise or lease of any part of the Lands, for such terms and periods and at such rents as the Mortgagees shall think proper; and the power of sale under this Mortgage may be exercised either before or after and subject to any such demise or lease;
- (d) it shall be lawful for and the Mortgagor hereby grants full power, right and licence to the Mortgagees to enter, seize and distrain upon any part of the Lands, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Indebtedness as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses of attending to such levy or distress, as in like cases of distress for rent;
- (e) the Mortgagees may sell and dispose of the Lands with or without entering into possession of the Lands and with or without notice to the Mortgagor or any party interested in the Lands; and all remedies may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagees under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defects, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Lands; and the Mortgagees may sell, transfer and convey any part of the Lands on such terms of credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagees most advantageous and for such prices as can reasonably be obtained; and sales may be made at any time of parts of the Lands to satisfy interest or parts of the Indebtedness overdue, leaving the Indebtedness or parts thereof to run with interest payable; and on any sale or resale, the Mortgagees shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagees may make and execute all agreements and assurances that the Mortgagees shall deem advisable or necessary;
- (f) the Mortgagees shall be entitled (in addition and without prejudice to all its other rights and privileges) immediately to apply for and obtain the appointment of a Receiver of the Lands and premises and the rents and profits thereof without the necessity of first exercising its right to enter into possession;
- (g) sue the Mortgagor for the Indebtedness;
- (h) to distrain for arrears for all or any part of the Indebtedness;
- (i) to take any judicial proceedings to foreclose the Mortgagor's or any other person's, or both, interest in all or any part of the Lands, to take possession of the Lands or to sell, lease or otherwise deal with the Lands, or both;
- (j) to enter on and take possession of all or any part of the Lands;
- (k) to sell or lease, or both, any part of the Lands or to sell the unexpired term of any lease of the Lands; and
- (l) subject to the terms of the Mortgage Approval Order, and with leave of the CCAA Court sought on not less than three days' notice to the Mortgagor, the Monitor and those other parties on the service list maintained in the B&B CCAA Proceedings, (i) enforce the Mortgage and exercise of other rights and remedies in respect of the Indebtedness

and the Mortgage; (ii) exercise any and all rights and remedies available to the Mortgagees under any applicable laws, in equity, pursuant to this Mortgage, the Loan Documents or otherwise.

14.2 Acceleration on Default.

If the Mortgagor:

- (a) defaults in the payment of the Indebtedness or interest under any charge or encumbrance, if any, having priority over this Mortgage; or
- (b) defaults in the observance or performance of any of the covenants, terms, provisos, or conditions contained in this Mortgage or under any charge or encumbrance, if any having priority over this Mortgage,

the Indebtedness shall, at the option of the Mortgagees, immediately become due and payable and the Mortgagees may exercise all the rights and powers of this Mortgage as if the Mortgagor had defaulted under this Mortgage.

14.3 No Waiver.

The Mortgagor acknowledges and agrees that:

- (a) the failure of the Mortgagees to exercise; or
- (b) the delay of the Mortgagees in exercising;

any right under this Mortgage shall not operate as a waiver thereof nor shall any single or partial exercise by the Mortgagees of any right under this Mortgage preclude any other or further exercise thereof or the exercise of any other right.

14.4 Remedies Cumulative.

The remedies in this Mortgage shall be cumulative and not exclusive of any other remedies provided by law and all remedies stipulated for the Mortgagees in this Mortgage shall be deemed to be in addition to and not restrictive of the remedies of a Mortgagees at law or in equity.

ARTICLE 15 RECEIVER

15.1 Appointment of a Receiver.

The Mortgagees or a solicitor or agent authorized on its behalf, upon any default whatsoever on the part of the Mortgagor in payment of the Indebtedness, or in the observance of any of the covenants and conditions contained in this Mortgage, from time to time appoint any person (including an officer of the Mortgagees) to be a Receiver of the Lands. The Mortgagees may likewise remove any such Receiver and appoint another in his place, and any such Receiver appointed, pursuant to the foregoing provisions, shall have the following powers:

- (a) **Possession.** To take possession of the Lands and, for that purpose, to do any act and take any proceedings in the name of the Mortgagor, or otherwise, as he shall deem necessary;
- (b) **Carry on Business.** To carry on or concur in carrying on the business of the Mortgagor related to the Lands, and to employ and discharge such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such wages or remuneration as he shall think proper; and to repair and keep in repair the buildings, plant or other property comprised in the Lands, and to do all necessary acts and things

for the carrying on of the business of the Mortgagor and the protection of the undertaking, property and assets of the Mortgagor related to the Lands;

- (c) **Make Arrangements.** To make any reasonable arrangement or compromise which he determines is in the interest of the Mortgagees; and with Court approval to exchange any part or parts of the Lands for any other property suitable for the purposes of the Mortgagor, and upon such terms as may seem expedient;
- (d) **Raise Money.** To raise on the security of the Lands or any part of the undertaking, property and assets of the Mortgagor related to the Lands, any sum of money required for the carrying on of the Mortgagor's business related to the Lands, or for the repairs, insurance, protection, or any other purpose mentioned in this Mortgage, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Lands, or any part thereof, which would, or might, have priority over the charge created by this Mortgage;
- (e) **Sell or Lease.** To sell or lease or to concur in the selling or leasing of the Lands or any part of the Lands, and to carry any such sale or lease into effect, by conveying in the name or on behalf of the Mortgagor. Any such sale may be made either at public auction or private sale as the Receiver in its sole discretion deems appropriate, and any such sale may be made from time to time as to the whole or any parts of the Lands. The Receiver may:
 - (i) make any stipulations as to title or conveyance or commitment of title, or otherwise, which it deems proper;
 - (ii) buy in or rescind, or vary any contract for the sale of any part of the Lands and may resell; and
 - (iii) sell any of the Lands on such terms as to credit or part cash and part credit, or otherwise as appear to be most advantageous and at such prices as can reasonably be obtained for the Lands, and in the event of a sale on credit neither he, nor the Mortgagees shall be accountable for, or charged with, any moneys until actually received;

It is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power, shall be bound or concerned to see or enquire whether any default has been made or continues, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulation subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular. Notwithstanding any impropriety or irregularity, or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and valid accordingly and the remedy (if any) of the Mortgagor in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only; and

- (f) **Complete Construction.** To complete or cause to be completed, in whole or in part such improvements on the Lands as he thinks proper in the interests of the Mortgagees and to employ and discharge such contractors, subcontractors, materialmen, agents, managers, clerks, accountants, servants, workmen and others upon such terms and in managers, clerks, accountants, servants, workmen and others upon such terms and in accordance with such contract arrangements, salaries, wages or remuneration as he thinks proper.

15.2 Distribution of Receiver's Income.

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The Receiver appointed and acting under any of the foregoing provisions shall be entitled out of the moneys arising out of taking possession of the Lands, carrying on of the Mortgagor's business related to the Lands or out of any sale or lease of any part of the Lands, in the first place to pay and satisfy all the costs and expenses attending such possession, carrying on and managing the Mortgagor's business, or sale, or completing in whole or in part the construction or otherwise relating to the exercise of his powers under this Mortgage including his remuneration as Receiver, and in the second place to pay and satisfy any lien or charge ranking in priority to this Mortgage, and in the third place to pay and satisfy any arrears of interest which owing under this Mortgage, and in the fourth place to pay and satisfy the Indebtedness, and should any surplus remain in the hands of the said Receiver after payment as aforesaid, then the Mortgagor shall be entitled to such surplus.

15.3 Liability of Receiver.

The Receiver or Receiver Manager appointed and exercising his powers under this Mortgage shall not be liable for any loss however arising, unless the loss is caused by his own negligence or wilful default and shall, when so appointed, be deemed to be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the Receiver's acts and defaults and for its remuneration.

15.4 Dealing with Lands.

In exercising his powers under this Mortgage, any Receiver will be free to deal with the Lands and any assets of the Mortgagor related to the Lands in such order or manner as he may be directed by the Mortgagees despite any rule of law or equity to the contrary, including, without limitation, the equitable principle of marshalling.

ARTICLE 16 SUBDIVISION

16.1 Subdivision.

The Mortgagor agrees and declares that:

- (a) every part or lot into which the Lands are or may be divided shall stand charged with the entirety of the Indebtedness and the whole of the moneys hereby secured;
- (b) no person shall have any right to require the Indebtedness to be apportioned upon or in respect of any such part or lots; and
- (c) the Mortgagees may discharge any parts of the Lands from time to time for such consideration as it shall think proper including without consideration; and no such discharge shall diminish or prejudice this security as against the Lands remaining undischarged or as against any person.

ARTICLE 17 RELEASE

17.1 Release.

The Mortgagees may release others from any liability to pay all or any part of the Indebtedness without releasing the Mortgagor.

ARTICLE 18 COSTS

18.1 Expenses of Obtaining and Maintaining Security.

All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage and for examining the Lands and the title to the Lands and for making or maintaining this Mortgage's priority on the Lands, and all costs in exercising or enforcing or attempting to enforce or in

pursuance of any right, power, remedy or purpose under this Mortgage and legal costs as between solicitor and client, and allowance for the time, work and expenses of the Mortgagees or of any agent, solicitor or servant of the Mortgagees for any purpose herein provided for as from time to time are permitted by the laws of the Province of British Columbia together with all sums which the Mortgagees may and does from time to time advance, expend or incur under this Mortgage as principal, insurance premiums, taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Lands, or in maintaining, repairing, restoring or completing the Lands, and in inspecting, leasing, managing or improving the Lands, including the price or value of any goods of any sort or description supplied to be used on the Lands, and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the said rate; and all such moneys shall be repayable to the Mortgagees on demand, or if not demanded, then with the next ensuing instalment of interest, except as otherwise provided in this Mortgage.

18.2 Costs.

In any judicial proceedings taken to enforce this Mortgage and the covenants of the Mortgagor under this Mortgage, including to recover or take possession of the Lands, to foreclose the interest of the Mortgagor in the Lands or for the redemption of this Mortgage the Mortgagees shall be entitled to costs on a solicitor and his own client basis. Any costs so recovered shall be credited against any solicitors' charges and commission paid or incurred by the Mortgagees relating to the matters in respect of which the costs were awarded and which have been added to the moneys secured under this Mortgage pursuant to the foregoing section.

ARTICLE 19 DUE ON SALE/CHANGE OF CONTROL

19.1 Sale.

The Mortgagor acknowledges and agrees that, despite any other provisions contained in this Mortgage the whole of the Indebtedness shall, at the option of the Mortgagees, immediately become due and payable if the Mortgagor, directly or indirectly, sells or otherwise disposes or agrees to sell or otherwise dispose of the Lands or any part of the Lands.

19.2 Change of Control.

Subject to the Mortgagor obtaining the prior written consent of the Mortgagees, it is further understood and agreed that, despite any other provisions contained in this Mortgage, the whole of the Indebtedness shall, at the option of the Mortgagees, immediately become due and payable if in the opinion of the Mortgagees:

- (a) there is a change in the direct or indirect effective voting control of the Mortgagor or more than 25% of the voting shares/units of the Mortgagor are transferred; unless the Mortgagor is a publicly traded entity (being an entity whose shares/units are listed and traded on a recognized stock exchange in Canada or the United States);
- (b) if the Mortgagor is a corporation, and the Mortgagor amalgamates or merges with any one or more corporations; or
- (c) the Mortgagor enters into an agreement to do any of the foregoing.

ARTICLE 20 BUILDING MORTGAGE

20.1 Building Mortgage.

The Mortgagor covenants and agrees that if this Mortgage is a building mortgage, the Mortgagor after any of the Principal Amount has been advanced shall neither fail at any time for a period of thirty days to diligently carry on the work of construction of the building or buildings to be erected on the Lands, nor without the consent in writing of the Mortgagees depart in such construction from any plans and specifications approved by the Mortgagees or if there are no such plans and specifications, from the generally accepted standards of construction in the locality of the Lands, nor permit any builder's or other liens to be registered against the Lands for any period exceeding thirty days; and upon any default of this provision, as an additional remedy under this Mortgage, the Mortgagees at their option at any time thereafter through their servants, agents or contractors may enter on the Lands and proceed to complete the construction of the building or buildings either according to the plans and specifications or according to other plans, specifications or design as the Mortgagees in their absolute discretion shall elect, and all expenses of every nature incurred by the Mortgagees in going into possession and in completing and equipping the building or buildings or in any way in connected to the building or buildings shall be payable immediately by the Mortgagor to the Mortgagees and shall be secured as a charge upon the Lands and shall bear interest at the Interest Rate from the time of such payments until paid.

**ARTICLE 21
INTENTIONALLY DELETED**

**ARTICLE 22
CARE OF THE LANDS**

22.1 In this part:

- (a) **"Environment"** includes the Lands and surroundings;
- (b) **"Pollutant"** means any substance, class of substances, mixture of substances, form of energy or combination thereof that is capable of entering the Environment in a quantity or concentration or under conditions that may cause an immediate or long term adverse effect, and includes anything defined as a hazardous substance, hazardous waste, toxic substance, dangerous goods, hazardous chemical, contaminant, or agricultural chemical under any federal, provincial or municipal laws or by-laws now or hereafter in force, provided, however, that "Pollutant" shall not include common consumer products;
- (c) **"Release"** includes the noun or verb form of spill, discharge, spray, inject, abandon, deposit, leak, seep, pour, emit, empty, throw, dump, place, exhaust and words of like or similar meaning.

22.2 Covenants of Mortgagor.

The Mortgagor hereby covenants that:

- (a) Neither the Mortgagor, nor, to the knowledge of the Mortgagor after diligent inquiry and investigation, any other person, has ever caused or permitted any Pollutant to be placed, handled, stored or disposed of on, under or at the Lands, or on, under or at adjacent lands, except as disclosed to the Mortgagees in writing;
- (b) The Mortgagor shall not allow any Pollutant to be placed, handled, stored or disposed of on, under or at the Lands without the prior written consent of the Mortgagees, which consent may be arbitrarily or unreasonably withheld;
- (c) To the extent that any Pollutant is placed, handled, stored or disposed of on, under or at the Lands:
 - (i) the Mortgagor has, and will continue to have, all necessary federal, provincial and municipal licenses, certificates and permits and is and will continue to be

in compliance with all applicable federal, provincial and municipal laws and by-laws;

- (ii) the Mortgagor shall not cause or permit to exist, as a result of an intentional or unintentional act or omission on its part (or on the part of its agents, contractors or any other person or entity for whose acts or omissions it is responsible), a Release of any Pollutant on, under or at the Lands, unless such Release is pursuant to and in compliance with the conditions of a permit issued by the appropriate governmental authority;
- (iii) if the Mortgagor receives any verbal or written notice of an unauthorized Release, or any complaint, order, citation or notice with regard to a Release or any other environmental, health or safety matter affecting the Lands ("**Environmental Complaint**") from any person or entity, including without limitation any governmental or quasi-governmental authority, then the Mortgagor shall give immediate oral and written notice (with a copy of the Environmental Complaint) of such Release to the Mortgagees;
- (iv) the Mortgagor shall promptly take all necessary remedial action in response to the unauthorized Release; provided, however, that the Mortgagor shall not, without the Mortgagees' prior written consent, take any such remedial action nor enter into any settlement agreement, consent decree, or other compromise in respect of any related claims, proceedings, lawsuits or action commenced or threatened pursuant to any environmental, health or safety laws or in connection with any third party, if such remedial action, settlement, consent or compromise might impair the value of the Mortgagees' security under this Mortgage. The Mortgagees' prior consent shall not, however, be necessary if the Release either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Mortgagees' consent prior to undertaking such action. If the Mortgagor undertakes any remedial action the Mortgagor shall immediately notify the Mortgagees of any such remedial action and undertaken any such remedial action in compliance with all applicable federal, provincial and municipal laws and by-laws, and in accordance with the orders and directives of all governmental authorities to the satisfaction of the Mortgagees;
- (v) in addition to and not in limitation of the Mortgagees' rights under this mortgage, the Mortgagees shall have the right, but not the obligation, to take such actions, including without limitation hiring consultants and undertaking sampling and testing, as it deems necessary or advisable to remedy, remove, resolve or minimize the impact of, or otherwise deal with, any Pollutant or Environmental Complaint upon its receipt of any notice from any person or entity, including without limitation government agencies, asserting the happening of an unauthorized Release on, under or at the Lands which, if true, could result in any order, suit or other action against the Mortgagor or Mortgagees or any part of the Lands by any governmental agency or otherwise which, in the sole opinion of the Mortgagees, could jeopardize its security under this Mortgage. All costs and expenses incurred by the Mortgagees in the exercise of any such rights will be added to the Indebtedness, and shall be payable by the Mortgagor upon demand;
- (vi) where the Mortgagees have a reasonable apprehension of risk to their security under this Mortgage, the Mortgagees may require that the Mortgagor from time to time promptly cause such tests and procedures as the Mortgagees deem appropriate to be conducted by professionals in a manner satisfactory to the

Mortgagees, for the purpose of assuring compliance with all federal, provincial and municipal laws and by-laws, and having such compliance certified to the Mortgagees. Such tests and procedures shall be commenced promptly and completed with results reported to the Mortgagees within thirty days following written notice from the Mortgagees. All reasonable costs incurred in respect of such procedures shall be paid by the Mortgagor. If the Mortgagees incur any reasonable expense in respect thereof the amount thereof shall be added to the Indebtedness and shall be payable by the Mortgagor upon demand; and

- (vii) the Mortgagor agrees to defend, indemnify, and hold the Mortgagees harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, legal costs as between a solicitor and his own client on a full indemnity basis, including those arising by reason of any of the aforesaid or an action under this indemnity) arising directly or indirectly from, out of or by reason of any Release, Environmental Complaint, or any environmental health, fire, safety, and land use law governing the Mortgagor, its operations or the Lands. This indemnity shall apply despite any negligent or other contributory conduct by any one or more other parties or third parties and will survive the payment of and the satisfaction of this Mortgage.
- (d) Without limiting the generality of the foregoing, the Mortgagor will be permitted to, in connection with the current development of the Lands, place, handle, store and dispose of construction materials and their related by-products on, under or at the Lands, provided that any such placement, handling, storage and/or disposal will be in accordance with paragraph 22.3(c) hereof.

22.3 Gasoline or Storage Tanks.

Without restricting the generality of the foregoing, if gasoline or other storage tanks are located on, under, or at the Lands, the Mortgagor shall:

- (a) maintain and repair such storage tanks in compliance with applicable laws; and
- (b) at the request of the Mortgagees, as additional security assign to the Mortgagees any warranties or guarantees received from the manufacturer or installer of such storage tanks.

ARTICLE 23 EXERCISE OF RIGHTS, POWERS AND PRIVILEGES OF THE MORTGAGEES

23.1 Exercise of Actions by Computershare

Notwithstanding any other clause contained herein, Computershare, will on behalf of the Mortgagees, exercise all of the rights, powers and privileges granted to the Mortgagees under this Mortgage including, but not limited to:

- (a) exercising the rights, powers and privileges of the Mortgagees set out in articles 4, 7, 8, 9, 10, 11, 13, 19, 21, 22 and 24 which may, in Computershare's sole discretion, be required to maintain and preserve the security granted herein;
- (b) realizing and enforcing the remedies set out in article 14 and distributing and applying all proceeds from realization in accordance with the provisions of this Mortgage;
- (c) appointing the Receiver for the Lands in accordance with article 15; and
- (d) undertaking such other matters as are set forth in this Mortgage or that are necessary or reasonably ancillary thereto,

(collectively, the "Actions" and each an "Action").

23.2 Exercise of Actions by Argo

Argo will have the right to take any of the Actions, on behalf of the Mortgagees, if, prior to taking any Action:

- (a) it delivers a written request to Computershare requiring it to take reasonable steps to initiate an Action (the "**Request to Act**"), including particulars of the Action and the time period for initiating such Action, provided that such time period must be no less than thirty days from the date the Request to Act is delivered to Computershare (the "**Action Deadline**"); and
- (b) Computershare has not undertaken reasonable steps, to initiate the Action by the Action Deadline, whereupon Argo may deliver notice to Computershare that it is proposing to take such Action on behalf of the Mortgagees and it may exercise such Action no earlier than five days after giving of such notice to Computershare,

provided that if Argo exercises any of the Actions under this paragraph 23.2 it will notify Computershare in writing within five days of initiating such Action, which notice shall include particulars of the Action and any steps undertaken in connection therewith.

ARTICLE 24 MISCELLANEOUS

24.1 Discharge of Mortgage.

The Mortgagees shall provide a discharge of this Mortgage executed in registrable form concurrently upon payment of the Indebtedness, and other charges in full. The Mortgagees' standard fee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

24.2 Prior Charges.

The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges (the "**Prior Mortgages**"), the Mortgagor shall 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 Mortgages and shall otherwise observe, perform and comply with the covenants, provisos and agreements contained in the Prior Mortgages; that any default thereunder other than an Existing Default (each a "**Prior Mortgage Default**") shall be deemed to be a default under this Mortgage and shall entitle the Mortgagees to exercise any and all remedies available to the Mortgagees in the event of default under this Mortgage; that the Mortgagees may at its option make any payment or cure any default under the Prior Mortgages (the "**Cure Payments**") and any amounts so paid together with all costs, charges, expenses and outlays of the Mortgagees thereby incurred shall be added to the Indebtedness and shall be payable with interest immediately by the Mortgagor to the Mortgagees without demand.

Without limiting the foregoing, Computershare will have ten days following the occurrence of a Prior Mortgage Default to deliver notice to Argo of its intention to pay the Cure Payment. If Computershare does not deliver notice within the period set out herein, then Argo will be entitled to pay such Cure Payment upon giving prior written notice to Computershare of Argo's intention to do so. Each Mortgagee shall provide written notice to the other Mortgagee within five days of making any payment pursuant to this paragraph 24.2, which notice shall include particulars of the amount paid. For greater certainty, if either Mortgagee exercises the right to pay the amounts contemplated

hereunder, then the Cure Payments paid by such Mortgagee shall be immediately added to the Indebtedness owed by the Mortgagor to such Mortgagee.

24.3 Cross Default Provisions

The Mortgagor covenants in favour of the Mortgagees as follows:

- (a) that a default under the Existing Mortgages, including any of the collateral security given therefor shall, at the option of the Mortgagees, be deemed to be a default under this Mortgage and the Mortgagees shall be entitled to exercise in their sole discretion whatever remedies they may elect and to which it may be entitled at law or in equity in respect of the said default;
- (b) that a default under this Mortgage, including any of the collateral security given therefor shall, at the option of the Mortgagees, be a default under the Existing Mortgages and the Mortgagees shall be entitled to exercise in their sole discretion whatever remedies they may elect and to which they may be entitled at law or in equity in respect of the said default; and
- (c) if at any time a payout is made under any of the Existing Mortgages, or this Mortgage, then the Mortgagees, at their option, may require that a payout under the other mortgage(s), as the case may be, must also be made.

24.4 Cross-Collateralization Provision.

The Mortgagor covenants and agrees with the Mortgagees that the Indebtedness as secured by this Mortgage and the Existing Indebtedness as secured by the Loan Documents and the Existing Mortgages (plus all interest on each thereof and all other obligations, liabilities, fees, expenses and costs due and payable in connection therewith whether now or hereafter owing by either the Mortgagor or James Holdings to the Mortgagees, and whether arising under this Mortgage, any of the Existing Mortgages or any other Loan Documents, or otherwise, and whether direct or indirect, absolute or contingent, matured or unmatured, liquidated or unliquidated, or arising after the date hereof) are cross-collateralized such that the security delivered in respect of the Existing Mortgages and the Mortgage shall stand as security for (1) the Existing Indebtedness; (2) the Indebtedness; and (3) the performance of the obligations owing under each of the Existing Mortgages and the Mortgage, until such time as the Existing Indebtedness is repaid in full.

If there is an event of default that continues beyond any cure period and that is not waived by the Mortgagees, and subject to the terms of any Order made in the B&B CCAA Proceedings, the Mortgagees shall be free to realize in their sole discretion upon this Mortgage or any of the Existing Mortgages (or all of them) without prejudice to its or their rights of realization this Mortgage or any of the Existing Mortgages (or all of them), as applicable, from time to time.

24.5 Notices.

All demands or notices which may or are required to be given in this Mortgage by the Mortgagor or either Mortgagee shall be in writing and shall be given personally by serving the same upon any officer of the party to be served or by mail by posting the same by prepaid registered mail addressed:

- (a) to the Mortgagor at the address set out in Item 3 of the Mortgage Form, and
- (b) to the Mortgagees at the addresses set out in Item 4 of the Mortgage Form,

or such other addresses as the parties may advise by notice in writing and any such demand or notice shall be deemed to have been received and effectively served, if mailed, on the second Business Day following posting and if served personally, on the day of delivery.

24.6 Strikes etc.

In the event that, at the time a demand or notice is mailed as provided in the immediately preceding section or at any time during the period of two Business Days following such mailing, postal or airline or airport employees are engaged in a strike, work slowdown, other work stoppage at the place at which the demand or notice is mailed or at the place to which the demand or notice is mailed or at any point through which such demand or notice must pass, such demand or notice shall be deemed to have been given and received at the time when such demand or notice would be received in the ordinary course of the mails, allowing for such strike, work slowdown or other work stoppage.

24.7 Maximum Return.

It is the intent of the parties to this Mortgage that the return to the Mortgagees pursuant to this Mortgage shall not exceed the maximum return permitted under the laws of Canada and British Columbia and if the return to the Mortgagees would, but for this provision, exceed the maximum return permitted under the laws of Canada and British Columbia, the return to the Mortgagees shall be limited to the maximum return permitted under the laws of Canada and British Columbia and this Mortgage shall automatically be modified without the necessity of any further act or deed to give effect to the restriction on return set forth above.

24.8 Joint Obligations.

If the Mortgagor is more than one person every covenant, condition and proviso on the part of the Mortgagor to be observed and performed under this Mortgage shall be the joint and several covenant, condition and proviso of each of the persons comprising the Mortgagor.

24.9 Heirs etc.

It is expressly agreed between the parties to this Mortgage that all grants, covenants, provisos, and agreements, rights, powers, privileges, and liabilities contained in this Mortgage shall be read and held as made by and with and granted to and imposed upon the respective parties to this Mortgage, and their respective heirs, executors, administrators, successors and assigns, as if the words "heirs, executors, administrators, successors and assigns" had been inscribed in all proper and necessary places.

24.10 Gender.

Wherever the singular or masculine is used throughout this Mortgage the same shall be construed as meaning the plural or the feminine or body corporate where the context or the parties hereto so require and vice versa.

**ARTICLE 25
STATUTORY PROVISIONS****25.1 Land Transfer Form Act.**

This Mortgage is made pursuant to the *Land Transfer Form Act* (British Columbia). To the extent that this Mortgage contains any of the forms or words contained in Column I of Schedule 6 of the Act, the same shall have the same effect and be construed as if the form of words contained in Column II of Schedule 6 of that Act were fully set forth in this Mortgage. Despite that this Mortgage is declared to be made in pursuance of the *Land Transfer Form Act* (British Columbia), it is expressly understood and agreed by the Mortgagor that the provisions of the form of words numbered 16 in Schedule 6 in the *Land Transfer Form Act* (British Columbia) shall have no force and effect in respect of this Mortgage or any of the monies hereby secured, whether for interest or principal or upon any other account whatsoever and the provisions relating to a default under this Mortgage by the Mortgagor shall be as set out in this Mortgage and the Mortgagor shall not be relieved from the consequences of default by payment of the monies of which default of payment has been made and costs and charges related thereto.

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25.2 Doctrine of Consolidation.

The doctrine of consolidation shall apply to this Mortgage despite Section 31(3) of the *Property Law Act* (British Columbia) or any similar statutory provision in force from time to time.

25.3 Conflict.

In case of any conflict or inconsistency between any provision of this Mortgage and any provision of the Forbearance Agreement, the provisions of the Forbearance Agreement shall govern and prevail and the conflicting or inconsistent provision in this Mortgage shall be deemed to be amended to be consistent with the provision of the Forbearance Agreement. There will be no conflict if the terms and conditions of this Mortgage should enlarge or clarify the terms and conditions of the Forbearance Agreement and further provided that a conflict or inconsistency shall not be deemed to exist only by reason of the Forbearance Agreement not providing for such matter.

BENEFICIAL AUTHORIZATION AND CHARGE AGREEMENT

THIS AGREEMENT is made as of March _____, 2026

BETWEEN:

COMPUTERSHARE TRUST COMPANY OF CANADA
 (“Computershare”) and
ARGO VENTURES INC. (“Argo”)

(together, the “Lender”)

- and -

1061511 B.C. LTD.

(the “Nominee”)

- and -

JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP

(the “Beneficial Owner”).

WHEREAS:

- (a) The Nominee is the registered owner of the lands and premises municipally and legally described in Schedule “A” attached hereto (the “**Property**”), and the Beneficial Owner is the beneficial owner of the Property;
- (b) The Nominee holds the Property and all proceeds therefrom (the “**Proceeds**”) and all assets and personal property related thereto or situate thereon now or in the future (the “**Assets**”) in trust for the Beneficial Owner;
- (c) The Nominee and the Beneficial Owner are subject to restructuring proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**B&B CCAA Proceedings**”) and on November 25, 2025 obtained an Initial Order of the Supreme Court of British Columbia pursuant to which certain protections were extended to the Nominee and the Beneficial Owner;
- (d) Certain Court-ordered charges granted in the B&B CCAA Proceedings (the “**Court-Ordered Charges**”) charge the Property, Proceeds and Assets;
- (e) Pursuant to a forbearance agreement made effective the 9th day of February, 2026 (as same may be amended from time to time, the “**Forbearance Agreement**”) among the Lender, the Beneficial Owner and certain entities related to the Beneficial Owner, the Beneficial Owner has agreed to authorize and direct the Nominee to grant a collateral mortgage in the amount of \$35,000,000.00 in favour of the Lender (the “**Mortgage**”); and

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- (f) Also pursuant to the Forbearance Agreement, the Nominee and the Beneficial Owner shall seek an order in the B&B CCAA Proceedings (the "**Mortgage Approval Order**") authorizing, among other things, the granting of the Mortgage by the Nominee and the execution of this Agreement by the Beneficial Owner.

NOW THEREFORE in consideration of the sum of \$10.00 paid by the Lender to each of the Nominee and the Beneficial Owner (the receipt and sufficiency of which are hereby acknowledged by them):

1. The Beneficial Owner confirms that it is the sole beneficial owner of the Property, the Proceeds and the Assets and the Nominee confirms that it holds title to the Property, the Proceeds and the Assets as nominee, agent and bare trustee for and on behalf of the Beneficial Owner.
2. The Beneficial Owner and the Nominee covenant not to transfer or charge the legal or beneficial ownership of the Property as long as money remains owing under the Mortgage, save in accordance with the terms of the Mortgage.
3. Subject to the granting of the Mortgage Approval Order, the Beneficial Owner hereby authorizes and irrevocably directs the Nominee to execute and deliver the Mortgage and the Beneficial Owner acknowledges and confirms that the Mortgage, secures all obligations due and owing to the Lender pursuant to the Forbearance Agreement.
4. The Beneficial Owner hereby agrees to be bound, jointly and severally with the Nominee, by all of the terms and conditions of the Forbearance Agreement and the Mortgage as if the Beneficial Owner had executed such documents in the place and stead of the Nominee and all references in the documents to the Nominee were to the Beneficial Owner. It is acknowledged and agreed by the Beneficial Owner and the Nominee that Mortgage shall bind both the legal and beneficial interest of the Nominee and the Beneficial Owner respectively, in the subject matter thereof including, without limitation, the Property.
5. Subject to the terms of the Mortgage, the Beneficial Owner hereby charges, assigns and creates a security interest in favour of the Lender as security for the indebtedness evidenced by the Mortgage, in all of its right, title and interest in and to the Property, Proceeds and Assets, including, without limitation, all contracts, leases and other agreements pertaining to the Property and income derived therefrom.
6. Subject to the terms of the Mortgage, the Beneficial Owner hereby postpones and subordinates any and all rights, claims and security interests which the Beneficial Owner might have against the Property, the Proceeds and the Assets charged by the Mortgage or which may be charged from time to time in favour of the Lender to the obligations owed by the Nominee to the Lender under the Mortgage.
7. The Beneficial Owner agrees and confirms that there are no charges, liens or encumbrances existing at the date hereof in respect of its beneficial interest in the Property, the Proceeds or the Assets, except those disclosed by the registered title documents and the Court-Ordered Charges, and further covenants and agrees that it shall not grant any charge, lien or encumbrance upon its beneficial interest in the Property, the Proceeds or the Assets.

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8. The recitals contained herein are true and form a part of this Agreement.
9. Subject to the granting of the Mortgage Approval Order, the Beneficial Owner hereby authorizes and directs the Nominee to execute such further or other documentation as may be required by the Lender from time to time in connection with the Mortgage, the Forbearance Agreement, or any other agreement between the Nominee and the Lender from time to time, and the Beneficial Owner acknowledges that any such additional documents executed by the Nominee shall be deemed to be authorized by the Beneficial Owner pursuant to this Agreement.
10. Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Agreement shall (unless otherwise required by law) be given or made in writing and may be served personally upon any executive officer of the party for whom it is intended, sent by electronic mail or mailed by prepaid registered mail:

To Computershare, addressed as follows:

Computershare Trust Company of Canada
510 Burrard Street, 3rd Floor
Vancouver, BC V6C 3A8

and to:

CMLS Financial Ltd.
Suite 2110 – 1066 West Hastings Street
Vancouver, BC V6E 3X2

Attention : Jeff Burt
Email: jeff.burt@cmls.ca

with a copy to:

Cassels Brock & Blackwell LLP
885 West Georgia Street, Suite 2200
Vancouver, BC V6C 3E8

Attention: Vicki Tickle and Jeremy Bornstein
Email: vtickle@cassels.com and jbornstein@cassels.com

To Argo, addressed as follows:

Argo Ventures Inc.
355 Burrard Street, Suite 660
Vancouver, BC V6C 2G8

Attention: Eric Lee
Email: eric@argoventures.com

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with a copy to:

Hamilton Duncan Law Corporation
13401 108th Avenue, Suite 1450
Surrey, BC V3T 5T3

Attention: Robert B. Rogers
Email : rrogers@hamiltonduncan.com

To the Nominee and Beneficial Owner addressed as follows:

104, 1525 West 8th Avenue
Vancouver, BC V6J 1T5

Email: tony@jamesoncorp.ca
Attention: Anthony Pappajohn

with a copy to:

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC V6R 3R8

Attention: John Sandrelli and Eamonn Watson
Email: john.sandrelli@dentons.com and
eamonn.watson@dentons.com

or such other address or in care of such other officer as a party may from time to time advise to the other party hereto by notice in writing, as aforesaid. The date of receipt of any such notice, election, demand, declaration or request shall be the date of delivery of such notice, election, demand or request if delivered personally or, if sent by electronic mail, the business day following the date of transmittal, or if mailed as aforesaid, shall be deemed to be the fifth (5th) business day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service of Canada which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

11. This Agreement shall enure to the benefit of and shall be binding on the parties hereto and their respective successors and permitted assigns, provided that the Nominee and the Beneficial Owner may not assign their respective obligations hereunder without the prior written consent of the Lender, which consent may be arbitrarily withheld.
12. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
13. The Agreement may be executed by the parties in counterparts and may be transmitted by telecopy or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered and executed the same original Agreement.

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14. Notwithstanding any provision of the Mortgage, the Beneficial Owner shall be jointly and severally liable with the Nominee for all obligations under the Mortgage but the recourse of the Lender against the Beneficial Owner shall be limited to the interest of the Beneficial Owner in the Property, the Assets and the Proceeds.

[The remainder of this page left intentionally blank.]

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

1061511 B.C. LTD., as Nominee

Per: _____
Name:
Title:

I have authority to bind the Corporation.

**JAMESON BROADWAY & BIRCH LIMITED
PARTNERSHIP, by its General Partner,
JAMESON BROADWAY & BIRCH GENERAL
PARTNER LTD.**, as Beneficial Owner

Per: _____
Name:
Title:

I have authority to bind the Limited Partnership

SCHEDULE "A"
THE LANDS

Municipal Address: 2538 Birch Street, Vancouver, B.C.

Legal Description:

PID: 030-417-261

Lot 1 Block 353 District Lot 526 Group 1 New Westminster District Plan EPP81033