

This is the 1<sup>st</sup> Affidavit  
of HSUEHCHING HUNG in this case  
and was made on April 24, 2023.

No. H-220369  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

PLW INVESTMENTS LTD.

PETITIONER

1025332 B.C. LTD., 1026334 B.C. LTD., 1025336 B.C. LTD.,  
CHONGYE DEVELOPMENTS LTD., WASHINGTON  
PROPERTIES (POINT GREY) INC., WASHINGTON  
PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD.,  
1094321 B.C. LTD., PRARDA DEVELOPMENTS  
CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY  
BARSHA WASHINGTON (a.k.a. FENGYUN SHAO), EDISON  
WASHINGTON (a.k.a. QIANG WANG), LINDA  
WASHINGTON, 35 PARK PARKING INC. and EARLSTON  
MORTGAGE CORP.

RESPONDENTS

**AFFIDAVIT**

I, **Hsuehching Hung**, a.k.a. Jessie Hung, bookkeeper and administrative assistant, of 4491 Cambie St., Vancouver, B.C., make oath and say as follows:

1. I am the bookkeeper and administrative assistant to the Respondents, Amy and Edison Washington and their companies who are respondents herein (collectively, the “**Washington Group**”), and in that capacity I have had extensive dealings with the Petitioner and its representative Peter Pu. As such, I have personal knowledge of the facts and matters herein deposed to except where stated to be on information and belief and in such case I verily believe them to be true.
2. I swear this affidavit in reply to the responding materials filed by the Petitioner, PLW, on or about April 19 and 20, 2023, and in particular, to the affidavits of Mr. Pu #4 and Mr. Tian #1 filed herein. Except where otherwise noted, I have adopted the same defined terms as are found in Mr. Pu’s affidavit #4.

Strata Lots 60 and 163

3. I refer to the evidence of Ms Washington and Mr. Pu regarding the allegation that PLW repeatedly promised to discharge its security from Strata Lots 60 and 163 which had been presold to Chinese buyers. These lots have unit numbers A605 and C301, respectively.
4. While I was not present at the May 2020 Loan Meeting, I participated in at least two subsequent discussions in which Mr. Pu has made reference to the agreement.
5. I recall one meeting at the Washington Group's offices which took place on or about February 16, 2022, being several months before the Prada Lands were sold for \$34,000,000. Mr. Pu came to our office to discuss the terms and conditions of a proposed Forbearance Agreement with Amy Washington's sister, Lujian Shao, also known as Ana Shao. Ana Shao and I were present for the entirety of this conversation. We printed out the terms of PLW's proposed Forbearance Agreement and discussed them one by one.
6. During this meeting, Ana Shao told Mr. Pu, by way of reminder, that the Petitioner's agreement to discharge its security from SLs 60 and 163 was still outstanding. I was aware of this issue, having heard of it several times from Ana Shao and from Amy and Edison Washington. However, this was the first time I was present when the issue was discussed with Mr. Pu.
7. During this meeting, Ms Shao told Mr. Pu, by way of reminder, that he had promised many times to discharge the Petitioner's security from SLs 60 and 163; that the buyers had long before paid for their lots; and that they were demanding that clear title be transferred to them.
8. In my presence, Mr. Pu said yes, he had agreed to this, and he would abide by his agreement by discharging PLW's security to allow the units to be transferred free and clear.
9. About 6 weeks later, on March 25, 2022, I was present when Ana Shao called Mr. Pu by telephone to remind him of this agreement, and to urge him to include this commitment in the proposed Forbearance Agreement. The call was by speakerphone and both Ana Shao and I participated in the call. Some time into the call, I decided it would be best to have a record of this call, and I recorded the phone call with my own mobile phone. Soon after the call, I saved the audio file with the name "Peter通話 2022-03-25" being the date of the call and the fact that it was a phone conversation.
10. I have attached as **Exhibit "A"** an accurate transcription of the conversation translated from Mandarin into English. The audio file is available for all counsel to review.
11. During this meeting, Ana Shao repeatedly urged Mr. Pu to honour his promise. Mr. Pu changed his position from the meeting of February 16<sup>th</sup>, and said he was no longer prepared to release the Petitioner's security over those units.
12. During this meeting, Mr. Pu did not deny his earlier agreement to release the security but said: "The situation under which I reached an agreement with you is the situation back then" and other words to similar effect. Mr. Pu's rationale for not being willing to record

the prior agreement in writing, was that the overall equity may prove less than previously anticipated. The following are extracts from the call:

Peter: And then, I was saying there'd be something remaining, I really don't know about your numbers, after the calculations at the end what your numbers would end up looking like, about after completion how the numbers would be split, and if you'd have any remaining invoices to be paid. I did calculations myself and I feel like there'd be some 1 or 2 millions remaining, around 1 million, best case scenario our mortgage would be paid off as well. This is the best case scenario in my head, and then we can release the 2 units.

Ana: A605 and C301.

Peter: When we were talking in your office, actually there is a factor that is different from now, because things are always changing, back then there was hope that we'd be able to sell Prada, right? I think this also is an important factor ...

....

Ana: No ... Peter. You right now ... Okay, from your point of view, I understand you. But right now, with this forbearance agreement, you've tied up our whole family.

Peter: Yes, yes, yes, yes.

Ana continues: But that's fine, we borrowed money and we need to repay, so that's fine. However, back to the same point, this forbearance agreement is only lacking one clause, right? If you don't write this down for me I feel like I can't proceed ... When the time comes, you are not going to admit! Right? You agreed with me and then you don't admit.

Peter: The situation under which I reached an agreement with you is the situation back then.

Ana: You saying that makes this pointless.

...

Ana: Therefore, Peter, no, I don't have really onerous requests. It's all ... It's all what we've agreed to in the past, right?

Peter: grunts

Ana: You told me before. When I tried to urge you for this matter before, you told me "Ana, let's sign the forbearance agreement ..."

Peter: grunts

Ana continues: "...then I will release the 2 units for you and then deal with the matter", right?

Peter: Yes, yes.

Ana: You changed your position again now. I ... I ... I ... You must ...

Peter: The problem now is that, our situation changed. Prarda is not selling.

Ana: If you say that, it's all moot/pointless.

Ana continues: Peter, if that's the case, then I ... I ... if you act like this, I've already promised them that this month "we will definitely be able to release for you". If so ... if they start legal proceedings, then I ... I ... I really don't have a solution. If they sue us and include you in their lawsuit, then I ... I'm not bluffing ... [some words incoherent] ... absolutely not ...

Peter: We don't have a solution, either, really don't have a solution.

Ana: In addition, they ...

Peter continues: You want me to release now, there's no way I will release now.

Ana: Money in China ... I know you won't release now, back then you agreed to release after we sign the forbearance agreement.

Peter: But forbearance ... back then ... no, I told you this just now, Ana, the situation we discussed back then was Prarda lands will be sold...

Ana: You talking like this is no use. You have to provide something to me on paper, I don't trust you right now, Peter ...

Peter: That ... that ... is definitely impossible ...

Ana continues: You have to provide something to me on paper.

Peter: Ana, it's not possible that I will provide you anything in paper/in writing.

Ana: Oh, then, well then ...

Peter: It's not possible, it's not possible that I will tell you that, if you add some, then I will release, the situation is different.

Ana: How is it different?

Peter continues: You can't be unreasonable, okay?

Ana: How am I unreasonable? It's something you agreed to! You all often agree and then often renege. Then I ... Sorry, I can't ... Then if they sue us, because money all in China ...

[Peter tries to interject but his words are incoherent.]

Ana continues: I don't want keep talking with you, Peter. Don't talk whatever. We all know. What we agreed to before, we all know, right?

Peter: grunts

Ana: If they, in China, if they initiate legal proceedings against us, then I ... I ... I also ... how do I say ... I don't have a solution. If they initiate they initiate.

Peter: grunts three times

#### Sale of properties subject to PLW's security

13. In his affidavit #4, Mr. Pu expresses his opinion that the Washington Group has not sold properties because it did not want to see them sold.
14. I have been intensively involved in the efforts to sell. Mr. Pu's expressed opinion is unfounded. We have retained highly competent realtors to diligently market the properties. We have kept the Petitioner informed consistently of the efforts to sell. The Petitioner has had full opportunity to speak with our realtors at any time. I have personally informed Mr. Pu of advertisements and open house schedules.
15. In fact, the only refusals to accept reasonable offers of which I am aware, are those refused by the Petitioner as set out in detail in the affidavit #1 of Amy Washington.
16. In para. 52 of his affidavit #4, Mr. Pu says that a buyer offered to purchase the Belmont Lands "for a purchase price of \$30 million, but that the buyer did not remove subjects". I am unaware of any such offer. The accepted offer I am aware of, and on which subjects were not removed, was for \$40,000,000.

#### GST Arrears

17. In response to Mr. Pu evidence at paras. 32-35 of his affidavit #1 denying that he was aware of QEP's GST Arrears in 2020 as deposed by Amy Washington in her affidavit #1, and stating that he only first became aware of the GST Arrears on or about October 11, 2022, Mr. Pu's evidence is incorrect.
18. On July 27, 2020, PLW's lawyer, David Martin, sent an email to Neil Kornfeld, QC, counsel for the Washington Group in which he stated:

Neil:

I attach for your review and comment a revised draft of the Loan Agreement.

The draft is also being reviewed by PLW, who may request further changes.

The attached draft includes many but not all of the changes you proposed in your last draft. We also made some additional changes that we had discussed with you by telephone recently or understand our clients have discussed directly...

The attachments included a Word version of the document entitled \$50M Loan Agreement – July 2020, as well as a pdf version comparing that to the previous version (together, the “**July 27, 2020 Draft**”). Attached hereto and marked collectively as **Exhibit “B”** are copies of Mr. Martin’s email and the attachments comprising the July 27, 2020 Draft.

19. In the Word version of the July 27, 2020 Draft, the Representations and Warranties are set out at para. 9.1 commencing at page 14. These include para. (e) at page 15 which provides as follows:
 


(e) in respect of the 35 Park West development project and the sale of strata lots in the project, Amy Washington and Washington QEP are current with remittances due to the federal Minister of Finance for goods and services taxes payable pursuant to the Canada *Excise Tax Act*;
20. As can be seen from page 15 of the pdf Comparison document, para. 9.1(e) was an addition from the previous draft as proposed by Mr. Martin on behalf of PLW.
21. I was concerned with this proposed addition since I was aware of the large GST Arrears at the time, and I brought it to Ms Washington’s attention. In order to avoid default, I requested that para. 9.1(e) be removed from the agreement.
22. This is exactly what occurred. After further discussion, the Petitioner agreed to remove para. 9.1(e) from the Loan Agreement.
23. The final version of the Loan Agreement is dated August 17, 2020 which is attached as Exhibit “C” to Mr. Pu’s affidavit #1 herein filed November 15, 2020. At page 15 of the Agreement, being page 74 of the exhibits to Mr. Pu’s affidavit #1, it can be seen that the suggested clause 9.1(e) was deleted from the final signed version.
24. Over the years, Mr. Pu asked me, in my capacity of bookkeeper, how much GST was owing. I do not recall how many times he asked me or what the dates were, but it was more than once. I gave him a general number.
25. In para. 34 of his affidavit #4, Mr. Pu refers to my WeChat message of October 13, 2022 enclosing the Notice of Assessment from CRA, saying the first time he “became aware of the GST Arrears was on or around October 11, 2022” when Ms Washington so advised him. The reason I sent the Notice of Assessment at this time is that Mr. Pu asked for it.

Mr. Pu's statements that he became aware of this only in 2022, and that if he "had known about the existence of the GST Arrears, PLW would not have advanced the 2020 Loan", are not correct.

26. As noted above, in addition to any conversation with Ms Washington in 2020 on the subject of which I was not a party, I verily believe that, from the Loan Agreement negotiations, in July 2020, *before* the loans were advanced, Mr. Pu was specifically aware of the GST Arrears being the reason we could not agree to the requested representation and warranty #9.1(e). I also answered his questions about GST Arrears on several occasions long before October 2022.

*AS*  
**AFFIRMED.**

SWORN before me at the City of Vancouver, )  
in the Province of British Columbia, this )  
24 day of April, 2023. )

  
A Commissioner for taking affidavits in the )  
Province of British Columbia )

  
\_\_\_\_\_  
**Hsuehchung Hung**

**DANIEL S. PARLOW**  
Barrister & Solicitor  
1100 - 505 Burrard Street  
Vancouver, B.C. V7X 1M5  
Telephone: (604) 331-8322

This is Exhibit "A" referred to in the  
affidavit of H. H. Huf  
sworn before me at Vancouver  
in the Province of British Columbia  
this 24 day of April A.D. 2023

  
A Commissioner for taking Affidavits  
within British Columbia



0:00

Peter: And then, I was saying there'd be something remaining, I really don't know about your numbers, after the calculations at the end what your numbers would end up looking like, about after completion of the West 31<sup>st</sup> Lands how the numbers would be split, and if you'd have any remaining invoices to be paid. I did calculations myself and I feel like there'd be some 1 or 2 millions remaining, around 1 million, best case scenario our mortgage would be paid off as well. This is the best case scenario in my head, and then we can release the 2 units.

Ana: A605 and C301.

0:27

Peter: When we were talking in your office, actually there is a factor that is different from now, because things are always changing, back then there was hope that we'd be able to sell Prarda, right? I think this also is an important factor ...

0:37

Ana [cutting off Peter]: Yes, so we ...

Peter [cutting off Ana]: But now Prarda is not going to sell.

Ana: It's not that it's not going to sell, we've been here negotiating all along.

Peter: I know, I know, but we don't have a good idea anymore, we don't know how well it's going to sell. We originally thought Prarda could sell for 35 or 36 million, but now ... If based on offer from Mosaic, maybe we deduct a few millions, so then the numbers are different from back then, right? You know how much risk there is with the whole situation with our mortgage. We<sup>1</sup> can't repay this number anymore.

1:05

Ana: What do you mean we can't repay? The value of the lot(s) is enough, Peter.

Peter: The lots ... While we, we are living in the basement we can sell the lots to repay but now...

Ana [cutting off Peter]: Aren't we trying to sell here? Haven't we been trying to sell the lot(s) all along as soon we can?

Peter: That's right, we ... we don't have ... right now ... no ... we don't know how much they will sell for now ...

Ana [cutting off Peter]: As much as we don't know how much they will sell for, there is a market value. Right? There is a government assessment value, there is a base starting price.

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<sup>1</sup> Literal meaning is "we", but it's loosely referring to the speakers as a group.

Peter: Yes, the government assessment value ... no, you can't say that, just because there is a government assessment value the lot(s) will necessarily sell for that value? That's not the case.

1:30

Ana: It will basically be around that value, I can't say if more than that or ...

Peter [cutting off Ana]: Yes ... but how much can we sell Prarda for now? A price that we can sell it for on the market. 30 million is not enough, it's too low. If we are actually going to sell it for 30 million or let's say 32 or 33 million, isn't it that I'll obviously be short a couple millions or 3 millions of possible repayment?

1:50

Ana: A couple million or 3 millions for you, you'll be the same, you have the apartments, and also the two lots, the units 4215 and 4491 later they will be mortgaged in your favour and the Belmont lot(s) – the value of these properties is apparent.

Peter: I took those into account, I took those into account, all the meat is in the pot, I took those into account in my calculation. I know you hope to repay Atrium some money, but really, to be honest normally it doesn't matter, because the total amount of debt is there, if you repay earlier or later it doesn't make much of a difference. But when I calculate the final number, there is a shortfall, right?

2:20

Ana: Okay, even if there is a shortfall, we'd certainly be selling properties to pay you back, we definitely won't owe you. I've always been saying: we are indebted to you, we borrowed money from you and we will pay you back, that's a fundamental principle. Right?

[Peter interjects but his words are incoherent.]

Ana continues: We've never wanted to deny/not repay [the debt] ...

Peter: I know, I've taken into account those numbers, I've taken into account those numbers, how much Prarda may sell for how much 31<sup>st</sup> property(ies) may sell for, [some words incoherent], if they are all sold, all sold at the price that we think is ideal, our knot is released, right?

Ana: Yes.

Peter: That's how we calculate, right?

Ana: Yes.

Peter: But now ... you ... which means ... obviously Prarda may not be able to sell at the ideal price we originally thought

2:53

Ana: Never mind how it can't sell for that high, in either case we ...

Peter [cutting Ana off]: If you can't sell for that high, then we<sup>2</sup> won't be paid put.

Ana: Why won't you be paid out ?

Peter: If it can't sell for that high, then our accounts ... how do you ... how do you ... [some words incoherent] were basically barely enough, you were going to get a refinancing on the apartment(s), then we will be paid out, but the precondition is Prarda selling for 36 million, probably, or 35 million, probably, right? But now we aren't sure how much Prarda will sell for now, right?

3:18

Ana: But you, you are only thinking about Prarda apartment(s), but we also have other lot(s) we can sell to pay you back.

Peter: What other lots? We are not what lots will be sold.

Ana: Belmont ... Not "not sure"! How is it that we can't be sure? Haven't we been putting up ads and trying to sell?

Peter: I know ... we ... we ... I ... I ... I don't know, really, how much you can sell for. Right now I ... Belmont doesn't even have an offer, and Prarda is there already, and basically no offer right now either.

3:40

Ana: No ... Peter. You right now ... Okay, from your point of view, I understand you. But right now, with this forbearance agreement, you've tied up our whole family.

Peter: Yes, yes, yes, yes.

Ana continues: But that's fine, we borrowed money and we need to repay, so that's fine. However, back to the same point, this forbearance agreement is only lacking one clause, right? If you don't write this down for me I feel like I can't proceed ... When the time comes, you are not going to admit! Right? You agreed with me and then you don't admit.

4:07

Peter: The situation under which I reached an agreement with you is the situation back then.

Ana: You saying that makes this mpointless.

[Peter tries to interject but his words are incoherent.]

4:20

Ana continues: Right now, what I'm saying is that ... whether the situation is the same or different, no matter how different it is you have 2 more collateral now. On April 1<sup>st</sup>, you will be having 2 more collateral.

Peter: I don't have 2 more collateral now, it's the case that these 2 collaterals were always with us.

Ana: No! You have in addition 4215 and 4491, these two collaterals.

Peter: These 2 collaterals, they were originally in my accounts. [some words incoherent]

Ana: How is that the case that they were in your accounts?

Peter: How is that not?

Jessie tries to interject: In ... in ... Peter ...

Peter continues: If you don't include these 2 collaterals then how can you repay ... [some words incoherent]

4:45

Ana [cutting off Peter]: These two were in Atrium's accounts!

Peter: I know, but when calculating the final numbers, our repayment requires selling these 2 units, right?

Ana: At the time, yes, but at the time these 2 units, the 1<sup>st</sup> place mortgage wasn't with you, it was with Atrium.

Peter: [incoherent] ... the remaining value of these 2 units ...

5:03

Ana [cutting off Peter]: The remaining value, yes, at the time, the remaining value, yes. But if now the structure is different, not the remaining value, but the complete value! These are two different words.

Peter: Originally ... it's the same, the same, Ana.

Ana: Don't talk like this. Originally they were in Atrium's accounts, when we calculated back then, no matter how it is. Right? If you talk about this with me now, it's pointless. You increased to the complete value of the two properties, you discharge the two units for me: A605 and C301.

5:23

Peter: For these two units, all the remaining value of them were going to repay us, right? [some words incoherent]

Ana [cutting off Peter]: Yes, “remaining”! You said “remaining” yourself, right? Right now, it’s not just the remaining value: on April 1<sup>st</sup>, it’s the full value.

Peter: No difference.

Ana: How is there no difference?

Peter: For 31<sup>st</sup> St, there is a 5 million equity left after Atrium is paid out. then these 5 millions are for us, right? Then this 5 million is deducted from the remaining value of the 2 units, right? So you add and subtract, the numbers are the same, it’s all the same.

Ana: Not the same [some words incoherent.]

[Peter tries to interject but his words are incoherent.]

Ana: Not the same, not the same.

Peter: The value of these 2 units have not changed.

Ana: How have they not changed.

Peter: Not that ... not thin air ... The 2 units did not appear out of thin air for us, no, right?

Ana: Is it not the case. They are extra for you!

Peter: They are not extra for us! How are they extra? Extra out of thin air ...

Ana [cutting off Peter]: Extra for you.

6:10

Peter: If we do the final numbers, these 2 units are worth 17 million, right?

Ana: That’s your own calculation, when we calculated we didn’t include in our calculation.

Peter: What do you mean you didn’t include, without the 17 million how could you repay our money, you do the calculations yourself.

Ana: No, don’t be like this, I feel like if you act like this it’s all pointless, Peter. You’ve got the 2 units in addition ...

Peter [cutting off Ana]: What do you mean if I act like this then I’m making it pointless ...

6:25

Jessie [cutting off Peter]: Peter, back then, for these 2 units, when Atrium mortgage was still on title, you hold the remaining value only.

Peter: I know, I was 2<sup>nd</sup> mortgage, I haven’t registered, but if I register, then I’d be 2<sup>nd</sup> mortgage.

Ana: Yes, you were 2<sup>nd</sup>, but now you are 1<sup>st</sup>, right? It's not the same, the nature is not the same.

Peter: ... Oh my god.

6:45

Ana: Therefore, Peter, no, I don't have really onerous requests. It's all ... It's all what we've agreed to in the past, right?

Peter: grunts

Ana: You told me before. When I tried to urge you for this matter before, you told me "Ana, let's sign the forbearance agreement ..."

Peter: grunts

Ana continues: "...then I will release the 2 units for you and then deal with the matter", right?

Peter: Yes, yes.

Ana: You changed your position again now. I ... I ... I ... You must ...

Peter: The problem now is that, our situation changed. Prarda is not selling.

Ana: If you say that, it's all pointless.

Ana continues: Peter, if that's the case, then I ... I ... if you act like this, I've already promised them<sup>3</sup> that this month "we will definitely be able to release for you". If so ... if they start legal proceedings, then I ... I ... I really don't have a solution. If they sue us and include you in their lawsuit, then I ... I'm not bluffing ... [some words incoherent] ... absolutely not ...

Peter: We don't have a solution, either, really don't have a solution.

Ana: In addition, they ...

Peter continues: You want me to release now, there's no way I will release now.

Ana: Money in China ... I know you won't release now, back then you agreed to release after we sign the forbearance agreement.

7:30

Peter: But forbearance ... back then ... no, I told you this just now, Ana, the situation we discussed back then was Prarda lands will be sold...

Ana [cutting off Peter]: You talking like this is no use. You have to provide something to me in writing I don't trust you right now, Peter ...

Peter [cutting off Ana]: That ... that ... is definitely impossible ...

Ana continues: You have to provide something to me on paper.

Peter: Ana, it's not possible that I will provide you anything in paper/in writing.

Ana: Oh, then, well then ...

Peter: It's not possible, it's not possible that I will tell you that, if you add some, then I will release, the situation is different.

Ana [cutting off Peter]: How is it different?

Peter continues: You can't be unreasonable, okay?

7:55

Ana: How am I unreasonable? It's something you agreed to! You all often agree and then often renege. Then I ... Sorry, I can't ... Then if they sue us, because money all in China ...

[Peter tries to interject but his words are incoherent.]

Ana continues: I don't want keep talking with you, Peter. Don't talk whatever. We all know. What we agreed to before, we all know, right?

Peter: grunts

8:12

Ana: If they, in China, if they initiate legal proceedings against us, then I ... I ... I also ... how do I say ... I don't have a solution. If they initiate they initiate.

Peter: grunts three times

Ana continues: You know this, I've told you this many times, they are the Governor, right? Given their background, your family's background, including Mr. Tian's family background, they have taken to know very clearly.

Peter: grunts a couple times.

Ana: If this thing gets bigger, I also think ... it's not good for anybody. It's not good for us and it's not good for you.

Peter: grunts repeatedly.

8:35

Ana: So then, I think that one more trouble ... We all do business, I think having one less trouble is better than having one more trouble, hurry up and help them deal with this, especially since this

is a matter agreed to before, since the beginning when we started to put together the mortgage, my older brother has reached an agreement with Mr. Tian, but this matter keeps dragging on and on ... now it has been about 2 or 3 years and this matter still has not been dealt with. To be honest, they also can't wait anymore.

[Peter tries to interject but his words are incoherent.]

Ana: Okay? I've said what I needed to say, Peter.

Peter [cutting off Ana]: This matter ... [some words incoherent]

Ana tries to continue: and as to ...

8:55

Peter continues [cutting off Ana]: we really ...if we really don't need the value of the 2 properties to secure this mortgage of ours, we will definitely release, but now these 2 or 3 years, the money is only going up, not down, how can I ... how do you expect me to release the mortgage, you tell me.

Ana: No, these are different issues. You ... as Mr. Tian ...

Peter [cutting off Ana]: It's all the same issue, the same issue ...

Ana [cutting off Peter]: Previously Mr. Tian kept telling us ...

Peter [cutting off Ana]: Simply put, Ana, our mortgage is too risky...

9:20

Ana [cutting off Peter]: No matter what, you agreed! You agreed with me before! You keep to your words, we all do business here.

Peter: You agreed with me that Prarda could sell for 35 or 36 million, but then it's not selling for now.

Ana: Even if it's not selling, I still have 4215 and 4491, you used to be second and now you are first, right?

Peter [cutting off Ana]: These two units were in the accounts originally anyways ...

Ana continues [cutting off Peter]: Right? This matter, you can't be so ...

Peter continues: ... no difference, no change ...

Ana: Fine, if you act like this, you are being pointless.

Peter: For these 2 units, there is absolutely no change. Don't switch around concepts here. [some words incoherent.]



Ana [cutting off Peter]: You switch around concepts! Who ... Peter, if you talk like this it's pointless.

Peter: How did I switch around concepts? [some words incoherent.]

Ana [cutting off Peter]: That's what you said, that phrase "switching around concepts"! I never brought it up, right? That's what you said just now.

Peter: Now you are saying that these 2 properties ... these 2 properties appeared out of thin air and added to our collateral.

Ana: Yes, they are extra for you! You ...

Peter: It's not an extra.

Ana continues: The fact is that you now ... the fact is that you were 2<sup>nd</sup>, right? And now you've become ... if April 1<sup>st</sup> ...

10:00

Peter [cutting off Ana]: I'll remain in the 2<sup>nd</sup> position, it's alright with me, remaining in the 2<sup>nd</sup> position is fine with me, doesn't matter.

Ana [cutting off Peter]: Okay then keep it that way.

Peter continues: Does that make a difference?

Ana: Fine, now we can't talk anymore, if it's the way it is we can't talk. Let's all calm down. If they initiate legal proceedings ... I will tell them: if you should initiate proceedings here or in China, then go ahead, if you should sue then you sue, I don't have a solution here, really. We shall provide all our contracts with you to them, let them sue, I really don't have a solution here. Really. These couple days, at night I'm sleepless all night, just for this matter. Such a small matter tortures me all day, really, I'm almost depressed.

Peter: Ana, this matter ...

Ana [cutting off Peter]: No point anymore, I will ... I will ...

Peter [cutting off Ana]: You can't ...

Ana [cutting off Peter]: No, I ...

Peter [cutting off Ana]: [some parts incoherent] In this situation you make a request and mandates me to abide ...

Ana [cutting off Peter]: No, I didn't request anything, it's that you agreed with me before! You have agreed with me right in front of Jessie, right? No matter if the circumstances change or not, if a matter is agreed to, I think we should ... we are all adults ...

Peter [cutting off Ana]: ... the circumstances have changed completely, how can I ...

10:57

Ana [cutting off Peter]: Okay, okay, I will calm down and you go calm down, too. Okay? If this is the case, if they ... Today they told me, if I still don't reply to them ... Why am I in a hurry? Right? As you know I've been urging you these days ...

[Peter tries to interject but his words are incoherent.]

Ana continues: How about this, I will provide the contracts between us to the Governor's son and let them sue. Either case ... I ... Mortgage is in favour of you, right? In China, in China, you gave us money in China, so then the company(s) in China and your situation in China, I will all provide to him, and our situation here, I will all provide to him. You do whatever you'd like, I ... I don't have a solution now, Peter, I really don't! Okay? Let's all think. Now I, I'm very ... I'm also ... I'm trembling all over here. [sighs]

[Noise of something slamming.]

Ana (most likely speaking privately to Jessie): all this money, his father in China ...

**Dan Parlow**

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**From:** David Martin <dmartin@stirlingllp.com>  
**Sent:** July 27, 2020 6:13 AM  
**To:** Neil Kornfeld  
**Subject:** Washington Group - PLW - Draft Loan Agreement  
**Attachments:** \$50M Loan Agreement - July 2020.doc; Comparison \$50M Loan Agreement - July 2020.pdf

EXTERNAL EMAIL

Neil:

I attach for your review and comment a revised draft of the Loan Agreement.

The draft is also being reviewed by PLW, who may request further changes.

The attached draft includes many but not all of the changes you proposed in your last draft. We also made some additional changes that we had discussed with you by telephone recently or understand our clients have discussed directly.

From our perspective, the two most important outstanding issues are: (a) an agreement between the Washington Group and PLW on the plan to resolve the registered lien claims and when the holdback funds will be paid out; and (b) assignment of the Kingsett security.

Last night we received from Fasken the first draft of the assignment of the Kingsett loan security, which we will forward to you by separate e-mail.

Regards,

**David A. Martin**  
Partner & Law Corporation

direct +1 604 674 3820



This email is confidential and may contain privileged information.  
If you are not an intended recipient, please delete this email and  
notify us immediately.

This is Exhibit "B" referred to in the  
affidavit of ..... H. H. J. ....  
sworn before me at ... VANCOUVER, ...  
in the Province of British Columbia  
this ... 24th ... day of ... April ... A.D. 20 23  
A Commissioner for Taking Affidavits  
within British Columbia

## LOAN AGREEMENT

**THIS AGREEMENT** dated July \_\_\_\_\_, 2020, and made,

**BETWEEN:**

**AMY BARSHA WASHINGTON**, a businesswoman having an address at 835 Eyremount Drive, West Vancouver, BC V7S 2A8;

("Amy")

and

**EDISON WASHINGTON**, a businessman having an address at 835 Eyremount Drive, West Vancouver, BC V7S 2A8;

("Edison")

and

**1025332 B.C. LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1025332) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("1025332")

and

**1025334 B.C. LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1025334) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("1025334")

and

**1025336 B.C. LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1025336) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("1025336")

and

**WASHINGTON PROPERTIES (POINT GREY) INC.**, a company under the *Business Corporations Act* of British Columbia (BC1025331) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("Washington Point Grey")

and

**WASHINGTON PROPERTIES (QEP) INC.**, a company under the *Business Corporations Act* of British Columbia (BC1009302) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Washington QEP"**)

and

**1094321 B.C. LTD.**, a company under the Business Corporation Act of British Columbia (BC1094321) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"1094321"**)

and

**PRARDA DEVELOPMENTS CORPORATION**, a company under the Business Corporations Act of British Columbia (BC0987747) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Prarda"**)

**LUCKY FIVE INVESTMENTS LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1050104) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Lucky"**)

and

**CHONGYE DEVELOPMENTS LTD.**, a company under the *Business Corporations Act* of British Columbia (BC0803171) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Chongye"**)

**AND:**

**PLW INVESTMENT LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1189338) having an office at 2900 - 550 Burrard Street, Vancouver, BC V6C 0A3;

(the **"Lender"**)

**WITNESSES THAT WHEREAS:**

A. The Lender has agreed to make a Loan available to the Borrowers to payout existing indebtedness owing to the Laurentian Bank of Canada and Kingsett Mortgage Corporation which

is secured by, among other things, mortgages and assignments of rent registered on title to the Strata Lots (as defined herein) and the West 27<sup>th</sup> Lands (as defined herein); and

B. The parties wish to provide for the terms and conditions upon which the Loan shall be made available to the Borrowers.

**THEREFORE** in consideration of the premise and of the mutual covenants and agreements hereinafter set forth, the Lender and the Borrowers warrant and represent to and covenant and agree with each other as set forth below.

## 1. DEFINITIONS; INTERPRETATION

1.1 For the purpose of this Agreement, the following words and phrases will have meanings set forth below unless the parties or the context otherwise require(s):

- (a) "**1025332**" means 1025332 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1025332), and its successors and permitted assigns, whether immediate or derivate;
- (b) "**1025334**" means 1025334 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1025334), and its successors and permitted assigns, whether immediate or derivate;
- (c) "**1025336**" means 1025336 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1025336), and its successors and permitted assigns, whether immediate or derivate;
- (d) "**1094321**" means 1094321 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1094321), and its successors and permitted assigns, whether immediate or derivate;
- (e) "**2018 Loan Agreement**" means the loan agreement dated December 20, 2018 for a non-revolving term loan of twenty-four million eight hundred thousand dollars (\$24,800,000) between Amy Barsha Washington, 1025332, 1025334, 1025336, Chongye and Washington Point Grey, as borrowers, and the Lender, as lender;
- (f) "**2019 Loan Agreement**" means the loan agreement dated July 26, 2019, as amended by the First Loan Modification Agreement dated October 25, 2019 and the Second Loan Modification Agreement dated February 5, 2020, for a non-revolving term loan of thirteen million dollars [\$13,000,000] between Amy Barsha Washington, 1025332, 1025334, 1025336, Washington QEP, Washington Point Grey, Lucky, Pradra, 1094321 and Chongye as borrowers, and the Lender, as lender;
- (g) "**Additional Mortgage Group A Lands**" means a mortgage in the principal amount of fifteen million dollars (\$15,000,000) granted to the Lender and charging the Group A Lands as part of the Security Documents;

- (h) **"Additional Mortgage Group B Lands"** means a mortgage in the principal amount of fifteen million dollars (\$15,000,000) granted to the Lender and charging the Group B Lands as part of the Security Documents;
- (i) **"Advance"** means the advance of Loan funds made by the Lender to:
  - (i) fund a Lender designated entities to purchase the Strata Lots and the West 27<sup>th</sup> Lands and to pay all normal course closing costs with respect to the transfer of such properties and to discharge any Liens from the Strata Lots and the West 27<sup>th</sup> Lands that are not Permitted Liens;
  - (ii) payout in full the Laurentian Loan and obtain the discharge of the Laurentian Loan security from the Strata Lots and the West 27<sup>th</sup> Lands; and
  - (iii) payout the amount due to Kingsett under the Kingsett Loan and receive an assignment from Kingsett of the Kingsett Loan security to the Lender;
- (j) **"Affiliate"** means any party that would, pursuant to the *Income Tax Act* (Canada), as amended, supplemented or replaced from time to time, not be considered to be dealing at "arms length" with the party in question and any partnership or other organization in which any of the Borrowers or any of their Affiliates has the right to make or control management decisions and shall include any Affiliate of such Affiliate;
- (k) **"Agreement"** and **"this Agreement"** means this agreement and all schedules hereto as the same may be amended, modified, replaced or restated from time to time;
- (l) **"Belmont Lands"** means the lands and buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (m) **"Borrowers"** means, collectively, Amy, Edison, 1025332, 1025334, 1025336, Washington Point Grey, Washington QEP, 1094321, Prarda, Lucky Five and Chongye and their respective successors and permitted assigns, and **"Borrower"** means any one of them;
- (n) **"Borrowers' Indebtedness"** means all present and future indebtedness and liability, direct and indirect, of the Borrowers to the Lender arising under and pursuant to the Loan Documents (including, without limitation, at any point in time the principal amount outstanding under the Loan, all unpaid accrued interest thereon, and all fees and costs and expenses then payable in connection therewith);
- (o) **"Business Day"** means any day (other than a Saturday, Sunday or statutory holiday) which commercial banks in Vancouver, BC, are open for business;
- (p) **"Cambie Strata Lot 59"** means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement;

- (q) **"Cambie Strata Lot 163"** means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement;
- (r) **"Change in Control"** means:
  - (i) any change in the beneficial ownership of a majority of the issued shares in the capital of the Corporate Borrowers or any Other Obligor; or
  - (ii) a public offering of any of the shares in the capital of the Corporate Borrowers or any Other Obligor;
- (s) **"Chongye"** means Chongye Developments Ltd., a company under the *Business Corporation Act* of British Columbia (BC0803171), and its successors and permitted assigns, whether immediate or derivate;
- (t) **"Corporate Borrowers"** means, collectively, 1025332, 1025334, 1025336, Washington Point Grey, Washington QEP, 1094321, Prarda, Lucky Five and Chongye;
- (u) **"East 8<sup>th</sup> Lands"** means the lands and buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (v) **"Environmental Laws"** means all present and future federal and provincial statutes, laws, ordinances, codes, rules and regulations (including consent decrees and administrative orders) in effect in British Columbia and Canada, as amended and re-enacted from time to time, and all municipal by-laws and ordinances, relating to the protection of the environment; to the care, maintenance, use, storage and possession of substances; and to the safe-guarding of the health and safety of Persons coming or potentially coming into contact with such substances;
- (w) **"Environmental Laws"** means **"Event of Default"** means any of the events specified in Section 14, and **"Default"** means any of such events;
- (x) **"Eyremount Lands"** means the lands and buildings located on such lands with the legal description and civic address as defined in Schedule C of this Agreement;
- (y) **"Group A Lands"** means the lands and the buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (z) **"Group B Lands"** means the lands and the buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule D of this Agreement;
- (aa) **"Guarantor"** means Ms. Lucy Washington;
- (bb) **"Fiscal Year End"** in respect of each of the Corporate Borrowers means August 31<sup>st</sup>;



- (cc) **"Hazardous Substances"** means:
- (i) any oil, flammable substances, explosives, radioactive materials, hazardous or dangerous wastes or substances, toxic wastes or substances or any other wastes, contaminates, materials or pollutants which:
    - (A) pose a hazard to the properties, assets, undertaking or business of the Borrowers or any Other Obligor or to Persons on or about any real property of the Borrowers or any Other Obligor; or
    - (B) cause the properties, assets, undertaking, or the business of the Borrowers or any Other Obligor to be in violation of any Environmental Laws;
  - (ii) asbestos in any form which is or would reasonably be expected to become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls or radon gas;
  - (iii) any chemical, material or substance defined as or included in the definition of "dangerous goods", "deleterious substance", "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous waste", or "toxic substances", "waste" or words of similar import under any applicable local, provincial or federal law or under the regulations adopted or publications promulgated pursuant thereto, including the *Canadian Environmental Protection Act*, the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Canada Water Act* and the *Waste Management Act* (British Columbia);
  - (iv) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Body or which would reasonably be expected to pose a hazard to the occupants of any real property of the Borrowers or any Other Obligor or the owners or occupants of property adjacent thereto, or any other Person coming on any real property of the Borrowers or any Other Obligor or adjacent real property; and
  - (v) any other chemical, materials or substance which would reasonably be expected to pose a hazard to the environment;
- (dd) **"Interest Modification Date"** means December 31, 2021;
- (ee) **"Interest Rate"** means 12% per annum (increasing by 6% per annum on the Interest Modification Date to 18% per annum), calculated and compounded monthly, not in advance as well after as before maturity, default and judgment on the outstanding daily balance based on the number of days elapsed in a 365-day year;
- (ff) **"Kingsett"** means Kingsett Mortgage Corporation;

- (gg) **"Kingsett Loan"** means the loan or loans owing to Kingsett and secured by mortgages and assignments of rents registered on title to the Strata Lota under Land Title Office registration numbers CA7037322, CA7037323 and CA7787470, CA7787471 and mortgages and assignments of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037320, CA7037321, CA7787468 and CA7787469 and which secure a total indebtedness of approximately thirty-one million dollars (\$31,000,000);
- (hh) **"Laurentian"** means Laurentian Bank of Canada;
- (ii) **"Laurentian Loan"** means the loan or loans owing to Laurentian and secured by mortgages and assignments of rents registered on title to the Strata Lota under Land Title Office registration numbers CA5211079, CA5211080, CA7037305 and CA7037306 and a mortgage and assignment of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037303 and CA7037304, and which secure a total indebtedness of approximately six million dollars (\$6,000,000);
- (jj) **"Lender"** means the party so described above and its successors and assigns, whether immediate or derivative;
- (kk) **"Lien"** means, with respect to any Person, any mortgage, lien, pledge, hypothecation, charge, security interest (including, without limitation, an assignment, notice, or security interest filed pursuant to the *Bank Act* (Canada)) or other encumbrance, or any interest or title of any vendor, lessor, or lender to or other secured party of such Person under any conditional sale or other title retention agreement, upon or with respect to any property asset or undertaking of such Person, including any agreement to create any of the foregoing;
- (ll) **"Loan Documents"** means this Agreement and the Security Documents;
- (mm) **"Loan"** means a non-revolving term loan in the principal amount of [approximately \$50M] established by the Lender in favour of the Borrowers pursuant to this Agreement and the exact amount of which will be approved on the funding date;
- (nn) **"Lucky Five"** means Lucky Five Investments Ltd., a company under the *Business Corporations Act* of British Columbia (BC1050104), and its successors and permitted assigns, whether immediate or derivative;
- (oo) **"Material Adverse Change"** means any one or more transactions, events or conditions which have a material adverse effect on:
  - (i) the ability of the Borrowers or any Other Obligor to perform and discharge its obligations under this Agreement or the Security; or
  - (ii) the Lender's ability to enforce its rights or remedies under this Agreement or the Security Documents; or
  - (iii) the financial condition of the Borrowers taken as a whole;

- (pp) **"material adverse effect"** in respect of the Borrowers or any Other Obligant means a material adverse effect on:
- (i) the business, operations, affairs, financial condition, property, assets or undertakings of one or more of the Borrowers or any Other Obligant; or
  - (ii) the validity, priority or enforceability of any agreement with the Lender (including this Agreement) to which the Borrowers or any other Obligant is a party to by which any of its property, assets or undertakings are bound;
- (qq) **"material"** in respect of a Borrower or any Other Obligant means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of that Borrower or any Other Obligant;
- (rr) **"Maturity Date"** means January 31, 2022, unless sooner determined due to the occurrence of an Event of Default;
- (ss) **"Net Sales Proceeds Agreement"** means the agreement between the Borrowers and the Lender pursuant to which the Lender will credit certain amounts of the net sale proceeds received from the sale of the Strata Lots and the West 27<sup>th</sup> Lands against the outstanding Loan amount owing by the Borrowers to the Lender;
- (tt) **"Nicola Strata Lot"** means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement;
- (uu) **"Other Obligant"** means any other Person who is liable for the payment, observance or performance of the Borrowers' Indebtedness, either in whole or in part;
- (vv) **"Permitted Liens"** means:
- (i) the Security Documents granted in favour of the Lender pursuant to this Agreement;
  - (ii) minor Liens, provided that such Liens are not incurred in connection with the borrowing of money or that such Liens do not materially detract from the value of the affected assets or materially impair the use thereof in the operation of the business;
  - (iii) any Lien securing a purchase money obligation, provided that (i) no such Lien affects any property other than the property acquired by the incurring of such purchase money obligation and any proceeds thereof, and (ii) such Lien does not secure an amount in excess of the original purchase price of such property, plus any enforcement costs, less repayments made from time to time;
  - (iv) undetermined or inchoate Liens and charges which have not at the time been filed or registered pursuant to law against the Borrowers or any Other Obligant and of which no notice has been given to the Borrowers or any

Other Obligant or the Lender or which are not yet due or the validity of which is being contested at the time, diligently and in good faith if the Borrowers or any Other Obligant shall maintain adequate reserves in connection therewith;

- (v) Liens of any depositary bank in connection with statutory, common law and contractual rights of set-off and recoupment with respect to any deposit account of the Borrowers; and
- (vi) possessory Liens which (i) occur in the ordinary course of business and (ii) secure normal trade debt which is not yet due and payable;

and includes those Liens which have been approved by the Lender in writing, in its sole and absolute discretion.

- (ww) "**Person**" means and includes an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof;
- (xx) "**Prarda**" means Prarda Developments Corporation, a company under the *Business Corporation Act* of British Columbia (BC0987747), and its successors and permitted assigns, whether immediate or derivate;
- (yy) "**Security Documents**" means the security documents set out in Section 11 to this Agreement and any other security document from time to time taken by the Lender from the Borrowers and/or any Other Obligant as security for the payment, observance and performance of the Borrowers' Indebtedness in whole or in part;
- (zz) "**Strata Lots**" means the thirteen (13) strata lots with the legal descriptions and civic addresses as defined in Schedule A of this Agreement;
- (aaa) "**Washington Point Grey**" means Washington Properties (Point Grey) Inc., a company under the *Business Corporations Act* of British Columbia (BC1025331), and its successors and permitted assigns, whether immediate or derivate;
- (bbb) "**Washington QEP**" means Washington Properties (QEP) Inc., a company under the *Business Corporations Act* of British Columbia (BC1009302), and its successors and permitted assigns, whether immediate or derivate; and
- (ccc) "**West 3rd Lands**" means the lands, and the buildings and improvements located on such lands, with the legal description and civic address as defined in Schedule C of this Agreement;
- (ddd) "**West 27<sup>th</sup> Lands**" means the lands, and the buildings and improvements located on such lands, with the legal descriptions and civic addresses as defined in Schedule B of this Agreement; and
- (eee) "**West 41<sup>st</sup> Strata Lot**" means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement.

## **2. LOAN**

- 2.1 Subject to the terms and conditions of this Agreement, the Lender hereby establishes and agrees to make the Loan available to the Borrowers on or before [July 31, 2020].

## **3. PURPOSE**

- 3.1 The Loan will be made available to the Borrowers to:
- (a) payout in full the Laurentian Loan owing to Laurentian and secured by mortgages and assignments of rents registered on title to the Strata Lots under Land Title Office registration numbers CA5211079, CA5211080, CA7037305 and CA7037306 and a mortgage and assignment of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037303 and CA7037304, and which mortgages secure a total loan indebtedness of approximately six million dollars (\$6,000,000);
  - (b) payout in full the Kingsett Loan owing to Kingsett and secured by mortgages and assignments of rents registered on title to the Strata Lots under Land Title Office registration numbers CA7037322, CA7037323, CA7787470 and CA7787471 and mortgages and assignments of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037320, CA7037321, CA7787468 and CA7787469, and which mortgages secure a total loan indebtedness of approximately thirty-one million dollars (\$31,000,000) and to have the Kingsett assign the Kingsett Loan security documents to the Lender;
  - (c) payout and discharge any strata fees unpaid and outstanding in respect of the Strata Lots;
  - (d) payment of property taxes unpaid and due and payable to the City of Vancouver in respect of the Strata Lots and the West 27<sup>th</sup> Lands, including late payment penalties and interest; and

to enable the Strata Lots to be transferred to a Lender designated entity (1256306 B.C. Ltd.) and the shares of Prarda and 109432 to be transferred to a Lender designated entity (1256319 B.C. Ltd.) with the West 27<sup>th</sup> Lands, free and clear of any Liens other than Permitted Liens. 1256306 B.C. Ltd. will own the Strata Lots as bare trustee and nominee in favour of 1256319 B.C. Ltd. and will own no other assets. 1256319 B.C. Ltd. will be the sole beneficial owner of the Strata Lots and the West 27<sup>th</sup> Lands and will own no other assets.

## **4. MATURITY DATE**

- 4.1 The outstanding principal amount of the Loan together with all accrued and unpaid interest and all other amounts outstanding hereunder shall become due and payable in full on the Maturity Date unless sooner determined by the Lender due to the occurrence of an Event of Default.

## 5. INTEREST AND FEES

- 5.1 **Calculation of Interest.** The outstanding daily principal balance of the Loan will bear interest at the Interest Rate until paid in full and interest will compound monthly.
- 5.2 **Interest Payments.** No interest payments will be due prior to the Maturity Date unless there is an occurrence of an Event of Default.
- 5.3 **Overdue Interest.** All overdue and unpaid interest and all fees, costs, and other amounts payable by the Borrowers hereunder or under any of the Security Documents will be added to the outstanding principal amount of the Loan and will bear interest at the Interest Rate until paid in full.
- 5.4 **Transaction Fees.** The Borrowers will pay the Lender's standard loan amendment fees, cancellation fees and security processing fees, which are charged for the administrative handling of the file including amending loan terms and conditions, switching interest rate plans, providing consents, annual reviews and the provision of discharges. The Borrowers will pay the Lender for returned cheque handling. These fees may change from time to time without notice.
- 5.5 **Expenses.** The Borrower will be responsible for their own legal fees and the reasonable legal fees of the Lender and all other third party expenses, fees and disbursements including fees and disbursements that are reasonably incurred by the Lender in perfecting and registering the security for the Loan, including the transfer of the Strata Lots and the Prarda and 109432 shares as provided in Section 3.1 and the Borrowers authorize the Lender to pay same out of proceeds of the Loan or as an additional advance under the Loan.

## 6. REPAYMENT

- 6.1 **Principal Payments.** The outstanding balance of the Loan together with any other amounts outstanding hereunder shall be due and payable in full on the Maturity Date.
- 6.2 **No Set-off.** All amounts payable by the Borrowers under this Agreement will be paid without set-off or counterclaim, and without any deductions or withholdings whatsoever.
- 6.3 **Net Sales Proceeds Agreement.** The outstanding balance of the Loan will be paid down from the amounts the Lender receives from the sale of the Strata Lots and the West 27<sup>th</sup> Lands pursuant to the terms of the Net Sales Proceeds Agreement.
- 6.4 **Application of Payments.** Subject to the provisions hereof, all payments received by the Lender on account of the Borrowers' Indebtedness will be applied first in payment of outstanding interest, secondly in reduction of the principal balance of the Loan then outstanding. If any payment is received at any time while an Event of Default remains outstanding, the Lender may appropriate such payment to such part or parts of the Borrowers' Indebtedness as the Lender in its sole discretion may determine and the Lender may from time to time revoke and change any such appropriation.

- 6.5 **Records of Advances, Payments, Etc.** The Lender is hereby authorized to open and maintain books of account and other books and records evidencing all advances under the Loan, interest accruing thereon, fees, charges, and other amounts from time to time charged to the Borrowers under the Loan Documents; and amounts from time to time owing, paid, or repaid by the Borrowers under this Agreement. All such books, accounts, and records will constitute prima facie evidence of the amount owing by the Borrowers under the Loan Documents; but the failure to make any entry or recording in such books, accounts, and records will not limit or otherwise affect the obligations of the Borrowers under the Loan Documents.
- 6.6 **Business Day.** Notwithstanding anything in this Agreement to the contrary, any payment of principal of or interest on the Borrowers' Indebtedness that is due on a date other than a Business Day will be made on the next succeeding Business Day. If the date for any payment on the Borrowers' Indebtedness is extended to the next succeeding Business Day by reason of the preceding sentence, the period of such extension will not be included in the computation of the interest payable on such Business Day.
- 6.7 **Payments to be Made.** The Borrowers will make all payments due hereunder, when due to the Lender at Suite 1460 – 701 West Georgia Street, Vancouver, BC V7Y 1E4, or at such address, account or direct deposit instructions as the Lender may advise the Borrowers in writing from time to time. All monies received after 2:00 p.m. Vancouver BC local time will be deemed received on the next Business Day.

## 7. PREPAYMENT

- 7.1 The Borrowers may prepay the Loan in whole or in part at any time without the requirement of the payment of any penalty or bonus provided that if the Borrowers are paying the Loan out in full, the Borrowers pay all interest which has then accrued but remains outstanding.
- 7.2 The Borrowers and Lender agree that all prepayments received by the Lender will be applied to this Loan and will not be applied to the loan due to the Lender under the 2018 Loan Agreement, unless otherwise approved in writing by the parties.
- 7.3 If the Borrowers repay the Loan in full before the Maturity Date the Lender will cause any of the Strata Lots or the West 27<sup>th</sup> Lands that are then owned by the Lender designated entity and are not subject to an accepted contract of purchase and sale to be transferred back to an entity as designated by Amy Washington in writing for no additional consideration. In connection with any funds the Lender receives from the Borrowers to repay the Loan in order to receive a transfer back of Strata Lots or the West 27<sup>th</sup> Lands, the Lender may allocate all or a portion of such funds towards the consideration paid by the Borrowers to receive a transfer back of the Strata Lots or West 27<sup>th</sup> Lands, as applicable, so that the Lender has no capital gain on the disposition and transfer back of the Strata Lots or West 27<sup>th</sup> Lands to the Borrowers.
- 7.4 The Borrowers shall have the right to a reconveyance of individual Strata Lots or the West 27<sup>th</sup> Lands and a discharge of any security registered against such lands in favour of the Lender or any related or affiliated party, upon payment to the Lender of the amount set out in the Net Proceeds Agreement as the PLW Entity Purchase Price in respect of the

lands for which a discharge is requested by the Borrowers and the Lender will provide a partial discharge of that portion of the said land any security held by the Lender and will convey such land as directed by the Borrowers.

## 8. CONDITIONS PRECEDENT

8.1 The Lender's obligation to make the Advance is subject to the following conditions precedent having been met to the Lender's sole satisfaction or waived by the Lender in writing at the time of the Advance, namely:

- (a) transfers of the Strata Lots to 1256306 B.C. Ltd. (the Lender designated entity) are recorded in the Land Title Office as pending registrations subject only to the Permitted Encumbrances **[NTD: PRE CLOSING ROLLOVER]**;
- (b) 1256306 B.C. Ltd. (the Lender designated entity) has acquired all of the issued and outstanding shares to 1094321 and to Prarda free of any Liens and beneficial interest to the West 27<sup>th</sup> Lands is transferred to 1256319 B.C. Ltd. (the Lender designated entity) subject only to Permitted Encumbrances;
- (c) there are no claims of builder's liens or certificates of pending litigation registered on title to the Strata Lots or the West 27<sup>th</sup> Lands or the Lender has consented to arrangements to discharge any registered claims of builder's liens or certificates of pending litigation;
- (d) each lender under a mortgage registered on title to any of the Group A Lands has consented in writing addressed to the Borrowers and to the Lender that the Lender may register a fifteen million dollar (\$15,000,000) inter alia mortgage on title to the Group A Lands and such registration will not be a breach of the consenting lender's mortgage **[NTD: NEED TO CONFIRM]**;
- (e) the mortgage and assignment of rents in favour of Trisura Guarantee Insurance Company and registered in the Land Title Office under registration numbers CA5213797 and CA5213798 has been discharged from the Strata Lots;
- (f) the certificate of pending litigation registered on title to the Strata Lots in favour of Alto Construction Management Ltd. under Land Title Office registration number CA8133629 has been discharged;
- (g) the certificate of pending litigation registered on title to the West 27<sup>th</sup> Lands in favour of Alto Construction Management Ltd. under Land Title Office registration number CA8199732 has been discharged;
- (h) Kingsett has agreed to assign all of the Kingsett Loan security documents to the Lender on a non-recourse basis;
- (i) written consents or releases addressed to the Lender have been obtained from any creditor or third party identified by the Lender who has filed or threatened to file a claim of builder's lien, financial encumbrance or security interest to the Strata



Lots, the West 27<sup>th</sup> Lands, any sale proceeds from the sale of the Strata Lots or the West 27<sup>th</sup> Lands, the shares of 1094321 or the shares of Prada;

- (j) the Lender having received a properly executed original of this Agreement and the Security Documents then in effect together with an opinion from its solicitors, acceptable to the Lender in its discretion, with respect to the status of the Borrowers, the approval by the Borrowers of the Loan, the Loan Documents and the Security Documents and the execution and delivery thereof;
- (k) the Borrowers' representations and warranties contained herein and in the Security Documents then in effect then being true and correct in all material respects;
- (l) there then being no outstanding Default or Event of Default and no outstanding condition, event or act which with or without the giving of notice could reasonably be expected to become an Event of Default;
- (m) there then being no outstanding condition, event or act which has had or would reasonably be expected to have a material adverse effect;
- (n) all prior ranking mortgages on the Group A Lands are in good standing [NTD: **NEED TO CONFIRM**]; and
- (o) no new financial charges, encumbrances or liens are registered on the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands without the prior written consent of the Lender, which is at the Lender's sole discretion.

## 9. REPRESENTATIONS AND WARRANTIES

9.1 The Borrowers represent and warrant to the Lender at the time of their execution and delivery of this Agreement and at the time of the Advance, as follows:

- (a) each Corporate Borrower is a corporation duly organized, validly existing and in good standing under its incorporating jurisdiction;
- (b) each Corporate Borrower has the corporate power and capacity to carry on business, own property or interests therein, borrow and lend money, grant security, make, keep, observe and perform representations, warranties, covenants and agreements and incur obligations and liabilities, all as contemplated hereby;
- (c) except for the litigation commenced by Kingsett and Alto Construction Management Ltd., there is no action, suit, investigation or proceeding existing or pending or, to its knowledge, threatened against either of them or any of its property, assets or undertakings by or before any court, arbitrator or administrative or governmental body which, if adversely determined to the Borrowers, would reasonably be expected to have a material adverse effect;
- (d) the financial statements of each of Corporate Borrower furnished to the Lender under this Agreement will fairly present in all material respects the financial condition of the Borrowers as at the date thereof, and no Material Adverse

Change has occurred between the date of the most recent financial statements and the date of the Advance, as applicable;

- (e) in respect of the 35 Park West development project and the sale of strata lots in the project, Amy Washington and Washington QEP are current with remittances due to the federal Minister of Finance for goods and services taxes payable pursuant to the Canada *Excise Tax Act*;
- (f) neither of the Borrowers has agreed or consented to, nor has either of them agreed to cause or permit in the future (upon the happening of a contingency or otherwise), any of its property, whether now owned or hereafter acquired, to be subject to a Lien, except for Permitted Liens; and
- (g) the execution and delivery by their of this Agreement and the Security Documents and the performance by it of its obligations hereunder and thereunder, do not and will not conflict with or result in a breach of any of the terms, conditions, or provisions of:
  - (i) the respective constating documents for each Corporate Borrower,
  - (ii) to the best of their knowledge, any law, regulation, or decree applicable or binding on it or any of its property, assets and undertaking, or
  - (iii) any agreement or instrument to which it or any of its property, assets or undertakings is a party or bound, the breach of which could reasonably be expected to have a material adverse effect or result in, or require or permit the imposition of any Lien in or with respect to the property, assets and undertakings now owned or hereafter acquired by them.

## 10. COVENANTS

### 10.1 Positive Covenants. Each Corporate Borrower will:

- (a) **Comply with Laws** - comply in all material respects with all laws, ordinances or governmental rules or regulations applicable to it or any of its property, assets and undertakings;
- (b) **Obtain/Maintain Licenses** - obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective property, assets and undertakings or to the conduct of its businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a material adverse effect;
- (c) **Maintain Assets** - maintain and keep its property, assets and undertakings in good repair, working order and condition (other than ordinary wear and tear), so that the business(es) carried on by it may be properly conducted at all times;

- (d) **Strata Lots and West 27<sup>th</sup> Lands Ownership and Operating Costs** - until the Maturity Date and so long as a Strata Lot or the West 27<sup>th</sup> Lands are owned by a Lender designated entity, the Borrowers will be responsible to pay all reasonably incurred costs with respect to ownership, repair and maintenance of the Strata Lots and the West 27<sup>th</sup> Lands owned by the Lender designated entity including but not limited to, annual property taxes, empty homes taxes, speculation and vacancy taxes, insurance as would a prudent owner, strata fees or special assessments, utilities, and cleaning or security services where reasonably required; and
  - (e) **Notify of Litigation** – promptly give the Lender notice in writing of all litigation and all proceedings before any governmental or regulatory agencies or arbitration authorities affecting either of them, except those which, if adversely determined, would not have a material adverse effect on its financial condition or business.
- 10.2 **Negative Covenants.** So long as this Agreement remains in effect, each Corporate Borrower will not, without the prior written consent of the Lender, which consent will not be unreasonably withheld:
- (a) **Change Name:** change their names;
  - (b) **Change Corporate Structure:** amalgamate, consolidate or merge with any other Person;
  - (c) **Partnership:** acquire, amalgamate or enter into a partnership, joint venture or similar relationship with any other Person;
  - (d) **Change Capital Structure:** redeem any of their redeemable shares, pay dividends, or otherwise change their capital structure or make any form of capital withdrawal or change its voting or operating control;
  - (e) **Change Fiscal Year End:** change their Fiscal Year End;
  - (f) **Grant any Charge or Sign Contracts of Purchase and Sale:** grant any charge, encumbrance or interest in the Strata Lots or the West 27<sup>th</sup> Lands or sign any contract of purchase and sale with respect to the Strata Lots or the West 27<sup>th</sup> Lands; and
  - (g) **Transfer Intellectual Property:** sell, assign, transfer or convey its right, patents, trade secrets, licenses, trademarks, or any other intellectual or industrial property.
- 10.3 **Indemnity.** The Borrowers hereby agree to indemnify the Lender against, and hold the Lender harmless from, any and all losses, claims, damages, liabilities or other expenses, including the reasonable fees, charges and disbursements of counsel for the Lender which the Lender may sustain or incur arising out of, in connection with, or as a result of:
- (a) the breach by the Borrowers of any of the Loan Documents, or any agreement or instrument contemplated hereby or thereby, and the performance or non-performance by the Borrowers hereto of their respective obligations hereunder or

thereunder or the consummation or non-consummation of the other transactions contemplated by this Agreement;

- (b) any default in payment of the principal amount of the Loan or any part thereof or interest accrued thereon, as and when due and payable, or any failure to reimburse the Lender for any payment made by it under the Advance; or
- (c) the occurrence of any Default or Event of Default.

This provision shall survive repayment of the Loan and shall continue in full force and effect so long as the possibility of such liability, claims or losses exist.

## 11. SECURITY

11.1 As security for payment, observance and performance of the Borrowers' Indebtedness, the Borrowers agree to execute and deliver (and cause each Other Obligor to execute and deliver), *inter alia*, the following documents to which it is a party (collectively, the "**Security Documents**") in a form and manner satisfactory to the Lender and the Lender's solicitors:

- (a) acknowledgement and confirmation from the Borrowers on the funding date as to the amount owing to the Lender under the 2018 Loan Agreement and this Agreement;
- (b) a modification of the current mortgages held by the Lender and registered on title to the Strata Lots and the West 27<sup>th</sup> Lands;
- (c) a general security agreement from 109432, Prarda and QEP creating a security interest over their respective present and after-acquired personal property, which the Lender shall be entitled to register in the Personal Property Security Registry;
- (d) a general security agreement from Amy and Edison charging all present and after acquired property situate at or related to the Strata Lots and the West 27<sup>th</sup> Lands;
- (e) an inter alia mortgage in the principal amount of [**\$15,000,000**] and assignment of rents of the Group A Lands to be registered:
  - (i) as a second mortgage of the Belmont Lands;
  - (ii) as a first mortgage of Cambie Strata Lot 59;
  - (iii) as a first mortgage of Cambie Strata Lot 163;
  - (iv) as a second mortgage of the East 8<sup>th</sup> Lands;
  - (v) as a third mortgage of the Eyremount Lands;
  - (vi) as a second mortgage of the Nicola Strata Lot;
  - (vii) as a third mortgage of the West 3<sup>rd</sup> Lands;

- (viii) as a third mortgage of the West 41<sup>st</sup> Strata Lot.
  - (f) an inter alia mortgage in the principal amount of [**\$15,000,000**] and assignment of rents of the Group B Lands;
  - (g) an environmental indemnity agreement from the Borrowers in respect of the Group A Lands and the Group B Lands;
  - (h) the Net Sales Proceed Agreement;
  - (i) a \$8,000,000 limited guarantee and postponement of claims from Lucy Washington as guarantor;
  - (j) an assignment of the excess builder's lien holdback funds, if any, held by Kornfeld LLP with respect to the sale of the 35 Park West strata lots;
  - (k) a security interest in the \$1,700,000 in funds paid by Washington QEP and held by Laurentian as cash collateral for a letter of credit held by the City of Vancouver with respect to the completion of offsite works for the 35 Park West development; and
  - (l) such other security as the Lender may reasonably require from time to time.
- 11.2 Each Security Document is given as additional, concurrent and collateral security to the remainder of the Security Documents and will not operate to merge, novate or discharge the Borrowers' Indebtedness or any of the other Security Documents. The execution and delivery of each Security Document will not in any way suspend or affect the present or future rights and remedies of the Lender in respect of the Borrowers' Indebtedness, or the other Security Documents. No action or judgment taken by the Lender in respect of any of the Security Documents or with respect to the Borrowers' Indebtedness will affect the liability of the Borrowers hereunder and nothing but the actual payment in full by the Borrowers to the Lender of the Borrowers' Indebtedness will discharge the Borrowers or any of the Security Documents.
- 11.3 The Additional Mortgage Group B Lands shall be held by the Lender's counsel and shall not be released to the Lender nor registered against the Group B Lands unless: (a) the Loan has not been repaid by the Maturity Date; (b) the Borrowers commit an event of default pursuant to Section 14 of this Agreement; (c) a prior ranking mortgagee of the Group B Lands commences enforcement proceedings with respect to its mortgage; or (d) any new financial charge, encumbrance of lien is registered against the Group B Lands..
- 11.4 From the first release by Laurentian of the funds referred to in Section 11.1(k) and provided the release is for more than one million four hundred thousand dollars (\$1,400,000), the Lender shall remit forty percent (40%) of such funds to the Borrowers and the balance shall be applied by the Lender on the Loan and thereafter all subsequent releases of the funds will be paid 100% to PLW and applied towards the Loan.

## 12. SALE OF THE GROUP A LANDS OR THE GROUP B LANDS

- 12.1 The Borrowers are not permitted to sell any parcel that comprises the Group A Lands or the Group B Lands to an Affiliate or any person who is not an arm's length purchaser from the Borrowers without the prior written consent of the Lender, which consent is at the Lender's sole discretion.
- 12.2 If the Borrowers sell any parcel that comprises the Group A Lands or the Group B Lands to an arm's length party for fair market consideration, the Lender will grant a discharge of its mortgage and assignment of rents from the Group A Lands or Group B Lands, as applicable, and will deliver the signed discharge of the mortgage and assignment of rents in advance of the closing and in exchange for and on the condition the Lender will receive ninety percent (90%) of the net sale proceeds from such sale, after deducting normal course and reasonable closing costs and paying out all prior ranking mortgages registered on title.

## 13. ENVIRONMENTAL MATTERS

- 13.1 **Environmental Representations and Warranties.** To the best of the knowledge of the Borrowers, and except as previously disclosed to the Lender in writing, the Borrowers jointly and severally represent and warrant to the Lender that:

- (a) **Compliance with Environmental Laws** - the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands and the Group B Lands have been, and continue to be, in material compliance with all applicable Environmental Laws;
- (b) **No Claims, etc.** - there have been no past, and there are no pending or threatened:
  - (i) claims, complaints, notices or requests for information received by or known to the Borrowers with respect to any alleged violation of any applicable Environmental Laws in respect of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands;
  - (ii) complaints, notices or inquiries to the Borrowers regarding potential liability under any applicable Environmental Laws with respect to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands; or
  - (iii) claims, complaints, notices or requests to the Borrowers requiring investigation or remediation under any applicable Environmental Laws with respect to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands,
  - (iv) that, singularly or in the aggregate, have, or may be reasonably expected to have, a material adverse effect upon the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands, owned or leased by the Borrowers;

- (c) **No Releases of Hazardous Substances** - there have been no releases or threatened releases of Hazardous Substances in violation of any applicable Environmental Law at, on or under the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers or in the groundwater beneath the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers, singularly or in the aggregate, may be reasonably expected to have a material adverse effect on any of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands;
  - (d) **Permits, Certificates** – the Borrowers have been issued and are in material compliance with all permits, certificates, approvals, licenses and other authorizations relating to environmental matters that are required pursuant to any Environmental Law and necessary for the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands;
  - (e) **No UST's** - there are no underground storage tanks, or water, gas or oil wells, active or abandoned, including petroleum storage tanks, on or under the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers that, singularly or in the aggregate, may be reasonably expected to have a material adverse effect upon the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers; and
  - (f) **No Liability under Environmental Law** - no conditions exist at, on or under the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands which, with the passage of time or the giving of notice, or both, would give rise to liability of the Borrowers under any Environmental Law.
- 13.2 **Notice of Hazardous Substances Violations.** The Borrowers shall promptly notify the Lender (and provide whatever information the Lender may reasonably request with respect thereto) upon:
- (a) becoming aware of the occurrence of any violation of any Environmental Law or permit related to Hazardous Substances, or the receipt of notice of any alleged violation or the receipt of a compliance order;
  - (b) the Borrowers intended response thereto; and
  - (c) all other communications with federal, provincial or municipal officials or agencies relating to Hazardous Substances.
- 13.3 **Hazardous Substances Indemnity.** The Borrowers hereby jointly and severally agree, at their sole cost and expense, to indemnify, protect, hold harmless and defend (with counsel of the Lender's choice) the Lender and its successors and assigns and their respective directors, officers, agents, attorneys and employees (collectively the “**Indemnitees**” and individually an “**Indemnitee**”) from and against all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses (including, without limitation, fees, disbursements and costs of lawyers, environmental consultants and

experts), and all foreseeable and unforeseeable consequential and other damages of any kind or of any nature whatsoever (collectively, “**Losses**”) which may at any time be imposed upon, incurred or suffered by or asserted or awarded against any Indemnatee directly or indirectly relating to or arising from any Hazardous Substance which originated on or from the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers at any time, past, present or future (collectively “**Environmental Matters**”), including, without limitation:

- (a) any past, present or future presence of any Hazardous Substance on, in, under or affecting all or any portion of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers or on, in, under or affecting all or any portion of any property adjacent or proximate to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands;
- (b) any past, present or future storage, holding, handling, release, threatened release, discharge, generation, leak, abatement, removal or transportation of any Hazardous Substance on, in, under or from the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers;
- (c) any violation at any time of any Environmental Laws;
- (d) the failure of the Borrowers to properly complete, obtain, submit or file any notice, permit, licence, authorization, covenant or similar item relative to any Environmental Matters described herein in connection with the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands or the ownership, use, operation or enjoyment thereof;
- (e) the extraction, removal, containment, transportation or disposal of any Hazardous Substance from any portion of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers or any other property adjacent or proximate to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands;
- (f) any past, present or future presence, operation, closure, abandonment or removal from the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers of any storage tank which at any time contained any Hazardous Substance;
- (g) the implementation and enforcement of any monitoring, notification or other precautionary measures which may at any time become necessary to protect against the release or discharge of Hazardous Substances on, in, under or affecting the Strata Lots, West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers or into the air, any body of water, any other public domain or any property adjacent or proximate the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands;
- (h) any failure of any Hazardous Substances generated or moved from the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or



leased by the Borrowers to be removed, contained, transported and disposed of in compliance with all applicable Environmental Laws; or

- (i) any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency in connection with any Hazardous Substances or violation of any Environmental Laws occurring or allegedly occurring at any time in relation to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Group B Lands owned or leased by the Borrowers.

13.4 **Survival of Hazardous Substances Indemnity.** The indemnity in the immediately preceding section is given solely to protect the Lender and the Indemnitees against Losses and not as additional security for, or as a means of repayment of, the Loan. Accordingly, the obligations of the Borrowers under this Indemnity shall be independent of, and shall not be measured or affected by:

- (a) any amounts at any time owing in respect of the Loan;
- (b) the sufficiency or insufficiency of the Security Documents or any collateral;
- (c) any consideration given by the Lender or any other party in any realization proceedings to acquire any property mortgaged or charged by the Security Documents;
- (d) the discharge or repayment in full of the Loan (including, without limitation, by amounts paid); or
- (e) any exculpatory provisions in any laws or documentation limiting the Lender's rights to recover a deficiency judgment.

#### 14. EVENTS OF DEFAULT

14.1 At the option of the Lender, the Borrowers' Indebtedness will immediately become due and payable and this Agreement and the Security Documents will become enforceable upon the happening of any one or more of the following events:

- (a) Default - if the Borrowers or any Other Obligor makes default in any payment of principal, interest, or other money payable by it hereunder or under any of the Security Documents or any other security granted by it to the Lender when the same becomes due hereunder or thereunder, or if the Borrowers or any Other Obligor makes default in the observance or performance of something required to be done or some covenant or condition required to be observed or performed hereunder or in any of the Security Documents or any other security granted by it to the Lender;
- (b) Misrepresentation - if any material representation or warranty given by or on behalf of the Borrowers or any Other Obligor is untrue in any material respect;
- (c) Winding-Up - if an order is made or a resolution is passed for the winding-up of the Borrowers or any Other Obligor, or if a petition is filed for the winding-up of the Borrowers or any Other Obligor;

- (d) Bankruptcy - if the Borrowers or any Other Obligant commits or threatens to commit any act of bankruptcy; becomes insolvent; or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* or similar legislation in any other jurisdiction, a general assignment in favour of its creditors, or a bulk sale of its assets; or if a bankruptcy petition is filed or presented against the Borrowers or any Other Obligant;
- (e) Receivership - if a receiver, receiver and manager, or receiver-manager, or any person with like powers, is appointed for all or any of the property, assets and undertakings of the Borrowers or any Other Obligant;
- (f) Arrangement - if any proceedings with respect to the Borrowers or any Other Obligant are commenced under the *Companies Creditors Arrangement Act* or under the *Bankruptcy and Insolvency Act* or similar legislation in any other jurisdiction;
- (g) Other Indebtedness - if the Borrowers or any Other Obligant permits any sum which has been admitted as due by it, or is not disputed to be due by it, and which forms or is capable of being made a charge upon any of its property, assets and undertakings in priority to any charge created by any of the Security Documents, to remain unpaid for 30 days after proceedings have been taken to enforce the same;
- (h) Cease Business - if the Borrowers or any Other Obligant ceases or threatens to cease to carry on any of its business;
- (i) Default in Other Payment - if the Borrowers makes default in payment of any of the Borrowers' Indebtedness or liability to the Lender, whether secured by the Security Documents or not;
- (j) Material Adverse Change in Risk – if, in the Lender's opinion, acting reasonably, there is any Material Adverse Change;
- (k) Execution - if any execution, sequestration, extent, or any other process of any kind is levied upon or enforced against the Strata Lots, the West 27<sup>th</sup> Lands or the Group A Lands and remains unsatisfied for a period of three weeks, unless such process is disputed in good faith and, in the reasonable opinion of the Lender, does not jeopardize or impair the security constituted by the Security Documents in any material way;
- (l) Subsequent Encumbrances - if, without the prior written consent of the Lender, a Borrowers or any Other Obligant mortgages, charges, or otherwise encumbers any of the property, assets or undertakings charged by the Security Documents to any Person other than the Lender, other than a Permitted Lien or any encumbrance or charge securing a purchase money obligation, provided that (i) no such encumbrance or charge affects any property other than the property acquired by the incurring of such purchase money obligation, and (ii) such encumbrance or charge does not secure an amount in excess of the original purchase price of such property, less repayments made from time to time; or

(m) Change in Control – if there is a Change in Control.

## 15. WAIVER

- 15.1 The Lender may waive any breach by the Borrowers of any of the provisions contained in this Agreement or in the Security Documents or any default by the Borrowers in the observance or performance of any covenant or condition required to be observed or performed by the Borrowers under the terms of this Agreement or any of the Security Documents; but any waiver by the Lender of such breach or default, or any failure to take any action to enforce its rights hereunder or under any of the Security Documents, will not extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

## 16. PREPAYMENT COMPENSATION ON ACCELERATION

- 16.1 The occurrence of an Event of Default and the acceleration of the Loan prior to the applicable Maturity Date will be deemed to be a prepayment, and the Borrowers will pay to the Lender the amount of the Loan and interest and expenses then due.

## 17. REMEDIES UNDER THIS AGREEMENT AND THE SECURITY DOCUMENTS

- 17.1 **Cross Default.** Any default by the Borrowers under this Agreement, the 2018 Loan Agreement or under any of the Security Documents will constitute a default under the remainder of the Security Documents.
- 17.2 **Remedies Cumulative.** All rights and remedies stipulated for the Lender hereunder or in any of the Security Documents will be deemed to be in addition to and not restrictive of the right and remedies which the Lender might be entitled to at law or in equity; and the Lender may realize on the Security Documents or any part thereof in any manner and in such order as it may be advised, and any such realization by any means will not bar realization of any other security or any part or parts thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof, nor will any failure on the part of the Lender to exercise, or any delay in exercising any rights under this Agreement or any of the Security Documents operate as a waiver.
- 17.3 **No Waiver.** The acceptance by the Lender of any further security or of any payment of or on account of any of the Borrowers' Indebtedness after a Default or of any payment on account of any past Default will not be construed to be a waiver of any right in respect of any future default or of any past default not completely cured thereby; and the Lender may, in its uncontrolled discretion, exercise any and all rights, powers, remedies and recourses available to it in accordance with this Agreement and the Security Documents concurrently or individually without the necessity of any election.

## 18. MISCELLANEOUS

- 18.1 **Further Assurances.** Each of the parties hereto will forthwith at all times, and from time to time, at the Borrowers' sole cost and expense, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts,

deeds, documents and assurances which, in the opinion of a Lender, acting reasonably, are necessary or advisable for the better accomplishing and effecting of the intent of this Agreement.

- 18.2 **Pay Costs.** The Borrower will pay its own legal costs and the Lender's reasonable costs in connection with the preparation and negotiation of this Agreement and the Security Documents. All legal costs, registration fees and other costs incurred by the Lender in connection with the registration, discharge, amendment and enforcement of this Agreement and the Security Documents will be paid by the Borrower.
- 18.3 **Replacement of the 2019 Loan Agreement.** This Agreement replaces and supersedes the 2019 Loan Agreement.
- 18.4 **No Merger.** None of the execution and delivery of the Security Documents, the registration of the Security Documents and making of any advance will in any way merge or extinguish this Agreement or the terms and conditions hereof or the 2018 Loan Agreement or the 2018 Loan Agreement security documents, which will continue in full force and effect.
- 18.5 **Conflict.** In the event of any inconsistency or conflict between any of the provisions of this Agreement and any of the provisions of the Security Documents, the provisions of this Agreement will prevail; but the omission from this Agreement of any covenant, agreement, term, or condition contained in any of the Security Documents will not be considered to be an inconsistency or a conflict.
- 18.6 **Assignment.** Neither this Agreement nor any benefits hereunder may be transferred, assigned or otherwise disposed of by the Borrowers to any Person without the prior written consent of the Lender.
- 18.7 **Amendment.** No amendment, waiver or modification of, or agreement collateral to, this Agreement or any of the Security Documents will be enforceable against any party hereto unless it is by a formal instrument in writing expressed to be a modification of this Agreement or the Security Documents, as the case may be, and executed in the same fashion as this Agreement.
- 18.8 **Enurement.** All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto will bind and enure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any transferee) whether so expressed or not; provided, however, that the Borrowers may not assign their rights or obligations hereunder to any Person without the prior written consent of the Lender.
- 18.9 **Notice.** Any notice required or permitted to be given under this Agreement will be in writing and may be given by delivering, sending by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy, or sending by prepaid registered mail posted in Canada, the notice to the following address or number:

(a) If to the Borrowers:

**AMY BARSHA WASHINGTON  
EDISON WASHINGTON**

835 Eyremount Drive  
West Vancouver, BC V7S 2A8

**1025332 B.C. LTD.**

**1025334 B.C. LTD.**

**1025336 B.C. LTD.**

**WASHINGTON PROPERTIES (POINT GREY) INC.**

**WASHINGTON PROPERTIES (QEP) INC.**

**LUCKY FIVE INVESTMENTS LTD.**

**CHONGYE DEVELOPMENTS LTD.**

501 - 1195 West Broadway  
Vancouver, BC V6H 3X5

Attention: Amy Washington

Fax No: 604-484-2120

with a copy to:

**KORNFELD LLP**

1100 One Bentall Centre  
505 Burrard Street, Box 11  
Vancouver, BC V7X 1M5

Attention: Neil Kornfeld, Q.C.

Fax No: 604.683.0570

(b) If to the Lender:

**PLW INVESTMENT LTD.**

c/o: Suite 1460 – 701 West Georgia Street  
Vancouver, BC V7Y 1E4

Attention: David A. Martin

Fax No: 604.674.3819

with a copy to:

**STIRLING LLP**

Suite 1460 – 701 West Georgia Street  
Vancouver, BC V7Y 1E4

Attention: David A. Martin

Fax No: 604.674.3819

(or to such other address or number as any party may specify by notice in writing to another party).

Any notice delivered or sent by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy on a business day will be deemed conclusively to have been effectively given on the day the notice was delivered, or the transmission was sent successfully to the number set out above, as the case may be. Any notice sent by prepaid registered mail will be deemed conclusively to have been effectively given on the third business day after posting; but if at the time of posting or between the time of posting and the third business day thereafter there is a strike, lockout, or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered.

- 18.10 **Headings for Convenience Only.** The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.
- 18.11 **Joint and Several Liability.** If any party hereto is comprised of more than one Person the representations, warranties, covenants, agreements, obligations and liabilities made by or imposed upon that party herein or by law will be deemed to have been made or incurred by all those Persons jointly and by each of those Persons severally.
- 18.12 **Governing Law.** This Agreement will be construed and enforced in accordance with, and the rights of the parties will be governed by the laws of the Province of British Columbia and applicable laws of Canada. The Lender and the Borrowers hereby attorn to the courts of competent jurisdiction of the Province of British Columbia, Canada in any proceedings hereunder.
- 18.13 **Criminal Code.** Notwithstanding any provision in this Agreement to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable by the Borrowers or any Other Obligor under any Loan Document exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to such Loan Document in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of such section 347, such payment, collection or demand will be deemed to have been made by mutual mistake and the amount of such payment or collection will be refunded to such Borrowers or Other Obligor only to the extent of the amount which is greater than the maximum effective annual rate permitted by such laws. For purposes of determining compliance with such

section 347, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term commencing on the date of the Advance and ending on the Maturity Date and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be prima facie evidence for the purposes of such determination.

- 18.14 **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.
- 18.15 **Independent Covenants.** All covenants hereunder will be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant will not avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists.
- 18.16 **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.
- 18.17 **Discharge.** Upon repayment in full of the Borrowers' Indebtedness and the cancellation by the Lender and the Borrowers in writing of the Loan, the Lender will, at the expense of the Borrowers, execute and deliver to the Borrowers a release and discharge of the Security Documents and will reconvey to the Borrowers or as directed by it the unsold Strata Lots and West 27<sup>th</sup> Lands, or at the direction of the Borrowers, the shares of 1256306 B.C. Ltd., 1094321 and Prarda, being the registered owners of such lands, free and clear of all financial liens, charges and encumbrances charging the said lands and the shares, or of any Person claiming by, through or under the Lender or any of its designated entities. Any non-financial lien, charge or encumbrance that was registered on title to the Strata Lots or West 27<sup>th</sup> Lands when they were conveyed to the Lender designated entity will be a permitted lien, charge or encumbrance when the Strata Lots or West 27<sup>th</sup> Lands or reconveyed to the Borrowers or as the Borrowers direct.
- 18.18 **Entire Agreement.** This Agreement (including the Schedules hereto) and the Security Documents constitute the entire agreement between the parties with respect to all of the matters herein and their execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein or therein and made a part hereof or thereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto.
- 18.19 **Separate Loans.** The amount due to the Lender under this Agreement is a separate and distinct debt from the amount due to the Lender under the 2018 Loan Agreement. None of the security documents granted in connection with this Agreement modifies, replaces, supersedes, merges or extinguishes the covenants, representations, warranties, terms or

conditions of the security documents granted in connection with the 2018 Loan Agreement.

18.20 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

18.21 **Lender as Agent.** If this Agreement is granted to the Lender in its capacity as agent for one or more other Persons, the Borrowers agree that all:

- (a) grants, mortgages, assignments, charges and security interests;
- (b) representations, warranties, covenants and agreements; and
- (c) obligations and liabilities,

created, made, assumed or incurred hereunder by the Borrowers in favour of the Lender are also created, made, assumed or incurred hereunder by the Borrowers in favour of those Persons.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized on the \_\_\_\_ day of July, 2020.

**1025332 B.C. LTD.**, by its authorized signatory(ies):

Per: \_\_\_\_\_  
 Name:  
 Title:  
 I have the authority to bind the corporation

**1025334 B.C. LTD.**, by its authorized signatory(ies):

Per: \_\_\_\_\_  
 Name:  
 Title:  
 I have the authority to bind the corporation



**1025336 B.C. LTD.,** by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the corporation

**WASHINGTON PROPERTIES (POINT GREY) INC.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the corporation

**WASHINGTON PROPERTIES (QEP) INC.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name: Amy Washington  
Title: Director  
I have the authority to bind the corporation

**LUCKY FIVE INVESTMENTS LTD.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name: Lucy Washington  
Title: Director  
I have the authority to bind the corporation

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**CHONGYE DEVELOPMENTS LTD.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name: Amy Washington  
Title: Director  
I have the authority to bind the corporation

**SIGNED, SEALED and DELIVERED** by )  
**AMY BARSHA WASHINGTON** in the )  
presence of: )

\_\_\_\_\_  
Signature )

\_\_\_\_\_  
Print Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

\_\_\_\_\_  
**AMY BARSHA WASHINGTON**



**SIGNED, SEALED and DELIVERED** by )  
**EDISON WASHINGTON** in the presence )  
of: )

\_\_\_\_\_  
Signature )

\_\_\_\_\_  
Print Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

\_\_\_\_\_  
**EDISON WASHINGTON**



**GUARANTOR'S ACKNOWLEDGEMENT**

For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Guarantor hereby unconditionally guarantee the payment, observance and performance, on demand, of the Borrowers' Indebtedness up to a maximum amount of eight million dollars (\$8,000,000.00) in the manner and to the extent contemplated by the Loan Documents.

**SIGNED, SEALED and DELIVERED** by )  
**LUCY WASHINGTON** in the presence )  
of: )  
) )  
\_\_\_\_\_) )  
Signature ) )  
\_\_\_\_\_) )  
Print Name ) )  
\_\_\_\_\_) )  
Address ) )  
\_\_\_\_\_) )  
\_\_\_\_\_) )  
Occupation )

\_\_\_\_\_  
**LUCY WASHINGTON**



**Schedule A**  
**Real Property Civic and Legal Descriptions of the Strata Lots**

No.	PID	Civic and Legal Description
1.	030-879-451	Strata Lot 54 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  504-54963 Cambie Street, Vancouver, BC
2.	030-879-469	Strata Lot 55 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  505-4963 Cambie Street, Vancouver, BC
3.	030-879-892	Strata Lot 98 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  306-5033 Cambie Street, Vancouver, BC
4.	030-880-033	Strata Lot 112 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  501-5033 Cambie Street, Vancouver, BC
5.	030-080-068	Strata Lot 115 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  504-5033 Cambie Street, Vancouver, BC
6.	030-880-076	Strata Lot 116 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  505-5033 Cambie Street, Vancouver, BC
7.	030-880-084	Strata Lot 117 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  601-5033 Cambie Street, Vancouver, BC

No.	PID	Civic and Legal Description
8.	030-880-114	Strata Lot 120 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  604-5033 Cambie Street, Vancouver, BC
9.	030-880-122	Strata Lot 121 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  605-5033 Cambie Street, Vancouver, BC
10.	030-880-220	Strata Lot 131 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  112-5077 Cambie Street, Vancouver, BC
11.	030-880-645	Strata Lot 173 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  502-5077 Cambie Street, Vancouver, BC
12.	030-880-696	Strata Lot 178 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  501-5077 Cambie Street, Vancouver, BC
13.	030-880-700	Strata Lot 179 Block 839 District Lot 526 Group 1 New Strata Plan EPS4950  602-5077 Cambie Street, Vancouver, BC

(the above thirteen (13) strata lots are collectively referred to in this Agreement as the “**Strata Lots**” or individually as a “**Strata Lot**”).

**Schedule B**  
**Real Property and Civic Description of the West 27<sup>th</sup> Lands**

No.	PID	Civic and Legal Description
1.	007-090-536	Lot 8 Block 720 District Lot 526 Plan 6539 (“ <b>Lot 8</b> ”) 506 West 27 <sup>th</sup> Avenue, Vancouver, BC
2.	003-650-278	Lot 9 Block 720 District Lot 526 Plan 6539 (“ <b>Lot 9</b> ”) 4339 Cambie Street, Vancouver, BC
3.	010-871-438	Lot 10 Block 720 District Lot 526 Plan 6539 (“ <b>Lot 10</b> ”) 4361 Cambie Street, Vancouver, BC
4.	010-871-471	Lot 11 Block 720 District Lot 526 Plan 6539 (“ <b>Lot 11</b> ”) 4387 Cambie Street, Vancouver, BC

(Lot 8, 9, 10 and 11 are collectively referred to in this Agreement as the “**West 27<sup>th</sup> Lands**”).

**Schedule C  
Group A Lands**

**A. Belmont Lands**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	010-858-300	Lot 3 Block 1 District Lot 140 Plan 6583  4883 Belmont Avenue, Vancouver, BC (" <b>Lot 3</b> ")
2.	010-858-296	Lot 2 Block 1 District Lot 140 Plan 6583  4889 Belmont Avenue, Vancouver, BC (" <b>Lot 2</b> ")
3.	010-858-288	Lot 1, Except Part in Explanatory Plan 3376 Block 1 District Lot 140 Plan 6583  4899 Belmont Avenue, Vancouver, BC (" <b>Lot 1</b> ")  Lot 1, Lot 2 and Lot 3 are collectively, the " <b>Belmont Lands</b> "

**B. Eyremount Lands**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	010-577-441	Lot 9 Block 19 Capilano Estates Plan 7525  835 Eyremount Drive, West Vancouver, BC  (the " <b>Eyremount Lands</b> ")

**C. East 8<sup>th</sup> Lands**

1.	015-161-684	Lot A Block 45 District Lot 200A Plan 625  ( <b>“Lot A”</b> )
2.	015-161-706	Lot B Block 45 District Lot 200A Plan 625  ( <b>“Lot B”</b> )
3.	015-161-714	Lot C Block 45 District Lot 200A Plan 625  ( <b>“Lot C”</b> )  Lot A, Lot B and Lot C are collectively, the <b>“East 8<sup>th</sup> Lands”</b>

**D. Nicola Strata Lot**

1.	024-010-499	Strata Lot 69 of the Public Harbour of Burrard Inlet New Westminster District Strata Plan LMS3057  1203-535 Nicola Street, Vancouver, BC  (the <b>“Nicola Strata Lot”</b> )
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**E. West 3<sup>rd</sup> Lands**

1.	013-255-495	Lot 9 of Lot 3 Block 138 District Lot 540 Plan 2992  4408 West 3 <sup>rd</sup> Avenue, Vancouver, BC  (the <b>“West 3<sup>rd</sup> Lands”</b> )
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**F. Cambie Strata Lot 59**

1.	030-879-507	Strata Lot 59 Block 839 District Lot 526 Group 1 New Westminster District Plan EPS4950  604-4963 Cambie Street, Vancouver, BC  (the “ <b>Cambie Strata Lot 59</b> ”)
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**G. Cambie Strata Lot 163**

1.	030-880-548	Strata Lot 163 Block 839 District Lot 526 Group 1 New Westminster District Plan EPS4950  301-5077 Cambie Street, Vancouver, BC  (the “ <b>Cambie Strata Lot 163</b> ”)
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**H. West 41<sup>st</sup> Strata Lot**

2.	030-167-248	Strata Lot 94 District Lot 526 Group 1 New Westminster District Plan EPS4269  601-679 West 41 <sup>st</sup> Avenue, Vancouver, BC  (the “ <b>Cambie Strata Lot 163</b> ”)
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(the Belmont Lands, the Eyremount Lands, the East 8<sup>th</sup> Lands, the Nicola Strata Lot, the West 3<sup>rd</sup> Lands, Cambie Strata Lot 59, Cambie Strata Lot 163 and West 41<sup>st</sup> Strata Lot are collectively referred to in this Agreement as the “**Group A Lands**”).

**Schedule D**  
**Group B Lands**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	009-467-904	Lot 8 Block 700 District Lot 526 Plan 6539 4215 Cambie Street, Vancouver BC
2.	008-116-059	Lot 11 Block 740 District Lot 526 Plan 6539 4491 Cambie Street, Vancouver, BC
3.	010-878-653	Lot 10 Block 700 District Lot 526 Plan 6539 4261 Cambie Street, Vancouver, BC
4.	010-878-688	Lot 11 Block 700 District Lot 526 Plan 6539 503 West 27 <sup>th</sup> Avenue, Vancouver, BC
5.	010-766-197	Lot 6 Block 799 District Lot 526 Plan 7221 4711 Cambie Street, Vancouver, BC
6.	010-766-235	Lot 8 Block 799 District Lot 526 Plan 7221 4761 Cambie Street, Vancouver, BC
7.	010-766-219	Lot 7 Block 799 District Lot 526 Plan 7221 4737 Cambie Street, Vancouver, BC

## LOAN AGREEMENT

**THIS AGREEMENT** dated July \_\_\_\_\_, 2020, and made,

**BETWEEN:**

**AMY BARSHA WASHINGTON**, a businesswoman having an address at 835 Eyremount Drive, West Vancouver, BC V7S 2A8;

("Amy")

and

**EDISON WASHINGTON**, a businessman having an address at 835 Eyremount Drive, West Vancouver, BC V7S 2A8;

(~~"Edson"~~)

("Edison")

and

**1025332 B.C. LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1025332) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("1025332")

and

**1025334 B.C. LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1025334) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("1025334")

and

**1025336 B.C. LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1025336) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("1025336")

and

**WASHINGTON PROPERTIES (POINT GREY) INC.**, a company under the *Business Corporations Act* of British Columbia (BC1025331) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

("Washington Point Grey")

and

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**WASHINGTON PROPERTIES (QEP) INC.**, a company under the *Business Corporations Act* of British Columbia (BC1009302) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Washington QEP"**)

and

**1094321 B.C. LTD.**, a company under the Business Corporation Act of British Columbia (BC1094321) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"1094321"**)

and

**PRARDA DEVELOPMENTS CORPORATION**, a company under the Business Corporations Act of British Columbia (BC0987747) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Prarda"**)

**LUCKY FIVE INVESTMENTS LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1050104) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Lucky"**)

and

**CHONGYE DEVELOPMENTS LTD.**, a company under the *Business Corporations Act* of British Columbia (BC0803171) having an office at 501-1195 West Broadway, Vancouver, BC V6H 3X5;

(**"Chongye"**)

**AND:**

**PLW INVESTMENT LTD.**, a company under the *Business Corporations Act* of British Columbia (BC1189338) having an office at 2900 - 550 Burrard Street, Vancouver, BC V6C 0A3;

(the **"Lender"**)

**WITNESSES THAT WHEREAS:**

A. The Lender has agreed to make a Loan available to the Borrowers to payout existing indebtedness owing to the Laurentian Bank of Canada and Kingsett Mortgage Corporation which

is secured by, among other things, mortgages and assignments of rent registered on title to the Strata Lots (as defined herein) and the West 27<sup>th</sup> Lands (as defined herein); and

B. The parties wish to provide for the terms and conditions upon which the Loan shall be made available to the Borrowers.

**THEREFORE** in consideration of the premise and of the mutual covenants and agreements hereinafter set forth, the Lender and the Borrowers warrant and represent to and covenant and agree with each other as set forth below.

## 1. DEFINITIONS; INTERPRETATION

1.1 For the purpose of this Agreement, the following words and phrases will have meanings set forth below unless the parties or the context otherwise require(s):

- (a) **"1025332"** means 1025332 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1025332), and its successors and permitted assigns, whether immediate or derivate;
- (b) **"1025334"** means 1025334 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1025334), and its successors and permitted assigns, whether immediate or derivate;
- (c) **"1025336"** means 1025336 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1025336), and its successors and permitted assigns, whether immediate or derivate;
- (d) **"1094321"** means 1094321 B.C. Ltd., a company under the *Business Corporation Act* of British Columbia (BC1094321), and its successors and permitted assigns, whether immediate or derivate;
- (e) **"2018 Loan Agreement"** means the loan agreement dated December 20, 2018 for a non-revolving term loan of twenty-four million eight hundred thousand dollars (\$24,800,000) between Amy Barsha Washington, 1025332, 1025334, 1025336, Chongye and Washington Point Grey, as borrowers, and the Lender, as lender;
- (f) **"2019 Loan Agreement"** means the loan agreement dated July 26, 2019, as amended by the First Loan Modification Agreement dated October 25, 2019 and the Second Loan Modification Agreement dated February 5, 2020, for a non-revolving term loan of thirteen million dollars [\$13,000,000] between Amy Barsha Washington, 1025332, 1025334, 1025336, Washington QEP, Washington Point Grey, Lucky, Pradra, 1094321 and Chongye as borrowers, and the Lender, as lender;
- (g) **"Additional Mortgage Group A Lands"** means a mortgage in the principal amount of fifteen million dollars (\$15,000,000) granted to the Lender and charging the Group A Lands as part of the Security Documents;

- (h) "Additional Mortgage Group B Lands" means a mortgage in the principal amount of fifteen million dollars (\$15,000,000) granted to the Lender and charging the Group B Lands as part of the Security Documents;
- (i) (f) **"Advance"** means the advance of Loan funds made by the Lender to:
- (i) fund a Lender designated entities to purchase the Strata Lots and the West 27<sup>th</sup> Lands and to pay all normal course closing costs with respect to the transfer of such properties and to discharge any Liens from the Strata Lots and the West 27<sup>th</sup> Lands that are not Permitted Liens;
  - (ii) payout in full the Laurentian Loan and obtain the discharge of the Laurentian Loan security from the Strata Lots and the West 27<sup>th</sup> Lands; and
  - (iii) payout the amount due to Kingsett under the Kingsett Loan and receive an assignment from Kingsett of the Kingsett Loan security to the Lender;
- (g) ~~"Additional Mortgage"~~ means the mortgage granted to the Lender charging the Mortgaged Lands a part of the Security Documents;
- (j) (h) **"Affiliate"** means any party that would, pursuant to the *Income Tax Act* (Canada), as amended, supplemented or replaced from time to time, not be considered to be dealing at "arms length" with the party in question and any partnership or other organization in which any of the Borrowers or any of their Affiliates has the right to make or control management decisions and shall include any Affiliate of such Affiliate;
- (k) (i) **"Agreement"** and **"this Agreement"** means this agreement and all schedules hereto as the same may be amended, modified, replaced or restated from time to time;
- (l) (j) **"Belmont Lands"** means the lands and buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (m) (k) **"Borrowers"** means, collectively, Amy Edison, 1025332, 1025334, 1025336, Washington Point Grey, Washington QEP Inc., 109432 Ltd, 1094321, Prada, Amy Lucky Five and Edison Chongye and their respective successors and permitted assigns, and **"Borrower"** means any one of them;
- (n) (l) **"Borrowers' Indebtedness"** means all present and future indebtedness and liability, direct and indirect, of the Borrowers to the Lender arising under and pursuant to the Loan Documents (including, without limitation, at any point in time the principal amount outstanding under the Loan, all unpaid accrued interest thereon, and all fees and costs and expenses then payable in connection therewith);
- (o) (m) **"Business Day"** means any day (other than a Saturday, Sunday or statutory holiday) which commercial banks in Vancouver, BC, are open for business;

- (p) ~~(n)~~ "**Cambie Strata Lot 59**" means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement;
- (q) ~~(o)~~ "**Cambie Strata Lot 163**" means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement;
- (r) ~~(p)~~ "**Change in Control**" means:
  - (i) any change in the beneficial ownership of a majority of the issued shares in the capital of the Corporate Borrowers or any Other Obligor; or
  - (ii) a public offering of any of the shares in the capital of the Corporate Borrowers or any Other Obligor;
- (s) ~~(q)~~ "**Chongye**" means Chongye Developments Ltd., a company under the *Business Corporation Act* of British Columbia (BC0803171), and its successors and permitted assigns, whether immediate or derivate;
- (t) ~~(r)~~ "**Corporate Borrowers**" means, collectively, 1094321025332, 1025334, 1025336, Washington Point Grey, Washington QEP, 1094321, Prarda, Lucky Five and QEPChongye;
- (u) ~~(s)~~ "**East 8<sup>th</sup> Lands**" means the lands and buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (v) ~~(t)~~ "**Environmental Laws**" means all present and future federal and provincial statutes, laws, ordinances, codes, rules and regulations (including consent decrees and administrative orders) in effect in British Columbia and Canada, as amended and re-enacted from time to time, and all municipal by-laws and ordinances, relating to the protection of the environment; to the care, maintenance, use, storage and possession of substances; and to the safe-guarding of the health and safety of Persons coming or potentially coming into contact with such substances;
- (w) ~~(u)~~ "**Environmental Laws**" means "**Event of Default**" means any of the events specified in Section 15, and "**Default**" means any of such events;
- (x) ~~(v)~~ "**Eyremount Lands**" means the lands and buildings located on such lands with the legal description and civic address as defined in Schedule C of this Agreement;
- (y) "Group A Lands" means the lands and the buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (z) "Group B Lands" means the lands and the buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule D of this Agreement;
- (aa) "Guarantor" means Ms. Lucy Washington;

(bb) ~~(w)~~ "**Fiscal Year End**" in respect of each of the Corporate Borrowers means August 31<sup>st</sup>;

(cc) ~~(x)~~ "**Hazardous Substances**" means:

- (i) any oil, flammable substances, explosives, radioactive materials, hazardous or dangerous wastes or substances, toxic wastes or substances or any other wastes, contaminates, materials or pollutants which:
  - (A) pose a hazard to the properties, assets, undertaking or business of the Borrowers or any Other Obligor or to Persons on or about any real property of the Borrowers or any Other Obligor; or
  - (B) cause the properties, assets, undertaking, or the business of the Borrowers or any Other Obligor to be in violation of any Environmental Laws;
- (ii) asbestos in any form which is or would reasonably be expected to become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls or radon gas;
- (iii) any chemical, material or substance defined as or included in the definition of "dangerous goods", "deleterious substance", "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous waste", or "toxic substances", "waste" or words of similar import under any applicable local, provincial or federal law or under the regulations adopted or publications promulgated pursuant thereto, including the *Canadian Environmental Protection Act*, the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Canada Water Act* and the *Waste Management Act* (British Columbia);
- (iv) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Body or which would reasonably be expected to pose a hazard to the occupants of any real property of the Borrowers or any Other Obligor or the owners or occupants of property adjacent thereto, or any other Person coming on any real property of the Borrowers or any Other Obligor or adjacent real property; and
- (v) any other chemical, materials or substance which would reasonably be expected to pose a hazard to the environment;

(dd) ~~(y)~~ "**Interest Modification Date**" means December 31, 2021;

(ee) ~~(z)~~ "**Interest Rate**" means 12% per annum (increasing by 6% per annum on the Interest Modification Date to 18% per annum), calculated and compounded monthly, not in advance as well after as before maturity, default and judgment on the outstanding daily balance based on the number of days elapsed in a 365-day year;



- (ff) ~~(aa)~~ **"Kingsett"** means Kingsett Mortgage Corporation;
- (gg) ~~(bb)~~ **"Kingsett Loan"** means the loan or loans owing to Kingsett and secured by mortgages and assignments of rents registered on title to the Strata Lota under Land Title Office registration numbers CA7037322, CA7037323 and CA7787470, CA7787471 and mortgages and assignments of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037320, CA7037321, CA7787468 and CA7787469 and which secure a total indebtedness of approximately thirty-one million dollars (\$31,000,000);
- (hh) ~~(cc)~~ **"Laurentian"** means Laurentian Bank of Canada;
- (ii) ~~(dd)~~ **"Laurentian Loan"** means the loan or loans owing to Laurentian and secured by mortgages and assignments of rents registered on title to the Strata Lota under Land Title Office registration numbers CA5211079, CA5211080, CA7037305 and CA7037306 and a mortgage and assignment of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037303 and CA7037304, and which secure a total indebtedness of approximately six million dollars (\$6,000,000);
- (jj) ~~(ee)~~ **"Lender"** means the party so described above and its successors and assigns, whether immediate or derivative;
- (kk) ~~(ff)~~ **"Lien"** means, with respect to any Person, any mortgage, lien, pledge, hypothecation, charge, security interest (including, without limitation, an assignment, notice, or security interest filed pursuant to the *Bank Act* (Canada)) or other encumbrance, or any interest or title of any vendor, lessor, or lender to or other secured party of such Person under any conditional sale or other title retention agreement, upon or with respect to any property asset or undertaking of such Person, including any agreement to create any of the foregoing;
- (ll) ~~(gg)~~ **"Loan Documents"** means this Agreement and the Security Documents;
- (mm) ~~(hh)~~ **"Loan"** means a non-revolving term loan in the principal amount of [approximately \$50M] established by the Lender in favour of the Borrowers pursuant to this Agreement and the exact amount of which will be approved on the funding date;
- (nn) ~~(ii)~~ **"Lucky Five"** means Lucky Five Investments Ltd., a company under the *Business Corporations Act* of British Columbia (BC1050104), and its successors and permitted assigns, whether immediate or derivate;
- (oo) ~~(jj)~~ **"Material Adverse Change"** means any one or more transactions, events or conditions which have a material adverse effect on:
- (i) the ability of the Borrowers or any Other Obligant to perform and discharge its obligations under this Agreement or the Security; or
  - (ii) the Lender's ability to enforce its rights or remedies under this Agreement or the Security Documents; or

- (iii) the financial condition of the Borrowers taken as a whole;
- (pp) ~~(kk)~~ **"material adverse effect"** in respect of the Borrowers or any Other Obligant means a material adverse effect on :
  - (i) the business, operations, affairs, financial condition, property, assets or undertakings of one or more of the Borrowers or any Other Obligant; or
  - (ii) the validity, priority or enforceability of any agreement with the Lender (including this Agreement) to which the Borrowers or any other Obligant is a party to by which any of its property, assets or undertakings are bound;
- (qq) ~~(H)~~ **"material"** in respect of a Borrower or any Other Obligant means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of that Borrower or any Other Obligant;
- (rr) ~~(mm)~~ **"Maturity Date"** means January 31, 2022, unless sooner determined due to the occurrence of an Event of Default;
- (nn) ~~"Mortgaged Lands"~~ means the lands and buildings and improvements located on such lands with the legal descriptions and civic addresses as defined in Schedule C of this Agreement;
- (ss) ~~(oo)~~ **"Net Sales Proceeds Agreement"** means the agreement between the Borrowers and the Lender pursuant to which the Lender will credit certain amounts of the net sale proceeds received from the sale of the Strata Lots and the West 27<sup>th</sup> Lands against the outstanding Loan amount owing by the Borrowers to the Lender;
- (tt) ~~(pp)~~ **"Nicola Strata Lot"** means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement;
- (uu) ~~(qq)~~ **"Other Obligant"** means any other Person who is liable for the payment, observance or performance of the Borrowers' Indebtedness, either in whole or in part;
- (vv) ~~(ff)~~ **"Permitted Liens"** means:
  - (i) the Security Documents granted in favour of the Lender pursuant to this Agreement;
  - (ii) minor Liens, provided that such Liens are not incurred in connection with the borrowing of money or that such Liens do not materially detract from the value of the affected assets or materially impair the use thereof in the operation of the business;
  - (iii) any Lien securing a purchase money obligation, provided that (i) no such Lien affects any property other than the property acquired by the incurring of such purchase money obligation and any proceeds thereof, and (ii) such Lien does not secure an amount in excess of the original purchase price of

such property, plus any enforcement costs, less repayments made from time to time;

- (iv) undetermined or inchoate Liens and charges which have not at the time been filed or registered pursuant to law against the Borrowers or any Other Obligant and of which no notice has been given to the Borrowers or any Other Obligant or the Lender or which are not yet due or the validity of which is being contested at the time, diligently and in good faith if the Borrowers or any Other Obligant shall maintain adequate reserves in connection therewith;
- (v) Liens of any depositary bank in connection with statutory, common law and contractual rights of set-off and recoupment with respect to any deposit account of the Borrowers; and
- (vi) possessory Liens which (i) occur in the ordinary course of business and (ii) secure normal trade debt which is not yet due and payable;

and includes those Liens which have been approved by the Lender in writing, in its sole and absolute discretion.

(ww) ~~(ss)~~ "**Person**" means and includes an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof;

(xx) ~~(tt)~~ "**Prarda**" means Prarda Developments Corporation, a company under the *Business Corporations Act* of British Columbia (BC0987747), and its successors and permitted assigns, whether immediate or derivate;

(yy) ~~(uu)~~ "**Security Documents**" means the security documents set out in Section 12 to this Agreement and any other security document from time to time taken by the Lender from the Borrowers and/or any Other Obligant as security for the payment, observance and performance of the Borrowers' Indebtedness in whole or in part;

(zz) ~~(vv)~~ "**Strata Lots**" means the thirteen (13) strata lots with the legal descriptions and civic addresses as defined in Schedule A of this Agreement;

(aaa) ~~(ww)~~ "**Washington Point Grey**" means Washington Properties (Point Grey) Inc., a company under the *Business Corporations Act* of British Columbia (BC1025331), and its successors and permitted assigns, whether immediate or derivate;

(bbb) ~~(xx)~~ "**Washington QEP**" means Washington Properties (QEP) Inc., a company under the *Business Corporations Act* of British Columbia (BC1009302), and its successors and permitted assigns, whether immediate or derivate; and

(ccc) ~~(yy)~~ "**West 3rd Lands**" means the lands, and the buildings and improvements located on such lands, with the legal description and civic address as defined in Schedule C of this Agreement;

(ddd) ~~(zz)~~ "**West 27<sup>th</sup> Lands**" means the lands, and the buildings and improvements located on such lands, with the legal descriptions and civic addresses as defined in Schedule B of this Agreement; and

(eee) ~~(aaa)~~ "**West 41<sup>st</sup> Strata Lot**" means the strata lot with the legal description and civic address as defined in Schedule C of this Agreement.

## 2. LOAN

2.1 Subject to the terms and conditions of this Agreement, the Lender hereby establishes and agrees to make the Loan available to the Borrowers on or before ~~[July 31, 2020]~~.

## 3. PURPOSE

3.1 The Loan will be made available to the Borrowers to:

- (a) payout in full the Laurentian Loan owing to Laurentian and secured by mortgages and assignments of rents registered on title to the Strata Lots under Land Title Office registration numbers CA5211079, CA5211080, CA7037305 and CA7037306 and a mortgage and assignment of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037303 and CA7037304, and which mortgages secure a total loan indebtedness of approximately six million dollars (\$6,000,000); ~~and~~
- (b) payout in full the Kingsett Loan owing to Kingsett and secured by mortgages and assignments of rents registered on title to the Strata Lots under Land Title Office registration numbers CA7037322, CA7037323, CA7787470 and CA7787471 and mortgages and assignments of rents registered on title to the West 27<sup>th</sup> Lands under Land Title Office registration numbers CA7037320, CA7037321, CA7787468 and CA7787469, and which mortgages secure a total loan indebtedness of approximately thirty-one million dollars (\$31,000,000) and to have the Kingsett assign the Kingsett Loan security documents to the Lender;
- ~~(c) payout and discharge all claims of builders' lien registered against the Strata Lots and the West 27<sup>th</sup> Lands, if any,~~
- ~~(c)~~ ~~(d)~~ payout and discharge any strata fees unpaid and outstanding in respect of the Strata Lots;
- ~~(d)~~ ~~(e)~~ payment of property taxes unpaid and due and payable to the City of Vancouver in respect of the Strata Lots and the West 27<sup>th</sup> Lands ~~if required to be paid to avoid a tax sale of the said lands, including late payment penalties and interest; and~~

to enable the Strata Lots to be transferred to a Lender designated entity (1256306 B.C. Ltd.) and the shares of Prarda and 109432 to be transferred to ~~one or more~~ Lender designated ~~entities~~ entity (1256319 B.C. Ltd.) with the West 27<sup>th</sup> Lands, free and clear of registered any Liens, as security for the Loan other than Permitted Liens. 1256306 B.C. Ltd. will own the Strata Lots as bare trustee and nominee in favour of 1256319 B.C. Ltd.

and will own no other assets. 1256319 B.C. Ltd. will be the sole beneficial owner of the Strata Lots and the West 27<sup>th</sup> Lands and will own no other assets.

#### **4. MATURITY DATE**

- 4.1 The outstanding principal amount of the Loan together with all accrued and unpaid interest and all other amounts outstanding hereunder shall become due and payable in full on the Maturity Date unless sooner determined by the Lender due to the occurrence of an Event of Default.

#### **5. INTEREST AND FEES**

- 5.1 **Calculation of Interest.** The outstanding daily principal balance of the Loan will bear interest at the Interest Rate until paid in full and interest will compound monthly.
- 5.2 **Interest Payments.** No interest payments will be due prior to the Maturity Date unless there is an occurrence of an Event of Default.
- 5.3 **Overdue Interest.** All overdue and unpaid interest and all fees, costs, and other amounts payable by the Borrowers hereunder or under any of the Security Documents will be added to the outstanding principal amount of the Loan and will bear interest at the Interest Rate until paid in full.
- 5.4 **Transaction Fees.** The Borrowers will pay the Lender's standard loan amendment fees, cancellation fees and security processing fees, which are charged for the administrative handling of the file including amending loan terms and conditions, switching interest rate plans, providing consents, annual reviews and the provision of discharges. The Borrowers will pay the Lender for returned cheque handling. These fees may change from time to time without notice.
- 5.5 **Expenses.** The Borrower will be responsible for their own legal fees and the reasonable legal fees of the Lender and all other third party expenses, fees and disbursements including fees and disbursements that are reasonably incurred by the Lender in perfecting and registering the security for the Loan, including the transfer of the Strata Lots and the Prada and 109432 shares as provided in Section 3.1 and the Borrowers authorize the Lender to pay same out of proceeds of the Loan or as an additional advance under the Loan.

#### **6. REPAYMENT**

- 6.1 **Principal Payments.** The outstanding balance of the Loan together with any other amounts outstanding hereunder shall be due and payable in full on the Maturity Date.
- 6.2 **No Set-off.** All amounts payable by the Borrowers under this Agreement will be paid without set-off or counterclaim, and without any deductions or withholdings whatsoever.

- 6.3 **Net Sales Proceeds Agreement.** The outstanding balance of the Loan will be paid down from the amounts the Lender receives from the sale of the Strata Lots and the West 27<sup>th</sup> Lands pursuant to the terms of the Net Sales Proceeds Agreement.
- 6.4 **Application of Payments.** Subject to the provisions hereof, all payments received by the Lender on account of the Borrowers' Indebtedness will be applied first in payment of outstanding interest, secondly in reduction of the principal balance of the Loan then outstanding. If any payment is received at any time while an Event of Default remains outstanding, the Lender may appropriate such payment to such part or parts of the Borrowers' Indebtedness as the Lender in its sole discretion may determine and the Lender may from time to time revoke and change any such appropriation.
- 6.5 **Records of Advances, Payments, Etc.** The Lender is hereby authorized to open and maintain books of account and other books and records evidencing all advances under the Loan, interest accruing thereon, fees, charges, and other amounts from time to time charged to the Borrowers under the Loan Documents; and amounts from time to time owing, paid, or repaid by the Borrowers under this Agreement. All such books, accounts, and records will constitute prima facie evidence of the amount owing by the Borrowers under the Loan Documents; but the failure to make any entry or recording in such books, accounts, and records will not limit or otherwise affect the obligations of the Borrowers under the Loan Documents.
- 6.6 **Business Day.** Notwithstanding anything in this Agreement to the contrary, any payment of principal of or interest on the Borrowers' Indebtedness that is due on a date other than a Business Day will be made on the next succeeding Business Day. If the date for any payment on the Borrowers' Indebtedness is extended to the next succeeding Business Day by reason of the preceding sentence, the period of such extension will not be included in the computation of the interest payable on such Business Day.
- 6.7 **Payments to be Made.** The Borrowers will make all payments due hereunder, when due to the Lender at Suite 1460 – 701 West Georgia Street, Vancouver, BC V7Y 1E4, or at such address, account or direct deposit instructions as the Lender may advise the Borrowers in writing from time to time. All monies received after 2:00 p.m. Vancouver BC local time will be deemed received on the next Business Day.

## 7. PREPAYMENT

- 7.1 The Borrowers may prepay the Loan in whole or in part at any time without the requirement of the payment of any penalty or bonus provided that if the Borrowers are paying the Loan out in full, the Borrowers pay all interest which has then accrued but remains outstanding.
- 7.2 The Borrowers and Lender agree that all prepayments received by the Lender will be applied to this Loan and will not be applied to the loan due to the Lender under the 2018 Loan Agreement, unless otherwise approved in writing by the parties.
- 7.3 If the Borrowers repay the Loan in full before the Maturity Date the Lender will cause any of the Strata Lots or the West 27<sup>th</sup> Lands that are then owned by the Lender designated entity and are not subject to an accepted contract of purchase and sale to be transferred

back to an entity as designated by Amy Washington in writing for no additional consideration. In connection with any funds the Lender receives from the Borrowers to repay the Loan in order to receive a transfer back of Strata Lots or the West 27<sup>th</sup> Lands, the Lender may allocate all or a portion of such funds towards the consideration paid by the Borrowers to receive a transfer back of the Strata Lots or West 27<sup>th</sup> Lands, as applicable, so that the Lender has no capital gain on the disposition and transfer back of the Strata Lots or West 27<sup>th</sup> Lands to the Borrowers.

- 7.4 The Borrowers shall have the right to a reconveyance of individual Strata Lots or the West 27<sup>th</sup> Lands and a discharge of any security registered against such lands in favour of the Lender or any related or affiliated party, upon payment to the Lender of the amount set out in the Net Proceeds Agreement as the PLW Entity Purchase Price in respect of the lands for which a discharge is requested by the Borrowers and the Lender will provide a partial discharge of that portion of the said land of the ~~219 Loan Agreement~~ any security held by the Lender and will convey such land as directed by the Borrowers.

## 8. CONDITIONS PRECEDENT

- 8.1 The Lender's obligation to make the Advance is subject to the following conditions precedent having been met to the Lender's sole satisfaction or waived by the Lender in writing at the time of the Advance, namely:
- (a) transfers of the Strata Lots to 1256306 B.C. Ltd. (the Lender designated entity) are recorded in the Land Title Office as pending registrations subject only to the Permitted Encumbrances **[NTD: PRE CLOSING ROLLOVER]**;
  - (b) a 1256306 B.C. Ltd. (the Lender designated entity) has acquired all of the issued and outstanding shares to 1094321 and to Prarda free of any Liens and beneficial interest to the West 27<sup>th</sup> Lands are is transferred to 1256319 B.C. Ltd. (the Lender designated entity) subject only to Permitted Encumbrances;
  - (c) there are no claims of builder's liens or certificates of pending litigation registered on title to the Strata Lots or the West 27<sup>th</sup> Lands or the Lender has consented to arrangements to discharge any registered claims of builder's liens or certificates of pending litigation;
  - (d) each lender under a mortgage registered on title to any of the Mortgaged Group A Lands has consented in writing addressed to the Borrowers and to the Lender that the Lender may register a fifty fifteen million dollar (\$50,000,000 15,000,000) inter alia mortgage on title to the Mortgaged Group A Lands and such registration will not be a breach of the consenting lender's mortgage **[NTD : NEED TO CONFIRM]**;
  - (e) the mortgage and assignment of rents in favour of Trisura Guarantee Insurance Company and registered in the Land Title Office under registration numbers CA5213797 and CA5213798 has been discharged from the Strata Lots;

- (f) the certificate of pending litigation registered on title to the Strata Lots in favour of Alto Construction Management Ltd. under Land Title Office registration number CA8133629 has been discharged;
- (g) the certificate of pending litigation registered on title to the West 27<sup>th</sup> Lands in favour of Alto Construction Management Ltd. under Land Title Office registration number CA8199732 has been discharged;
- (h) Kingsett has agreed to assign all of the Kingsett Loan security documents to the Lender on a non-recourse basis;
- (i) ~~(h)~~-written consents or releases addressed to the Lender have been obtained from any creditor or third party identified by the Lender who has filed or threatened to file a claim of builder's lien, financial encumbrance or security interest to the Strata Lots, the West 27<sup>th</sup> Lands, any sale proceeds from the sale of the Strata Lots or the West 27<sup>th</sup> Lands, the shares of 1094321 or the shares of Prarda;
- (j) ~~(i)~~-the Lender having received a properly executed original of this Agreement and the Security Documents then in effect together with an opinion from its solicitors, acceptable to the Lender in its discretion, with respect to the status of the Borrowers, the approval by the Borrowers of the Loan, the Loan Documents and the Security Documents and the execution and delivery thereof;
- (k) ~~(j)~~-the Borrowers' representations and warranties contained herein and in the Security Documents then in effect then being true and correct in all material respects;
- (l) ~~(k)~~-there then being no outstanding Default or Event of Default and no outstanding condition, event or act which with or without the giving of notice could reasonably be expected to become an Event of Default;
- (m) ~~(l)~~-there then being no outstanding condition, event or act which has had or would reasonably be expected to have a material adverse effect;
- (n) ~~(m)~~-all prior ranking mortgages on the MortgagedGroup A Lands are in good standing [NTD-Need to Confirm; NEED TO CONFIRM]; and
- (o) ~~(n)~~-no new financial charges, encumbrances or liens are registered on the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands without the prior written consent of the Lender, which is at the Lender's sole discretion.

## 9. REPRESENTATIONS AND WARRANTIES

9.1 The Borrowers represent and warrant to the Lender at the time of their execution and delivery of this Agreement and at the time of the Advance, as follows:

- (a) each Corporate Borrower is a corporation duly organized, validly existing and in good standing under its incorporating jurisdiction;



- (b) each Corporate Borrower has the corporate power and capacity to carry on business, own property or interests therein, borrow and lend money, grant security, make, keep, observe and perform representations, warranties, covenants and agreements and incur obligations and liabilities, all as contemplated hereby;
- (c) except for the litigation commenced by Kingsett and Alto Construction Management Ltd., there is no action, suit, investigation or proceeding existing or pending or, to its knowledge, threatened against either of them or any of its property, assets or undertakings by or before any court, arbitrator or administrative or governmental body which, if adversely determined to the Borrowers, would reasonably be expected to have a material adverse effect;
- (d) the financial statements of each of Corporate Borrower furnished to the Lender under this Agreement will fairly present in all material respects the financial condition of the Borrowers as at the date thereof, and no Material Adverse Change has occurred between the date of the most recent financial statements and the date of the Advance, as applicable;
- (e) in respect of the 35 Park West development project and the sale of strata lots in the project, Amy Washington and Washington QEP are current with remittances due to the federal Minister of Finance for goods and services taxes payable pursuant to the Canada Excise Tax Act;
- (f) ~~(e)~~ neither of the Borrowers has agreed or consented to, nor has either of them agreed to cause or permit in the future (upon the happening of a contingency or otherwise), any of its property, whether now owned or hereafter acquired, to be subject to a Lien, except for Permitted Liens; and
- (g) ~~(f)~~ the execution and delivery by their of this Agreement and the Security Documents and the performance by it of its obligations hereunder and thereunder, do not and will not conflict with or result in a breach of any of the terms, conditions, or provisions of:
  - (i) the respective constating documents for each Corporate Borrower,
  - (ii) to the best of their knowledge, any law, regulation, or decree applicable or binding on it or any of its property, assets and undertaking, or
  - (iii) any agreement or instrument to which it or any of its property, assets or undertakings is a party or bound, the breach of which could reasonably be expected to have a material adverse effect or result in, or require or permit the imposition of any Lien in or with respect to the property, assets and undertakings now owned or hereafter acquired by them.

## 10. COVENANTS

### 10.1 Positive Covenants. Each Corporate Borrower will:

- (a) **Comply with Laws** - comply in all material respects with all laws, ordinances or governmental rules or regulations applicable to it or any of its property, assets and undertakings;
- (b) **Obtain/Maintain Licenses** - obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective property, assets and undertakings or to the conduct of its businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a material adverse effect;
- (c) **Maintain Assets** - maintain and keep its property, assets and undertakings in good repair, working order and condition (other than ordinary wear and tear), so that the business(es) carried on by it may be properly conducted at all times;
- (d) **Strata Lots and West 27<sup>th</sup> Lands Ownership and Operating Costs** - until the Maturity Date and so long as a Strata Lot or the West 27<sup>th</sup> Lands are owned by a Lender designated entity, the Borrowers will be responsible to pay all reasonably incurred costs with respect to ownership, repair and maintenance of the Strata Lots and the West 27<sup>th</sup> Lands owned by the Lender designated entity including but not limited to, annual property taxes, empty homes taxes, speculation and vacancy taxes, insurance as would a prudent owner, strata fees or special assessments, utilities, and cleaning or security services where reasonably required; and
- (e) **Notify of Litigation** – promptly give the Lender notice in writing of all litigation and all proceedings before any governmental or regulatory agencies or arbitration authorities affecting either of them, except those which, if adversely determined, would not have a material adverse effect on its financial condition or business.

10.2 **Negative Covenants.** So long as this Agreement remains in effect, each Corporate Borrower will not, without the prior written consent of the Lender, which consent will not be unreasonably withheld:

- (a) **Change Name:** change their names;
- (b) **Change Corporate Structure:** amalgamate, consolidate or merge with any other Person;
- (c) **Partnership:** acquire, amalgamate or enter into a partnership, joint venture or similar relationship with any other Person;
- (d) **Change Capital Structure:** redeem any of their redeemable shares, pay dividends, or otherwise change their capital structure or make any form of capital withdrawal or change its voting or operating control;
- (e) **Change Fiscal Year End:** change their Fiscal Year End;

- (f) **Grant any Charge or Sign Contracts of Purchase and Sale:** grant any charge, encumbrance or interest in the Strata Lots or the West 27<sup>th</sup> Lands or sign any contract of purchase and sale with respect to the Strata Lots or the West 27<sup>th</sup> Lands; and
- (g) **Transfer Intellectual Property:** sell, assign, transfer or convey its right, patents, trade secrets, licenses, trademarks, or any other intellectual or industrial property.

10.3 **Indemnity.** The Borrowers hereby agree to indemnify the Lender against, and hold the Lender harmless from, any and all losses, claims, damages, liabilities or other expenses, including the reasonable fees, charges and disbursements of counsel for the Lender which the Lender may sustain or incur arising out of, in connection with, or as a result of:

- (a) the breach by the Borrowers of any of the Loan Documents, or any agreement or instrument contemplated hereby or thereby, and the performance or non-performance by the Borrowers hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the other transactions contemplated by this Agreement;
- (b) any default in payment of the principal amount of the Loan or any part thereof or interest accrued thereon, as and when due and payable, or any failure to reimburse the Lender for any payment made by it under the Advance; or
- (c) the occurrence of any Default or Event of Default.

This provision shall survive repayment of the Loan and shall continue in full force and effect so long as the possibility of such liability, claims or losses exist.

## 11. SECURITY

11.1 As security for payment, observance and performance of the Borrowers' Indebtedness, the Borrowers agree to execute and deliver (and cause each Other Obligor to execute and deliver), *inter alia*, the following documents to which it is a party (collectively, the "**Security Documents**") in a form and manner satisfactory to the Lender and the Lender's solicitors:

- (a) acknowledgement and confirmation from the Borrowers on the funding date as to the amount owing to the Lender under the 2018 Loan Agreement and this Agreement;
- (b) a modification of the current mortgages held by the Lender and registered on title to the Strata Lots and the West 27<sup>th</sup> Lands;
- (c) (a) a general security agreement from 109432, Prarda and QEP creating a security interest over their respective present and after-acquired personal property, which the Lender shall be entitled to register in the Personal Property Security Registry;

- (d) ~~(b)~~-a general security agreement from Amy and Edison charging all present and after acquired property situate at or related to the Strata Lots and the West 27<sup>th</sup> Lands;
- (e) ~~(c)~~-an inter alia mortgage in the principal amount of [~~\$50,000,000~~15,000,000] and assignment of rents of the ~~Mortgaged Group A~~ Lands to be registered:
  - (i) as a second mortgage of the Belmont Lands;
  - (ii) as a first mortgage of Cambie Strata Lot 59;
  - (iii) as a first mortgage of Cambie Strata Lot 163;
  - (iv) as a second mortgage of the East 8<sup>th</sup> Lands;
  - (v) as a third mortgage of the Eyremount Lands;
  - (vi) as a second mortgage of the Nicola Strata Lot;
  - (vii) as a third mortgage of the West 3<sup>rd</sup> Lands;
  - (viii) as a third mortgage of the West 41<sup>st</sup> Strata Lot.
- (f) an inter alia mortgage in the principal amount of [\$15,000,000] and assignment of rents of the Group B Lands;
- (g) ~~(d)~~-an environmental indemnity agreement from the Borrowers in respect of the ~~Mortgaged Group A Lands and the Group B~~ Lands;
- (h) ~~(e)~~-the Net Sales Proceed Agreement;
- (i) a \$8,000,000 limited guarantee and postponement of claims from Lucy Washington as guarantor;
- (j) ~~(f)~~-an assignment of the excess builder's lien holdback funds, if any, held by Kornfeld LLP with respect to the sale of the 35 Park West strata lots;
- (k) ~~(g)~~-a security interest in the \$1,700,000 in funds paid by Washington QEP and held by Laurentian as cash collateral for a letter of credit held by the City of Vancouver with respect to the completion of offsite works for the 35 Park West development; and
- (l) ~~(h)~~-such other security as the Lender may reasonably require from time to time.

11.2 Each Security Document is given as additional, concurrent and collateral security to the remainder of the Security Documents and will not operate to merge, novate or discharge the Borrowers' Indebtedness or any of the other Security Documents. The execution and delivery of each Security Document will not in any way suspend or affect the present or future rights and remedies of the Lender in respect of the Borrowers' Indebtedness, or the other Security Documents. No action or judgment taken by the Lender in respect of any of the Security Documents or with respect to the Borrowers' Indebtedness will affect the

liability of the Borrowers hereunder and nothing but the actual payment in full by the Borrowers to the Lender of the Borrowers' Indebtedness will discharge the Borrowers or any of the Security Documents.

- 11.3 The Additional Mortgage Group B Lands shall be held by the Lender's counsel and shall not be released to the Lender nor registered against the Mortgaged Group B Lands unless: (a) the Loan has not been repaid by the Maturity Date; (b) the Borrowers commit an event of default pursuant to Section 14 of this Agreement; (c) a prior ranking mortgagee of the Group B Lands commences enforcement proceedings with respect to its mortgage; or (d) any new financial charge, encumbrance of lien is registered against the Group B Lands.
- 11.4 Upon receipt of any ~~From the first release by Laurentian~~ of the funds referred to in Section 11.1 ~~(ej)~~ and provided the release is for more than one million four hundred thousand dollars (\$1,400,000), the Lender shall remit forty percent (40%) of such funds to the Borrowers and the balance shall be applied by the Lender on the Loan and thereafter all subsequent releases of the funds will be paid 100% to PLW and applied towards the Loan.

## 12. **SALE OF THE MORTGAGED GROUP A LANDS OR THE GROUP B LANDS**

- 12.1 The Borrowers are not permitted to sell any parcel that comprises the Mortgaged Group A Lands or the Group B Lands to an Affiliate or any person who is not an arm's length purchaser from the Borrowers without the prior written consent of the Lender, which consent is at the Lender's sole discretion.
- 12.2 If the Borrowers sell any parcel that comprises the Mortgaged Group A Lands or the Group B Lands to an arm's length party for fair market consideration, the Lender will grant a discharge of its mortgage and assignment of rents from the Mortgaged Group A Lands or Group B Lands, as applicable, and will deliver the signed discharge of the mortgage and assignment of rents in advance of the closing and in exchange for and on the condition the Lender will receive ninety percent (90%) of the net sale proceeds from such sale, after deducting normal course and reasonable closing costs and paying out all prior ranking mortgages registered on title.

## 13. **ENVIRONMENTAL MATTERS**

- 13.1 **Environmental Representations and Warranties.** To the best of the knowledge of the Borrowers, and except as previously disclosed to the Lender in writing, the Borrowers jointly and severally represent and warrant to the Lender that:

- (a) **Compliance with Environmental Laws** - the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands and the Mortgaged Group B Lands have been, and continue to be, in material compliance with all applicable Environmental Laws;
- (b) **No Claims, etc.** - there have been no past, and there are no pending or threatened:
- (i) claims, complaints, notices or requests for information received by or known to the Borrowers with respect to any alleged violation of any

applicable Environmental Laws in respect of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands;

- (ii) complaints, notices or inquiries to the Borrowers regarding potential liability under any applicable Environmental Laws with respect to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands; or
  - (iii) claims, complaints, notices or requests to the Borrowers requiring investigation or remediation under any applicable Environmental Laws with respect to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands,
  - (iv) that, singularly or in the aggregate, have, or may be reasonably expected to have, a material adverse effect upon the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands, owned or leased by the Borrowers;
- (c) **No Releases of Hazardous Substances** - there have been no releases or threatened releases of Hazardous Substances in violation of any applicable Environmental Law at, on or under the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers or in the groundwater beneath the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers, singularly or in the aggregate, may be reasonably expected to have a material adverse effect on any of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands;
- (d) **Permits, Certificates** – the Borrowers have been issued and are in material compliance with all permits, certificates, approvals, licenses and other authorizations relating to environmental matters that are required pursuant to any Environmental Law and necessary for the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands;
- (e) **No UST's** - there are no underground storage tanks, or water, gas or oil wells, active or abandoned, including petroleum storage tanks, on or under the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers that, singularly or in the aggregate, may be reasonably expected to have a material adverse effect upon the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers; and
- (f) **No Liability under Environmental Law** - no conditions exist at, on or under the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands which, with the passage of time or the giving of notice, or both, would give rise to liability of the Borrowers under any Environmental Law.

13.2 **Notice of Hazardous Substances Violations.** The Borrowers shall promptly notify the Lender (and provide whatever information the Lender may reasonably request with respect thereto) upon:

- (a) becoming aware of the occurrence of any violation of any Environmental Law or permit related to Hazardous Substances, or the receipt of notice of any alleged violation or the receipt of a compliance order;
- (b) the Borrowers intended response thereto; and
- (c) all other communications with federal, provincial or municipal officials or agencies relating to Hazardous Substances.

13.3 **Hazardous Substances Indemnity.** The Borrowers hereby jointly and severally agree, at their sole cost and expense, to indemnify, protect, hold harmless and defend (with counsel of the Lender's choice) the Lender and its successors and assigns and their respective directors, officers, agents, attorneys and employees (collectively the "**Indemnitees**" and individually an "**Indemnitee**") from and against all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses (including, without limitation, fees, disbursements and costs of lawyers, environmental consultants and experts), and all foreseeable and unforeseeable consequential and other damages of any kind or of any nature whatsoever (collectively, "**Losses**") which may at any time be imposed upon, incurred or suffered by or asserted or awarded against any Indemnitee directly or indirectly relating to or arising from any Hazardous Substance which originated on or from the Strata Lots, the West 27<sup>th</sup> LandLands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers at any time, past, present or future (collectively "**Environmental Matters**"), including, without limitation:

- (a) any past, present or future presence of any Hazardous Substance on, in, under or affecting all or any portion of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers or on, in, under or affecting all or any portion of any property adjacent or proximate to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands;
- (b) any past, present or future storage, holding, handling, release, threatened release, discharge, generation, leak, abatement, removal or transportation of any Hazardous Substance on, in, under or from the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands owned or leased by the Borrowers;
- (c) any violation at any time of any Environmental Laws;
- (d) the failure of the Borrowers to properly complete, obtain, submit or file any notice, permit, licence, authorization, covenant or similar item relative to any Environmental Matters described herein in connection with the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the MortgagedGroup B Lands or the ownership, use, operation or enjoyment thereof;

- (e) the extraction, removal, containment, transportation or disposal of any Hazardous Substance from any portion of the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Mortgaged Group B Lands owned or leased by the Borrowers or any other property adjacent or proximate to the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Mortgaged Group B Lands;
- (f) any past, present or future presence, operation, closure, abandonment or removal from the Strata Lots, the ~~West~~ West 27<sup>th</sup> Lands, the Group A Lands or the Mortgaged Group B Lands owned or leased by the Borrowers of any storage tank which at any time contained any Hazardous Substance;
- (g) the implementation and enforcement of any monitoring, notification or other precautionary measures which may at any time become necessary to protect against the release or discharge of Hazardous Substances on, in, under or affecting the Strata Lots, ~~West~~ West 27<sup>th</sup> LandLands, the Group A Lands or the Mortgaged Group B Lands owned or leased by the Borrowers or into the air, any body of water, any other public domain or any property adjacent or proximate the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Mortgaged Group B Lands;
- (h) any failure of any Hazardous Substances generated or moved from the Strata Lots, the West 27<sup>th</sup> Lands, the Group A Lands or the Mortgaged Group B Lands owned or leased by the Borrowers to be removed, contained, transported and disposed of in compliance with all applicable Environmental Laws; or
- (i) any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency in connection with any Hazardous Substances or violation of any Environmental Laws occurring or allegedly occurring at any time in relation to the Strata Lots, the West 27<sup>th</sup> LandLands, the Group A Lands or the Mortgaged Group B Lands owned or leased by the Borrowers.

13.4 **Survival of Hazardous Substances Indemnity.** The indemnity in the immediately preceding section is given solely to protect the Lender and the Indemnitees against Losses and not as additional security for, or as a means of repayment of, the Loan. Accordingly, the obligations of the Borrowers under this Indemnity shall be independent of, and shall not be measured or affected by:

- (a) any amounts at any time owing in respect of the Loan;
- (b) the sufficiency or insufficiency of the Security Documents or any collateral;
- (c) any consideration given by the Lender or any other party in any realization proceedings to acquire any property mortgaged or charged by the Security Documents;
- (d) the discharge or repayment in full of the Loan (including, without limitation, by amounts paid); or



- (e) any exculpatory provisions in any laws or documentation limiting the Lender's rights to recover a deficiency judgment.

#### 14. EVENTS OF DEFAULT

14.1 At the option of the Lender, the Borrowers' Indebtedness will immediately become due and payable and this Agreement and the Security Documents will become enforceable upon the happening of any one or more of the following events:

- (a) Default - if the Borrowers or any Other Obligor makes default in any payment of principal, interest, or other money payable by it hereunder or under any of the Security Documents or any other security granted by it to the Lender when the same becomes due hereunder or thereunder, or if the Borrowers or any Other Obligor makes default in the observance or performance of something required to be done or some covenant or condition required to be observed or performed hereunder or in any of the Security Documents or any other security granted by it to the Lender;
- (b) Misrepresentation - if any material representation or warranty given by or on behalf of the Borrowers or any Other Obligor is untrue in any material respect;
- (c) Winding-Up - if an order is made or a resolution is passed for the winding-up of the Borrowers or any Other Obligor, or if a petition is filed for the winding-up of the Borrowers or any Other Obligor;
- (d) Bankruptcy - if the Borrowers or any Other Obligor commits or threatens to commit any act of bankruptcy; becomes insolvent; or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* or similar legislation in any other jurisdiction, a general assignment in favour of its creditors, or a bulk sale of its assets; or if a bankruptcy petition is filed or presented against the Borrowers or any Other Obligor;
- (e) Receivership - if a receiver, receiver and manager, or receiver-manager, or any person with like powers, is appointed for all or any of the property, assets and undertakings of the Borrowers or any Other Obligor;
- (f) Arrangement - if any proceedings with respect to the Borrowers or any Other Obligor are commenced under the *Companies Creditors Arrangement Act* or under the *Bankruptcy and Insolvency Act* or similar legislation in any other jurisdiction;
- (g) Other Indebtedness - if the Borrowers or any Other Obligor permits any sum which has been admitted as due by it, or is not disputed to be due by it, and which forms or is capable of being made a charge upon any of its property, assets and undertakings in priority to any charge created by any of the Security Documents, to remain unpaid for 30 days after proceedings have been taken to enforce the same;

- (h) Cease Business - if the Borrowers or any Other Obligant ceases or threatens to cease to carry on any of its business;
- (i) Default in Other Payment - if the Borrowers makes default in payment of any of the Borrowers' Indebtedness or liability to the Lender, whether secured by the Security Documents or not;
- (j) Material Adverse Change in Risk – if, in the Lender's opinion, acting reasonably, there is any Material Adverse Change;
- (k) ~~(j)-Execution~~ - if any execution, sequestration, extent, or any other process of any kind is levied upon or enforced against all or substantially all of the property, assets or undertakings of the Borrowers, any subsidiary of the Strata Lots, the Borrowers or any Other Obligant West 27<sup>th</sup> Lands or the Group A Lands and remains unsatisfied for a period of eight days as to personal property or three weeks as to real property, unless such process is disputed in good faith and, in the reasonable opinion of the Lender, does not jeopardize or impair the security constituted by the Security Documents in any material way;
- (l) ~~(k)-Subsequent Encumbrances~~ - if, without the prior written consent of the Lender, a Borrowers or any Other Obligant mortgages, charges, or otherwise encumbers any of the property, assets or undertakings charged by the Security Documents to any Person other than the Lender, other than a Permitted Lien or any encumbrance or charge securing a purchase money obligation, provided that (i) no such encumbrance or charge affects any property other than the property acquired by the incurring of such purchase money obligation, and (ii) such encumbrance or charge does not secure an amount in excess of the original purchase price of such property, less repayments made from time to time; or
- (m) ~~(l)-Change in Control~~ – if there is a Change in Control.

## 15. WAIVER

- 15.1 The Lender may waive any breach by the Borrowers of any of the provisions contained in this Agreement or in the Security Documents or any default by the Borrowers in the observance or performance of any covenant or condition required to be observed or performed by the Borrowers under the terms of this Agreement or any of the Security Documents; but any waiver by the Lender of such breach or default, or any failure to take any action to enforce its rights hereunder or under any of the Security Documents, will not extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

## 16. PREPAYMENT COMPENSATION ON ACCELERATION

- 16.1 The occurrence of an Event of Default and the acceleration of the Loan prior to the applicable Maturity Date will be deemed to be a prepayment, and the Borrowers will pay to the Lender the amount of the Loan and interest and expenses then due.

## 17. REMEDIES UNDER THIS AGREEMENT AND THE SECURITY DOCUMENTS

- 17.1 **Cross Default.** Any default by the Borrowers under this Agreement, the 2018 ~~Loan Agreement~~ and the 219 Loan Agreement or under any of the Security Documents will constitute a default under the remainder of the Security Documents.
- 17.2 **Remedies Cumulative.** All rights and remedies stipulated for the Lender hereunder or in any of the Security Documents will be deemed to be in addition to and not restrictive of the right and remedies which the Lender might be entitled to at law or in equity; and the Lender may realize on the Security Documents or any part thereof in any manner and in such order as it may be advised, and any such realization by any means will not bar realization of any other security or any part or parts thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof, nor will any failure on the part of the Lender to exercise, or any delay in exercising any rights under this Agreement or any of the Security Documents operate as a waiver.
- 17.3 **No Waiver.** The acceptance by the Lender of any further security or of any payment of or on account of any of the Borrowers' Indebtedness after a Default or of any payment on account of any past Default will not be construed to be a waiver of any right in respect of any future default or of any past default not completely cured thereby; and the Lender may, in its uncontrolled discretion, exercise any and all rights, powers, remedies and recourses available to it in accordance with this Agreement and the Security Documents concurrently or individually without the necessity of any election.

## 18. MISCELLANEOUS

- 18.1 **Further Assurances.** Each of the parties hereto will forthwith at all times, and from time to time, at the Borrowers' sole cost and expense, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, documents and assurances which, in the opinion of a Lender, acting reasonably, are necessary or advisable for the better accomplishing and effecting of the intent of this Agreement.
- 18.2 **Pay Costs.** The Borrower will pay its own legal costs and the Lender's reasonable costs in connection with the preparation and negotiation of this Agreement and the Security Documents. All legal costs, registration fees and other costs incurred by the Lender in connection with the registration, discharge, amendment and enforcement of this Agreement and the Security Documents will be paid by the Borrower.
- 18.3 **Replacement of the 2019 Loan Agreement.** This Agreement replaces and supersedes the 2019 Loan Agreement.
- 18.4 ~~18.3~~ **No Merger.** None of the execution and delivery of the Security Documents, the registration of the Security Documents and making of any advance will in any way merge or extinguish this Agreement or the terms and conditions hereof or the 2018 Loan Agreement or the 2018 Loan Agreement security documents, which will continue in full force and effect.

- 18.5 ~~18.4~~ **Conflict.** In the event of any inconsistency or conflict between any of the provisions of this Agreement and any of the provisions of the Security Documents, the provisions of this Agreement will prevail; but the omission from this Agreement of any covenant, agreement, term, or condition contained in any of the Security Documents will not be considered to be an inconsistency or a conflict.
- 18.6 ~~18.5~~ **Assignment.** Neither this Agreement nor any benefits hereunder may be transferred, assigned or otherwise disposed of by the Borrowers to any Person without the prior written consent of the Lender.
- 18.7 ~~18.6~~ **Amendment.** No amendment, waiver or modification of, or agreement collateral to, this Agreement or any of the Security Documents will be enforceable against any party hereto unless it is by a formal instrument in writing expressed to be a modification of this Agreement or the Security Documents, as the case may be, and executed in the same fashion as this Agreement.
- 18.8 ~~18.7~~ **Enurement.** All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto will bind and enure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any transferee) whether so expressed or not; provided, however, that the Borrowers may not assign their rights or obligations hereunder to any Person without the prior written consent of the Lender.
- 18.9 ~~18.8~~ **Notice.** Any notice required or permitted to be given under this Agreement will be in writing and may be given by delivering, sending by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy, or sending by prepaid registered mail posted in Canada, the notice to the following address or number:

(a) If to the Borrowers:

**AMY BARSHA WASHINGTON  
EDISON WASHINGTON**  
835 Eyremount Drive  
West Vancouver, BC V7S 2A8

**1025332 B.C. LTD.  
1025334 B.C. LTD.  
1025336 B.C. LTD.  
WASHINGTON PROPERTIES (POINT GREY) INC.  
WASHINGTON PROPERTIES (QEP) INC.  
LUCKY FIVE INVESTMENTS LTD.  
CHONGYE DEVELOPMENTS LTD.**  
501 - 1195 West Broadway  
Vancouver, BC V6H 3X5

Attention: Amy Washington

Fax No: 604-484-2120

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with a copy to:

**KORNFELD LLP**

1100 One Bentall Centre  
505 Burrard Street, Box 11  
Vancouver, BC V7X 1M5

Attention: Neil Kornfeld, Q.C.

Fax No: 604.683.0570

(b) If to the Lender:

**PLW INVESTMENT LTD.**

c/o: Suite 1460 – 701 West Georgia Street  
Vancouver, BC V7Y 1E4

Attention: David A. Martin

Fax No: 604.674.3819

with a copy to:

**STIRLING LLP**

Suite 1460 – 701 West Georgia Street  
Vancouver, BC V7Y 1E4

Attention: David A. Martin

Fax No: 604.674.3819

(or to such other address or number as any party may specify by notice in writing to another party).

Any notice delivered or sent by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy on a business day will be deemed conclusively to have been effectively given on the day the notice was delivered, or the transmission was sent successfully to the number set out above, as the case may be. Any notice sent by prepaid registered mail will be deemed conclusively to have been effectively given on the third business day after posting; but if at the time of posting or between the time of posting and the third business day thereafter there is a strike, lockout, or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered.

18.10 ~~18.9~~ **Headings for Convenience Only.** The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

18.11 ~~18.10~~ **Joint and Several Liability.** If any party hereto is comprised of more than one Person the representations, warranties, covenants, agreements, obligations and liabilities

made by or imposed upon that party herein or by law will be deemed to have been made or incurred by all those Persons jointly and by each of those Persons severally.

- 18.12 ~~18.11~~ **Governing Law.** This Agreement will be construed and enforced in accordance with, and the rights of the parties will be governed by the laws of the Province of British Columbia and applicable laws of Canada. The Lender and the Borrowers hereby attorn to the courts of competent jurisdiction of the Province of British Columbia, Canada in any proceedings hereunder.
- 18.13 ~~18.12~~ **Criminal Code.** Notwithstanding any provision in this Agreement to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable by the Borrowers or any Other Obligant under any Loan Document exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to such Loan Document in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of such section 347, such payment, collection or demand will be deemed to have been made by mutual mistake and the amount of such payment or collection will be refunded to such Borrowers or Other Obligant only to the extent of the amount which is greater than the maximum effective annual rate permitted by such laws. For purposes of determining compliance with such section 347, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term commencing on the date of the Advance and ending on the Maturity Date and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be prima facie evidence for the purposes of such determination.
- 18.14 ~~18.13~~ **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.
- 18.15 ~~18.14~~ **Independent Covenants.** All covenants hereunder will be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant will not avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists.
- 18.16 ~~18.15~~ **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.
- 18.17 ~~18.16~~ **Discharge.** Upon repayment in full of the Borrowers' Indebtedness and the indebtedness of the Borrower pursuant to the 2019 Loan Agreement and the cancellation by the Lender and the Borrowers in writing of the Loan, the Lender will, at the expense of the Borrowers, execute and deliver to the Borrowers a release and discharge of the Security Documents and will reconvey to the Borrowers or as directed by it the unsold

Strata Lots and West 27<sup>th</sup> Lands, or at the direction of the Borrowers, the shares of the Lender's designated entities 1256306 B.C. Ltd., 1094321 and Prarda, being the registered owners of such lands, free and clear of all financial liens, charges and encumbrances charging the said lands and the shares, or of any Person claiming by, through or under the Lender or any of its designated entities. Any non-financial lien, charge or encumbrance that was registered on title to the Strata Lots or West 27<sup>th</sup> Lands when they were conveyed to the Lender designated entity will be a permitted lien, charge or encumbrance when the Strata Lots or West 27<sup>th</sup> Lands or reconveyed to the Borrowers or as the Borrowers direct.

18.18 ~~18.17~~ **Entire Agreement.** This Agreement (including the Schedules hereto) and the Security Documents constitute the entire agreement between the parties with respect to all of the matters herein and their execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein or therein and made a part hereof or thereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto.

18.19 ~~18.18~~ **Separate LoanLoans.** The amount due to the Lender under this Agreement is a separate and distinct debt from the amount due to the Lender under the 2018 Loan Agreement. None of the security documents granted in connection with this Agreement modifies, replaces, supersedes, merges or extinguishes the covenants, representations, warranties, terms or conditions of the security documents granted in connection with the 2018 Loan Agreement.

18.20 ~~18.19~~ **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

18.21 ~~18.20~~ **Lender as Agent.** If this Agreement is granted to the Lender in its capacity as agent for one or more other Persons, the Borrowers agree that all:

- (a) grants, mortgages, assignments, charges and security interests;
- (b) representations, warranties, covenants and agreements; and
- (c) obligations and liabilities,

created, made, assumed or incurred hereunder by the Borrowers in favour of the Lender are also created, made, assumed or incurred hereunder by the Borrowers in favour of those Persons.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized on the \_\_\_\_ day of July, 2020.

**1025332 B.C. LTD.,** by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name:  
Title:

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I have the authority to bind the corporation

**1025334 B.C. LTD.,** by its authorized  
signatory(ies):

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the corporation

**1025336 B.C. LTD.,** by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the corporation

**WASHINGTON PROPERTIES (POINT GREY) INC.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the corporation

**WASHINGTON PROPERTIES (QEP) INC.,**  
by its authorized signatory(ies):



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Per: \_\_\_\_\_  
Name: Amy Washington  
Title: Director  
I have the authority to bind the corporation

**LUCKY FIVE INVESTMENTS LTD.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name: Lucy Washington  
Title: Director  
I have the authority to bind the corporation

**CHONGYE DEVELOPMENTS LTD.,**  
by its authorized signatory(ies):

Per: \_\_\_\_\_  
Name: Amy Washington  
Title: Director  
I have the authority to bind the corporation

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**SIGNED, SEALED and DELIVERED** by )  
**AMY BARSHA WASHINGTON** in the )  
 presence of: )

\_\_\_\_\_)  
 Signature )

\_\_\_\_\_)  
 Print Name )

\_\_\_\_\_)  
 Address )

\_\_\_\_\_)  
 Occupation )

\_\_\_\_\_) **AMY BARSHA WASHINGTON** 

**SIGNED, SEALED and DELIVERED** by )  
**EDISON WASHINGTON** in the presence )  
 of: )

\_\_\_\_\_)  
 Signature )

\_\_\_\_\_)  
 Print Name )

\_\_\_\_\_)  
 Address )

\_\_\_\_\_)  
 Occupation )

\_\_\_\_\_) **EDISON WASHINGTON** 

**GUARANTOR'S ACKNOWLEDGEMENT**

For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Guarantor hereby unconditionally guarantee the payment, observance and performance, on demand, of the Borrowers' Indebtedness up to a maximum amount of eight million dollars (\$8,000,000.00) in the manner and to the extent contemplated by the Loan Documents.

**SIGNED, SEALED and DELIVERED** by  
**LUCY WASHINGTON** in the presence  
of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
**LUCY WASHINGTON**



**Schedule A**  
**Real Property Civic and Legal Descriptions of the Strata Lots**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	030-879-451	Strata Lot 54 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  504-54963 Cambie Street, Vancouver, BC
2.	030-879-469	Strata Lot 55 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  505-4963 Cambie Street, Vancouver, BC
3.	030-879-892	Strata Lot 98 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  306-5033 Cambie Street, Vancouver, BC
4.	030-880-033	Strata Lot 112 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  501-5033 Cambie Street, Vancouver, BC
5.	030-080-068	Strata Lot 115 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  504-5033 Cambie Street, Vancouver, BC
6.	030-880-076	Strata Lot 116 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  505-5033 Cambie Street, Vancouver, BC
7.	030-880-084	Strata Lot 117 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950  601-5033 Cambie Street, Vancouver, BC

No.	PID	Civic and Legal Description
8.	030-880-114	Strata Lot 120 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950 604-5033 Cambie Street, Vancouver, BC
9.	030-880-122	Strata Lot 121 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950 605-5033 Cambie Street, Vancouver, BC
10.	030-880-220	Strata Lot 131 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950 112-5077 Cambie Street, Vancouver, BC
11.	030-880-645	Strata Lot 173 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950 502-5077 Cambie Street, Vancouver, BC
12.	030-880-696	Strata Lot 178 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950 501-5077 Cambie Street, Vancouver, BC
13.	030-880-700	Strata Lot 179 Block 839 District Lot 526 Group 1 New Strata Plan EPS4950 602-5077 Cambie Street, Vancouver, BC
(the above thirteen (13) strata lots are collectively referred to in this Agreement as the 'Strata Lots' or individually as a 'Strata Lot').		

**Schedule B**  
**Real Property and Civic Description of the West 27<sup>th</sup> Lands**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	007-090-536	Lot 8 Block 720 District Lot 526 Plan 6539 ( <b>‘Lot 8’</b> ) 506 West 27 <sup>th</sup> Avenue, Vancouver, BC
2.	003-650-278	Lot 9 Block 720 District Lot 526 Plan 6539 ( <b>‘Lot 9’</b> ) 4339 Cambie Street, Vancouver, BC
3.	010-871-438	Lot 10 Block 720 District Lot 526 Plan 6539 ( <b>‘Lot 10’</b> ) 4361 Cambie Street, Vancouver, BC
4.	010-871-471	Lot 11 Block 720 District Lot 526 Plan 6539 ( <b>‘Lot 11’</b> ) 4387 Cambie Street, Vancouver, BC

(Lot 8, 9, 10 and 11 are collectively referred to in this Agreement as the **‘West 27<sup>th</sup> Lands’**).

**Schedule C**  
**Mortgaged Group A Lands**

**A. Belmont Lands**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	010-858-300	Lot 3 Block 1 District Lot 140 Plan 6583  4883 Belmont Avenue, Vancouver, BC (" <b>Lot 3</b> ")
2.	010-858-296	Lot 2 Block 1 District Lot 140 Plan 6583  4889 Belmont Avenue, Vancouver, BC (" <b>Lot 2</b> ")
3.	010-858-288	Lot 1, Except Part in Explanatory Plan 3376 Block 1 District Lot 140 Plan 6583  4899 Belmont Avenue, Vancouver, BC (" <b>Lot 1</b> ")  Lot 1, Lot 2 and Lot 3 are collectively, the " <b>Belmont Lands</b> "

**B. Eyremount Lands**

<b>No.</b>	<b>PID</b>	<b>Civic and Legal Description</b>
1.	010-577-441	Lot 9 Block 19 Capilano Estates Plan 7525  835 Eyremount Drive, West Vancouver, BC  (the " <b>Eyremount Lands</b> ")

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**C. East 8<sup>th</sup> Lands**

1.	015-161-684	Lot A Block 45 District Lot 200A Plan 625
		( <b>Lot A</b> )
2.	015-161-706	Lot B Block 45 District Lot 200A Plan 625
		( <b>Lot B</b> )
3.	015-161-714	Lot C Block 45 District Lot 200A Plan 625
		( <b>Lot C</b> )
		Lot A, Lot B and Lot C are collectively, the <b>‘East 8<sup>th</sup> Lands’</b>

**D. Nicola Strata Lot**

1.	024-010-499	Strata Lot 69 of the Public Harbour of Burrard Inlet New Westminster District Strata Plan LMS3057
		1203-535 Nicola Street, Vancouver, BC
		(the <b>‘Nicola Strata Lot’</b> )

**E. West 3<sup>rd</sup> Lands**

1.	013-255-495	Lot 9 of Lot 3 Block 138 District Lot 540 Plan 2992
		4408 West 3 <sup>rd</sup> Avenue, Vancouver, BC
		(the <b>‘West 3<sup>rd</sup> Lands’</b> )



<b>F. <u>Cambie Strata Lot 59</u></b>		
1.	030-879-507	Strata Lot 59 Block 839 District Lot 526 Group 1 New Westminster District Plan EPS4950
		604-4963 Cambie Street, Vancouver, BC
		(the “ <b>Cambie Strata Lot 59</b> ”)
<b>G. <u>Cambie Strata Lot 163</u></b>		
1.	030-880-548	Strata Lot 163 Block 839 District Lot 526 Group 1 New Westminster District Plan EPS4950
		301-5077 Cambie Street, Vancouver, BC
		(the “ <b>Cambie Strata Lot 163</b> ”)
<b>H. <u>West 41<sup>st</sup> Strata Lot</u></b>		
2.	030-167-248	Strata Lot 94 District Lot 526 Group 1 New Westminster District Plan EPS4269
		601-679 West 41 <sup>st</sup> Avenue, Vancouver, BC
		(the “ <b>Cambie Strata Lot 163</b> ”)

(the Belmont Lands, the Eyremount Lands, the East 8<sup>th</sup> Lands, the Nicola Strata Lot, the West 3<sup>rd</sup> Lands, Cambie Strata Lot 59, Cambie Strata Lot 163 and West 41<sup>st</sup> Strata Lot are collectively referred to in this Agreement as the “**Mortgaged Group A Lands**”).

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**Schedule D**  
**Group B Lands**

<b><u>No.</u></b>	<b><u>PID</u></b>	<b><u>Civic and Legal Description</u></b>
<u>1.</u>	<u>009-467-904</u>	<u>Lot 8 Block 700 District Lot 526 Plan 6539</u> <u>4215 Cambie Street, Vancouver BC</u>
<u>2.</u>	<u>008-116-059</u>	<u>Lot 11 Block 740 District Lot 526 Plan 6539</u> <u>4491 Cambie Street, Vancouver, BC</u>
<u>3.</u>	<u>010-878-653</u>	<u>Lot 10 Block 700 District Lot 526 Plan 6539</u> <u>4261 Cambie Street, Vancouver, BC</u>
<u>4.</u>	<u>010-878-688</u>	<u>Lot 11 Block 700 District Lot 526 Plan 6539</u> <u>503 West 27<sup>th</sup> Avenue, Vancouver, BC</u>
<u>5.</u>	<u>010-766-197</u>	<u>Lot 6 Block 799 District Lot 526 Plan 7221</u> <u>4711 Cambie Street, Vancouver, BC</u>
<u>6.</u>	<u>010-766-235</u>	<u>Lot 8 Block 799 District Lot 526 Plan 7221</u> <u>4761 Cambie Street, Vancouver, BC</u>
<u>7.</u>	<u>010-766-219</u>	<u>Lot 7 Block 799 District Lot 526 Plan 7221</u> <u>4737 Cambie Street, Vancouver, BC</u>

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Document 2 ID	worldox://00050100.doc/3
Description	\$50M Loan Agreement - July 2020
Rendering set	Standard

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Moved to	1
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