This is the 1st affidavit
of Raymond Kwong in this case
and was made on July 22, 2026

NO. VLC-S-S-258845
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

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

PETITIONERS

AFFIDAVIT

I, RAYMOND KWONG, of 700-401 W. Georgia Street, Vancouver, British Columbia, Director of Major Projects at British Columbia Housing Management Commission, SWEAR (OR AFFIRM) THAT:

1. I am the Associate Vice President, BC Builds and former Provincial Director, Housing Hub at British Columbia Housing Management Commission ("**BCHMC**") and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where such facts and matters are stated to be made upon information and belief, and as to such facts and matters I verily believe them to be true.

<u>BCHMC's Mandate</u>

2. BCHMC is a provincial Crown agency that operates under the authority of the *Ministry of Lands, Parks and Housing Act*, RSBC 1996, c. 307 and the *Homeowner Protection Act*, SBC 1998, c. 31. Its mandate includes supporting the development and preservation of housing throughout B.C. and improving access to stable and affordable housing for British Columbians.

3. In 2018, BCHMC established the Provincial Rental Supply Program (the "**Program**") to increase the supply of affordable purpose-built rental housing for middle-income households in B.C.. Attached hereto and marked as **Exhibit "A"** is a true copy of the Provincial Rental Supply Program Framework.

4. Pursuant to the Program, BCHMC may provide construction financing at interest rates and terms that are not generally available in the commercial lending market (below market rates).

5. In exchange for receiving financing under the Program, borrowers must satisfy affordability and housing-related requirements intended to advance BCHMC's public policy objectives.

6. One of those requirements is the registration of restrictive covenants securing BCHMC's housing mandate and ensuring that funded developments remain dedicated to affordable rental housing for qualified middle income households.

The Loan and Security

7. Pursuant to a commitment letter dated November 8, 2022, BCHMC agreed to provide financing to 1061511 B.C. Ltd., Jameson Broadway & Birch General Partner Ltd., and Broadway & Birch Limited Partnership (the "**Borrowers**" and/or the "**Petitioners**") for the construction of a 258-unit rental housing development located at 2538 and 2550 Birch Street and 1298 West Broadway, Vancouver, British Columbia (the "**Development**"). Attached hereto and marked as **Exhibit "B"** is a true copy of the Commitment Letter dated November 8, 2022.

8. The principal amount of the loan to be advanced by BCHMC under the Commitment Letter was $164,227,655.00 (the "**Loan**"). The amounts advanced to the Borrowers under the Loan were done under the Program and was provided on terms that reflected BCHMC's policy objectives and mandate rather than purely commercial considerations.

9. James Holdings Ltd. ("**James**"), Gatland Development Corp. ("**Gatland**"), Thomas James Pappajohn ("**Thomas**"), Anthony James Pappjohn ("**Anthony**"), John George James Pappjohn ("**John**"), Graham Thom ("**Graham**") (the "**Personal Covenantors**"), agreed to jointly, severally and unconditionally covenant to repay the Loan in full, including any accrued interest, and to indemnify and save harmless BCHMC from and against any failure of the Borrower to repay the Loan or perform any of the obligations and covenants pursuant to the Loan.

10. 4354 Investments Ltd. ("**4354**"), No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investment Ltd. ("**5186**"), and 0993786 B.C. Ltd. ("**0993786**") (the "**Corporate Covenantors**") agreed to jointly, severally and unconditionally covenant to repay the Loan up to the principal sum of $123,170,741.25 (being 75% of the Loan amount) plus accrued interest and will indemnify and save harmless BCHMC from and against any failure of the Borrower to repay the Loan or perform any of the obligations and covenants pursuant to the Loan.

(the Personal Covenantors and Corporate Covenantors are collectively the "**Covenantors**")

11. As security for the Loan, BCHMC received, among other things:

(a) A first-ranking mortgage and assignment of rents over the Development;

(b) A Section 219 covenant advanced under the *Land Title Act* registered against the title of the Development (the "**Covenant**");

(c) Personal Property Security granted by the Borrowers and covenantors; and

(d) covenantor agreements, postponement agreements, and completion obligations.

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

12. Attached hereto and marked as **Exhibit "C"** is a true copy of the registered Mortgage under Registration Numbers CB400524 and CB400525.

13. Attached hereto and marked as **Exhibit "D"** is a true copy of the registered Covenant under CB400523.

14. In addition, BCHMC also holds a covenant registered under CA7161138 as modified by CB78990 in relation to the Program and its mandate, true copies of which are attached hereto and marked as **Exhibit "E"**.

15. Attached hereto and marked as **Exhibit "F"** is a true copy of the Covenantor Agreements executed by the Covenantors in favour of BCHMC.

16. Attached hereto and marked as **Exhibit "G"** is a true copy of the personal property security agreement registered under base registration number 264457P.

<u>The Section 219 Covenant</u>

17. The Covenant forms an integral component of BCHMC's security package in order to fulfill its policy objectives under the Program. BCHMC agreed to advance the Loan to the Borrowers on favourable terms based on the Security, including the covenants registered on title of the Property.

18. At the core of the Borrowers' qualification/entitlement to a loan under the Program is their agreement to provide 258 rental housing units, 56 of are designated as "Moderate Income Rental Housing Units" ("**MIRHPP Units**").

19. Attached hereto and marked as **Exhibit "H"** is a true copy of the housing agreement covenant registered in favour of the City of Vancouver under registration number CA8600160, as modified by CB382781 and CB975790.

20. Under the Program, it is the Borrowers' responsibility to complete the construction of the Project and ensure the financial viability and long term operating success of the rental housing.

21. In exchange for the Borrowers' agreement to, among other things, build affordable rental housing as described herein, and to advance its mandate, BCHMC issued the Loan at a below market interest rates to the Borrowers. For example, the floating interest rate charged under the Loan in December 2022 was 4.3480%, when the prime rate in Canada was 6.45%. Pursuant to the Commitment Letter, only as of January 27, 2026, did BCHMC began to charge RBC Prime Rate plus 6.00% per annum, and February 27, 2026 as the Repayment Date.

22. Because of its policies and mandates, including those contained in the Program, BCHMC is different from a for-profit commercial lender. If the Borrowers had not agreed to the terms under the Program, including granting the Covenant, BCHMC would not have advanced the below market rate Loan, or at all.

The CCAA Proceedings

23. By September 2025, the Borrowers had insufficient funds to complete the Project and in the result sought creditor protection under the CCAA in December of 2025.

24. As noted in the First Report of Alvarez & Marsal Inc. the Court appointed monitor (the "**Monitor**") BCHMC accounts for approximately 85% of the Petitioners' liabilities and easily the single largest secured creditor.

25. Since the commencement of these proceedings, the Court has approved debtor-in-possession financing granted by Maynbridge Financial in the principal amount of up to $31 million. In addition, the Petitioners have sought and been granted several extensions of the stay of proceedings in order for the Petitioners to complete the Project. In turn, this has also given the Petitioners ample time and opportunities to prepare and implement a plan of reorganization under the CCAA to pay its creditors, including BCHMC.

Loss of Confidence in the Borrower's Restructuring Efforts

26. As at July 8, 2026, the total amount due and owing under BCHMC's Loan and Mortgage totaled $166,386,841.34, plus accrued legal costs. The daily per diem rate of interest accruing on this amount totals $48,015.66, with a monthly amount of interest totaling approximately $1.45 million (subject to the interest calculation and compounding provisions of the Loan and Mortgage).

27. To the best of BCHMC's knowledge:

(a) completion of the Project remains on schedule for the end of July 2026; and

(b) Maynbridge Capital Inc. has already advanced approximately $27.5 million of DIP financing, which accrues interest at 9.95% per annum, compounded monthly (which equates to monthly interest of approximately $200,000 to $250,000) It is unknown if the full amount of $31 million DIP facility has been funded as of yet.

28. The Petitioners and Covenantors have defaulted on their obligations owed to BCHMC, including by failing to make payment of the Loan and Mortgage.

29. On July 15, 2026, through its legal counsel, BCHMC issued a demand letter and section 244 notice under the BIA to the Borrowers/Petitioners and Covenantors of the Loan. Attached hereto and marked as **Exhibit "I"** are true copies of the demand letter and s. 244 notice.

30. The Petitioner have been provided a substantial opportunity to pursue restructuring alternatives under the CCAA. To date that restructuring effort has been entirely focused on trying to raise equity/debt financing for a project which at first was directed at short-term medical accommodation but now is centered on hotel accommodation.

31. To BCHMC's knowledge, those efforts have not produced a single investment commitment for either equity or debt capable of repaying BCHMC in full or otherwise providing a basis for a viable plan of reorganization to be presented to BCHMC and the creditors.

32. It has been more than seven and a half months since the granting of the Amended and Restated Initial Order (the "**ARIO**") on December 4, 2025. BCHMC has lost faith in the

ability of the Petitioners to manage the restructuring process under these proceedings and therefore seeks to expand the Monitor's powers under the ARIO to enable the Monitor to have exclusive control of the marketing and sale of the Property/ Project.

33. BCHMC is concerned that continued delay in marketing the Property for sale increases the risk of erosion of value and reduces the likelihood of maximizing recoveries. This is particularly so given the anticipated request for increased DIP lending facilities and an increase in the Administrative Charge, all of which rank ahead of BCHMC's security.

34. BCHMC is also concerned that substantial time and money have been directed to a reorganization strategy that has produced no tangible results.

35. This is highlighted by the Management Fees claimed by the Petitioners through to May 15, 2026 totaling $872,000 which figure expands to $1,220,000 if the figures contained in the Monitor's Projected cash flow to August 7, 2026 get paid. This is in addition to the development consultant fees to May 15, 2026 of $198,000. Given the building will be completed in July 2026 and the marketing sale will be based on an "as is where is" basis, and there has been little, if any progress in terms of raising equity/debt to a plan put forward to payout BCHMC (in addition to other creditors), BCHMC strongly opposes any further management/development fees being paid to the Petitioners which come at the direct expense of BCHMC and the creditors.

36. BCHMC has no confidence in the Petitioners' ability to successfully manage a restructuring process or independently conduct a sale process that will maximize value and conclude within a reasonable time.

37. The Petitioners efforts to source debt/equity financing have been based on the premise that the Covenant will be removed (neither short-term medical accommodation nor use as a Hotel are permitted under the Covenant). BCHMC considers the Covenant to be fundamental both to its security position and to its public mandate.

38. The Covenant reflects a key condition upon which BCHMC advanced financing under the Program.

39. BCHMC remains concerned that ongoing efforts to challenge or remove the Covenant are inconsistent with the Program objectives and with the Borrower's original commitments.

40. Maintaining the Covenant remains an important consideration for BCHMC in evaluating any restructuring or sale proposal.

<u>Expansion of the Monitor's Powers</u>

41. BCHMC believes that the interests of stakeholders would be best served by enhancing the Monitor's powers to facilitate the marketing and sale processes related to the Development.

42. BCHMC further believes that a Monitor controlled process is more likely to maximize value than continuing to rely on the Petitioners to manage that process.

43. BCHMC supports the Monitor being empowered to take all steps reasonably necessary to market the Development for sale and to facilitate any resulting transaction.

SWORN (OR AFFIRMED) BEFORE ME at Vancouver, British Columbia, on July 22, 2026.	)	
A commissioner for taking affidavits for British Columbia	)	RAYMOND KWONG

TOMMY M. CHAN
Barrister & Solicitor
700 - 401 WEST GEORGIA STREET
VANCOUVER, B.C. V6B 5A1
Tel. (604) 682-3664

This is Exhibit "A" referred to in the affidavit of Raymond Kaons made before me on July 22 2026

A Commissioner for taking Affidavits within British Columbia

Provincial Rental Supply

HOUSING HUB

BUILDING PARTNERSHIPS. BUILDING HOMES.

PROGRAM FRAMEWORK

May 2018

BRITISH COLUMBIA

BC HOUSING

INTRODUCTION

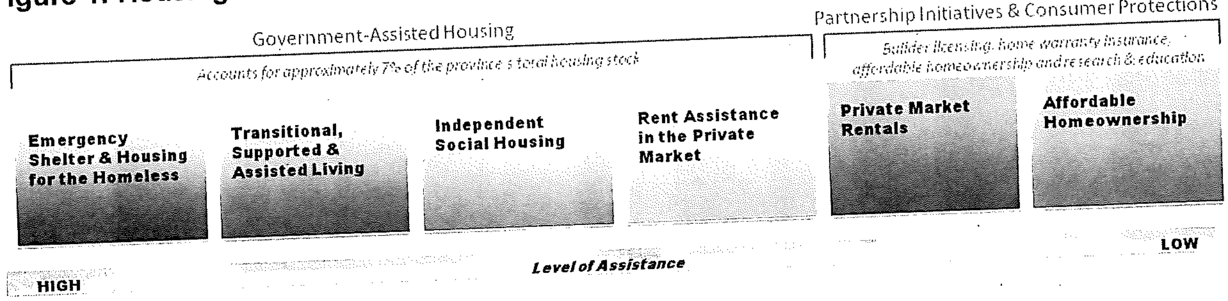
In 2018, the Province of British Columbia announced the creation of the HousingHub, through which BC Housing partners with non-profit and for-profit sectors, faith groups, and other levels of government to identify and advance innovative approaches to locate, use, or repurpose land in communities where affordability is an issue.

The Provincial Rental Supply program is delivered by BC Housing through the HousingHub, with an aim to increase the supply of affordable housing for middle-income households across British Columbia. Units will typically be situated toward the independent range of the Housing Continuum. Increasing the supply and range of affordable housing options can promote self-sufficiency and help households move along the Housing Continuum (Figure 1).

Developments must be able to operate without any ongoing operating subsidies or other funding from BC Housing. Where projects involve supports or services to residents, additional funding from other project partners will be necessary.

This program framework outlines the overall program intent, goal, principles, target populations, core elements, standards and guidelines, monitoring and reporting requirements, and defines the roles and responsibilities of project partners in the delivery and management of the Provincial Rental Supply program.

Figure 1: Housing Continuum



PRINCIPLES

The following principles guide how BC Housing implements and administers the Provincial Rental Supply program, and our relationship with partners and government.

1. **Affordable housing is established in communities where there is demonstrated need**
2. **Sustainability**
   a) Developments will be financially sustainable without additional financial assistance from BC Housing.
   b) BC Housing considers environmentally sustainable practices a priority and encourages commitments to this end.
3. **Consistency with regional and community priorities and plans**
   a) Community and local/regional government support for the project should be evident.
   b) Projects should be consistent with any Official Community Plans and strategies.
4. **Project partners are expected to maximize their equity contribution to projects**

5. **Transparent and accountable operations**
   a) BC Housing will employ fair and consistent processes when evaluating and selecting projects.
   b) Project partners will maintain reliable and consistent records and fulfil reporting obligations to BC Housing.

PROGRAM PURPOSE

Goal: Increase the supply and range of affordable and appropriate rental housing options for middle-income households across British Columbia.

Objective: Create affordable rental housing in communities with housing need across British Columbia.

Outputs:

1. Interim construction financing for eligible project partners.
2. Take-out financing for eligible non-profit project partners.
3. New affordable rental units created in communities with housing need.

Outcomes:

1. More middle-income households living in affordable, appropriate housing.
2. Affordable housing is operated successfully over the expected life of the developments without operating subsidies or supplemental funding from BC Housing.

Indicators:

1. Number of new units created for eligible households.

FUNDING

Partner Contributions

Partnerships are an essential component of the Provincial Rental Supply program. BC Housing will partner with non-profits and private developers, faith groups, property owners, and federal and local governments, to locate, use, develop or redevelop land in communities where affordability is an issue. Partner contributions may include capital funding, land or other equity contributions.

Financing[1]

BC Housing may provide interim construction financing for the development of affordable housing, including new construction, acquisitions and redevelopments. Interim financing may be approved up to 100% of the cost to complete the project.

BC Housing may also help eligible non-profit housing partners obtain take-out financing. BC Housing will make arrangements with NHA approved lenders to obtain low interest rates and favourable terms through a competitive tender and selection process conducted and approved by BC Housing. All approved BC Housing take-out loans will have Canada Mortgage and Housing Corporation (CMHC) loan insurance.

BC Housing will typically require the following security registered on title:

- Execution and registration of BC Housing's standard mortgage security package, and

[1] Financing is subject to BC Housing's Lending Criteria.

- A Section 219 restrictive covenant.

Security considerations will vary from project to project and will include a long-term operating agreement if CMHC-insured take-out financing is provided.

PROJECT ELIGIBILITY

BC Housing will consider proposals for funding through an open proposal call for submissions. The evaluation of submissions will be based on proponent and project eligibility, need and demand, lending criteria and available financing. The following minimum eligibility requirements must be met[2]:

1. The site must be suitable for affordable housing.
2. Housing must be for middle-income households. The project partner must own and control a mortgageable interest in the property.
3. The project partner will demonstrate present and future need and demand for affordable rental housing in the target community. Project partners should refer to the Need and Demand Study Document template for the recommended approach (see https://www.bchousing.org/publications/housing-need-demand-template.pdf).
4. The project partner must present a clear business case for the project, including demonstrated ability to maintain affordable rents over time, and demonstration that developments will be sustainable without operating subsidies or grants for capital repairs/replacements from BC Housing.
5. Project partners are encouraged to bring equity to the project such as cash, grants, municipal concessions or land.

While all project partners must meet the minimum eligibility requirements, BC Housing may apply additional criteria or prioritize projects based on available equity contributions, financing and other determining factors as indicated below:

- Greater need and demand/community impact
- Greater affordability
- Municipal and community support
- Larger equity contribution
- Geographic location

KEY PROGRAM ELEMENTS

Tenant Eligibility

The program targets middle-income households, with income thresholds for eligibility as follows:

- **Units with two or more bedrooms:** Middle-income households are those whose gross household income does not exceed the 75th income percentile for families with children, as determined by BC Housing from time to time.[3]
- **Units with less than two bedrooms:** Middle-income households are those whose gross household income does not exceed the 75th income percentile for families without children, as determined by BC Housing from time to time.[4]

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[2] BC Housing may require additional guarantees or security in certain cases as it deems appropriate.

[3] BC Housing determines this figure using data released by Statistics Canada - Income Statistics Division: *T1 Family File – Custom Tabulation British Columbian Couple Families (With Children)*.

[4] BC Housing determines this figure using data released by Statistics Canada - Income Statistics Division: *T1 Family File – Custom Tabulation British Columbian Couple Families (Without Children)*.

For projects involving a mix of unit sizes, the corresponding income threshold will be applied to each unit.

Rents

Rents must be affordable for eligible tenants, as determined by BC Housing[5], and remain affordable for a minimum period of ten (10) years[6].

The rent structure will vary depending on the characteristics of the particular project, the tenant population served, and whether or not funding from other partners is layered into the project.

All units in the development must be rented at or below market, and at rents affordable for eligible households considering the location and average household income for the area.

Design Guidelines

Projects are encouraged to meet or exceed the BC Housing Design and Construction Guidelines (https://www.bchousing.org/partner-services/asset-management-redevelopment/construction-standards). Provincially funded units must meet high standards of environmental sustainability, including low greenhouse (GHG) emissions. Certifications may include LEED, R2000, Passive House, BC Energy Step Code or other equivalent.

ROLES AND RESPONSIBILITIES

BC Housing

- Evaluating project proposals.
- Facilitating financing.
- Providing technical assistance and advice.
- Monitoring and evaluating the success of the program.

Project Partners

- Coordinating the design and construction of developments.
- Day to day operations and management of the housing, including the provision of property management services.
- Identification and selection of tenants, including verification of their income.
- Periodic reporting to BC Housing.
- Ensuring the financial viability and long term operating success of the housing.

MONITORING AND REPORTING

Monitoring ensures program compliance and minimizes risk to all stakeholders: residents, project partners and BC Housing.

BC Housing's main interests are:

- Targeted households are being housed.
- Affordable rents are maintained.

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[5] Housing is considered affordable for a household when 30% or less of the household's gross income goes towards paying for housing.
[6] Longer-term affordability requirements and operating agreements will apply in the event of take-out financing.

- Construction standards and value for money are met.
- Developments are financially viable with no operating subsidies from BC Housing.
- Buildings are maintained to an appropriate standard for their expected lifespan.
- Project partners meet legal and contractual obligations.

From time to time, the project partner is required to submit a report, using a template provided by BC Housing, addressing key requirements such as:

- Current financial statements.
- Current rent levels.
- Household incomes at move-in.

An on-site visit by BC Housing staff may occur from time to time, particularly where operational or financial issues arise.

SIGN-OFF

The Program Framework requires final sign-off by the Vice-President Development and Asset Strategies, and the Vice-President Corporate Services and Chief Financial Officer.

Vice President Development and Asset Strategies

Vice President Corporate Services and Chief Financial Officer

This is Exhibit "B" referred to in the affidavit of Raymond Kwong made before me on July 22 2026

A Commissioner for taking Affidavits within British Columbia

Home Office
1701 – 4555 Kingsway
Burnaby, BC V5H 4V8

Phone 604-433-1711
Fax 604-439-4722
www.bchousing.org

BC HOUSING

File: 95670/10577/17771

November 8, 2022

1061511 B.C. LTD.
JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP
JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.
20TH FLOOR, 250 HOWE STREET
VANCOUVER, BC V6C 3R8

Dear Sir or Madam:

Re: Loan Commitment Letter
First Mortgage charging the freehold interest of **1061511 B.C. LTD., JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP** and **JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.** in **2538/2550 Birch Street, Vancouver, BC and 1298 West Broadway, Vancouver, BC**

British Columbia Housing Management Commission ("**BCHMC**") is pleased to confirm that it will make available exclusively to **1061511 B.C. LTD., JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP** and **JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.** a **first** priority mortgage loan for development and construction of a 258 unit project (the "**Project**") to be constructed on the following lands and premises, subject to the terms and conditions contained in this Loan Commitment Letter, and subject to all legal matters and documentation being to the complete satisfaction of BCHMC and its solicitors:

Civic Address:	Legal Description:
2538/2550 Birch Street, Vancouver, BC and 1298 West Broadway, Vancouver, BC	PID: 030 417-261 Lot 1 Block 353 District Lot 526 Group 1 New Westminster District Plan EPP81033

(the "**Property**").

1. Borrower

1061511 B.C. Ltd. (the **"Nominee"**), Jameson Broadway & Birch Limited Partnership (the **"Beneficiary"**) and Jameson Broadway & Birch General Partner Ltd. (the **"GP"**) (together, the "**Borrower**").

2. Covenantors

James Holdings Ltd. ("**James**"), Gatland Development Corporation ("**Gatland**"), Thomas James Pappajohn ("**Thomas**"), Anthony James Pappajohn ("**Anthony**"), John George James Pappajohn ("**John**"), Graham Thom ("**Graham**"), 4354 Investments Ltd. ("**4354 Investments**"), No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186 Investments**") and 0993786 B.C. Ltd. ("**0993786**") (together, the "**Covenantors**" and each a "**Covenantor**")

James, Gatland, Thomas, Anthony, John and Graham will jointly and severally unconditionally covenant to repay the Loan (hereinafter defined) in full, including any accrued interest, and will indemnify and save harmless BCHMC from and against any failure of the Borrower to repay the Loan or perform any of the obligations and covenants pursuant to the Loan.

4354, No. 198, 5186 and 0993786 will jointly and severally covenant to repay the Loan (hereinafter defined) up to the principal sum of $123,170,741.25 (being 75% of the Loan amount) plus accrued interest and will indemnify and save harmless BCHMC from and against any failure of the Borrower to repay the Loan or perform any of the obligations and covenants pursuant to the Loan.

3. Schedules

3.1. The capitalized terms used in this Loan Commitment Letter will have the meanings given to such terms either in the body of this Loan Commitment Letter or in the attached Schedule "D", whichever is applicable.

3.2. Schedules "A" through "D" and any additional schedules and all provisions thereof are incorporated into and will form an integral part of this Loan Commitment Letter.

4. Loan Amount

4.1. Demand non-revolving construction loan of **$164,227,655.00** (the "**Loan**") is the maximum loan amount approved by BCHMC.

4.2. The Loan does not constitute a commitment by BCHMC for any additional capital, operating or support funding.

5. Availability of Advances

So long as there are no Events of Default which are continuing and upon satisfaction of the conditions precedent to the availability of advances set out in Section 11 below, the Loan will be made available to the Borrower on the following basis:

(a) the Borrower in refinancing and repaying the Borrower's existing indebtedness owed to Computershare Trust Company of Canada;

(b) the balance of the Loan by way of direct advances from time to time but not more frequently than once per month and on a work in place and cost expended basis.

5.2. The First Advance must be made on or before December 15, 2022 and the Last Advance must be made on or before January 15, 2026.

5.3. Prior to the First Advance, the Borrower must complete and return to BCHMC the Order to Pay attached as Schedule "B" to this Loan Commitment Letter.

6. Repayment

6.1. All amounts outstanding under or in respect of the Loan will become due and be payable by the Borrower to BCHMC on demand.

6.2. Without limiting in any way BCHMC's right to at any time make demand for payment of any or all of the Loan:

(a) the Borrower will pay interest on the portion of the Loan advanced, calculated monthly; and

(b) the Loan, and all amounts outstanding owed to BCHMC arising under or in connection with this Loan Commitment Letter and the Security Documents (as defined below), will in any event be repaid in full by no later than the earlier of:

i. **February 27, 2026** (the "**Repayment Date**"); and

ii. the date that is exactly four (4) months following the Project Completion Date,

unless extended by BCHMC in writing.

6.3. The Borrower shall make payments of principal and interest in such amounts and manner as directed by BCHMC.

6.4. All payments to be made by the Borrower under this Loan Commitment Letter will be made by the Borrower at the address of BCHMC set out on the first page of this

Loan Commitment Letter or at such other place as BCHMC may direct from time to time.

6.5. The obligation of the Borrower and the Covenantors to make all payments under this Loan Commitment Letter and the Security Documents will be absolute and unconditional and will not be limited or affected by any circumstance, including without limitation any set off, compensation or counter-claim the Borrower or the Covenantors may have or assert against BCHMC or any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower or the Covenantors.

7. Prepayment

The Borrower is permitted to make full or partial repayment of the Loan at any time during the term of the Loan.

8. Interest Rate

8.1. Interest is payable on the monthly balance of principal outstanding under the Loan from time to time, as follows:

(a) at a rate equal to the Variable Rate from and including the date of the First Advance until the date that is the earlier of (i) exactly three (3) months following the Project Completion Date, and (ii) January 27, 2026; and

(b) at a rate equal to the RBC Prime Rate plus 6.00% per annum from and including the date that is the earlier of (i) exactly three (3) months following the Project Completion Date and (ii) January 27, 2026, until the Loan is repaid in full.

8.2. Interest payable under the Loan at the above given rates will be calculated and compounded monthly, not in advance, from the date of advance, both before and after demand, default and judgment, until actual payment is made.

8.3. The Variable Rate is the highest rate that will be charged to the Borrower until the earlier of (i) exactly three (3) months following the Project Completion Date and (ii) January 27, 2026. If BCHMC is able to secure lower interest rates during such period, the savings will be passed on to the Borrower. During construction of the Project, the actual fluctuating rate being charged under the Loan will be specified when the Borrower receives confirmation of each construction draw.

9. Fees

9.1. The Borrower will pay to BCHMC a non-refundable commitment fee of $1,642,276.55, being equal to 1.00% of the Loan amount (the "**Commitment Fee**"), which fee will be deemed to be earned upon issuance of this Loan Commitment Letter and will be paid by the Borrower to BCHMC on or before the Repayment Date. In the event that the aggregate amount outstanding in respect of the Loan based on advances of the Loan made from time to time is less than the Loan amount set forth in Section 4.1 above, BCHMC may, in its sole and unfettered discretion, reduce the Commitment Fee accordingly. The final amount of the Commitment Fee will be confirmed by BCHMC in the payout statement for the Loan and/or by e-mail to the Borrower upon request by the Borrower to BCHMC.

9.2. The Commitment Fee, or any portion thereof, collected by BCHMC in connection with the Loan will be retained by BCHMC as consideration for the time, effort and expense incurred by it in reviewing documents and setting up the Loan. The Borrower acknowledges and agrees that the Commitment Fee, or any portion thereof, collected by BCHMC represents a fair and reasonable estimate of the costs incurred by BCHMC.

10. <u>Security</u>

The Loan and the obligations and liabilities of the Borrower and Covenantors under this Loan Commitment Letter will be evidenced and secured by the following documents (the "**Security Documents**") completed and, where necessary, registered in a form and manner satisfactory to BCHMC and its solicitors:

10.1. covenantor agreement(s) executed by the Covenantors which, in respect of 4354, No. 198, 5186 and 0993786 will be with a limitation on recourse as set out herein;

10.2. borrowing resolutions from the directors of the Borrower and authorizing resolutions from the corporate Covenantors;

10.3. a section 219 covenant in favour of BCHMC (HPA) charging the interest of the Borrower in the Property and restricting sales for 10 years *(already on title)*;

10.4. a section 219 affordable rental covenant (for middle income) in favour of BCHMC charging the interest of the Borrower in the Property and restricting the use of the Property to rentals for a minimum period of 10 years;

10.5. $164,227,655.00 first priority mortgage from the Borrower in favour of BCHMC charging the interest of the Borrower in the Property;

10.6. a first priority assignment of rents from the Borrower in favour of BCHMC charging the interest of the Borrower in the Property;

10.7. location specific security agreement from the Borrower creating a first priority security interest by way of a fixed charge over the Borrower's right, title and interest in any and all present and after-acquired personal property situate at, arising from or used in connection with the Property or the Project;

10.8. assignment agreement from the Borrower in favour of BCHMC, which agreement will, among other things and on terms and conditions acceptable to BCHMC, assign to BCHMC all of the Borrower's right, title and interest in, to and under:

(a) the Construction Contracts;

(b) all other service or material supply contracts, development agreements, plans, drawings, designs and specifications in respect of the Project; and

(c) all related benefits, warranties and guarantees with respect to the contracts, agreements and documents set out in Sections 10.8(a) and (b) above if applicable;

10.9. a beneficial owner agreement executed by the Borrower;

10.10. an environmental indemnity and warranty agreement executed by the Borrower and Covenantors;

10.11. assignment, postponement and subordination agreements from the shareholders and limited partners (as applicable) of each party comprising the Borrower and the corporate Covenantors and acknowledged by the applicable party;

10.12. a cost overrun and completion agreement executed by the Borrower and the Covenantors to complete the Project and cover all cost overruns using their own resources; and

10.13. all such other certificates, documents, opinions and priority agreements as BCHMC or its solicitors reasonably require.

11. <u>Conditions Precedent to the Availability of Advances</u>

11.1. On or before the date of the First Advance, BCHMC will have received in form and substance satisfactory to BCHMC, its payment certifier, quantity surveyor or its solicitors:

(a) this Loan Commitment Letter (including Schedule "B" Order to Pay and if applicable Schedule "C" Corporate Entity Sheet) executed and delivered by the Borrower and the Covenantors;

(b) the Security Documents completed and, where necessary, registered at all appropriate registration offices;

(c) the discharge of Mortgage and Assignment of Rents filed in the Land Title Office under numbers CA4977621 (modified by CA5921618, CA6792468, CA7739445 and CA8457586) and CA4977622 (modified by CA5921619, CA6792649, CA7739446 and CA8457587) and related Personal Property Security Act ("PPSA") security agreement registration, by way of solicitor's undertakings satisfactory to BCHMC's solicitors, acting reasonably;

(d) confirmation of insurance arranged by the Borrower conforming to BCHMC's requirements as specified in this Loan Commitment Letter under the heading "Insurance" below;

(e) a title review for the Property, including a satisfactory review of all legal notations, encumbrances, liens and charges noted on title and approval of all charges to be placed on title for the Property;

(f) receipt and satisfactory review by BCHMC and its legal counsel of the Borrower and corporate Covenantors' incorporation agreement and articles;

(g) if a trust relationship exists in respect of the Borrower's ownership of the Property, copies of all instruments and documents relating to the trust relationship between the Borrower and any other party, such instruments and documents to be in form and substance satisfactory to BCHMC and its solicitors, together with any additional security documents as BCHMC and its solicitors reasonably require;

(h) if the Borrower's interest in the Property is leasehold, a copy of the fully executed lease;

(i) if applicable, an appraisal (the "**Appraisal**") prepared by an accredited appraiser in accordance with the Canadian Uniform Standards of Professional Appraisal Practice, and in the event that the Appraisal has not been prepared for BCHMC and is not addressed to BCHMC, a transmittal letter, in a form acceptable to BCHMC, from the appraiser, confirming that the Appraisal is valid and can be relied upon by BCHMC and that the Appraisal is suitable for mortgaging purposes;

(j) a geotechnical investigation and report (soil test) in respect of the Property;

(k) if required by BCHMC, an environmental audit (the "**Environmental Report**") of the Property prepared by an environmental consultant and confirming results satisfactory to BCHMC, which audit will include, among other things:

  i. a Phase I environmental assessment of the Property or, if required by BCHMC, a Phase II environmental assessment of the Property;

  ii. details of any remediation required to permit the Property to be used for the purposes referred to under this Loan Commitment Letter;

  iii. estimates of the costs associated with and time to complete such remediation referred to above, including the obtaining of any necessary certificates of compliance from the Ministry of the Environment or other applicable government authority;

  iv. Site Registry search to be performed by the environmental consultant; and

v. written confirmation by an environmental consultant that any environmental issues noted in the Site Registry have been resolved, cleaned up or remediated to government requirements.

In the event that the Environmental Report has not been prepared for BCHMC and is not addressed to BCHMC, a transmittal letter, in a form acceptable to BCHMC, from the applicable environmental consultant, confirming that the Environmental Report is valid and can be relied upon by BCHMC;

(l) if applicable, a sketch of survey and surveyor's certificate or a building location certificate prepared by a registered land surveyor approved by BCHMC in respect of the Property confirming the Property boundaries, location of any buildings and other improvements on the Property (including foundations and overhangs) located within five (5) metres of the Property boundaries, location of all easements, statutory rights of ways and covenant areas and that any adjacent buildings or other improvements do not encroach upon the Property;

(m) copies of all final plans and specifications for the construction of the Project;

(n) copies of all municipal building permits, development agreements and all other approvals by regulatory authorities required for the construction of the Project;

(o) detailed cost and construction budget and timetable, which will, among other things, confirm the capital costs for the Project for the estimated 36 month construction period is not greater than $245,640,058.00;

(p) waste management plan worksheet and waste diversion target, if applicable;

(q) written confirmation supported by such documentary evidence as required by BCHMC of cash equity having been or to be injected in the Project by the Borrower and the Covenantors of a value equal to not less than $15,366,104.00 (exclusive of the attributed value of the Property);

(r) confirmation of all equity funding in writing;

(s) confirmation of appropriate zoning of the Property for the Project, if applicable;

(t) evidence that all property taxes with respect to the Property have been paid in full;

(u) copies of the filed *Empty Homes Tax* (vacancy tax) property status declarations for the last and current reporting periods with respect to the Property and evidence that any vacancy taxes have been paid in full;

(v) copies of all of the Construction Contracts and a review of all of the Contractors to determine their level of experience, reputation, financial capacity and ability to complete their applicable Construction Contract which Construction Contracts the Borrower acknowledges and agrees may need to be modified to the satisfaction of BCHMC and its solicitors following review of same as a condition precedent to the First Advance;

(w) if applicable, confirmation that the prime Contractor for the Project is registered with the Licensing & Consumer Services Office as a licensed residential builder, such confirmation to include such contractor's residential building license number and expiry date;

(x) if applicable, written confirmation supported by such documentary evidence of construction and building warranty for the Project pursuant to the New Home Warranty Program, or if the Project is exempt from the requirement to provide home warranty, proof of exemption;

(y) if applicable, confirmation of satisfaction of and compliance with requirements of the *New Home Warranty Act* (British Columbia) and any regulations thereto;

(z) if applicable, a report from a BCHMC representative that a satisfactory visual site inspection of the Project and the Property has been completed;

(aa) confirmation that the Holdback Accounts (as defined in the attached Schedule "E") have been established by the Borrower;

(bb) the Borrower and the corporate Covenantors will provide an ownership organization chart and ownership incorporation documents (any and all that are applicable) to the satisfaction of BCHMC and its solicitors;

(cc) confirmation that the equity make-up is agreed by all parties of the ownership group of the Borrower through a resolution or separate agreement that is satisfactory to BCHMC and its solicitors;

(dd) receipt and satisfactory review by BCHMC and its legal counsel of the Bare Truste Agreement confirming that the Nominee holds the Property in trust for the Beneficiary as beneficial owner;

(ee) unless otherwise agreed to by BCHMC, unaudited financial statements prepared by professional accountants for each of the Borrower and each of the corporate Covenantors and net worth statement for each of the personal Covenantors for the three years preceding the date hereof, or for such other period as required by BCHMC;

(ff) receipt and satisfactory review by BCHMC and its legal counsel of a copy of the Limited Partnership Agreement for the Beneficiary;

(gg) copies of all instruments and documents relating to the Borrower and the corporate Covenantors, such instruments and documents to be in form and substance satisfactory to BCHMC and its solicitors, together with any additional security documents required by BCHMC and its solicitors;

(hh) the Borrower entering into such instruments and documents as are required by BCHMC under the HousingHub Provincial Rental Supply Program; and

(ii) the Borrower to provide a copy of Letter of Intent/Discussion paper from the takeout lender to fully retire BCH's interim construction loan prior to mortgage registration.

12.2 It will be a further condition precedent to the availability of advances under the Loan (being the First Advance and all subsequent advances) that in addition to the satisfaction of the conditions precedent set forth in Section 11.1 above, BCHMC will have received at least five (5) business days prior to the date on which the Borrower wishes funds to be advanced, in form and substance satisfactory to BCHMC, its payment certifier, quantity surveyor or solicitors, as applicable:

(a) for the First Advance, a copy of the payout statement from Timbercreek Mortgage Servicing Inc. (for whom Computershare Trust Company of Canada is an adminstrative agent) confirming the amount of the Borrower's existing indebtedness owed to such lender;

(b) for all subsequent advances:

i. copies of invoices relating to each direct advance that is requested which correspond to the requested amount of the advance;

ii. evidence that work in place or costs have been expended upon or in respect of the Property equivalent in value to the advances requested;

iii. if applicable, confirmation that the work to repair the improvements comprising the Project is being done in a good and workmanlike manner and meets all acceptable standards and municipal requirements;

iv. a completed and executed Builders Lien Declaration attached as Schedule "E" to this Loan Commitment Letter; and

v. such other information, material and/or documents as BCHMC, its payment certifier or quantity surveyor may require.

12. Conditions of Loan

The Borrower and the Covenantors agrees that so long as the Loan remains outstanding:

12.1. the Borrower and/or the Covenantors will not without the prior written consent of BCHMC:

(a) take or refrain from taking any action that would cause any of the representations and warranties of the Borrower and/or the Covenantors under this Loan Commitment Letter to be incorrect, false or misleading;

(b) permit any property or other taxes in respect of the Property to remain unpaid when due;

(c) use, store or permit to exist on the Property any Hazardous Substance, except in compliance with all applicable environmental laws and regulations;

(d) permit any changes to the Approved Budget or the Approved Plans;

(e) permit any changes to the Construction Contracts or Contractors or any other subtrade and/or supplier contracts;

(f) grant or allow any security interest, lien, charge or other encumbrance to be registered against or exist on any of the Borrower's assets, any part of the Property or the Project or any present or after-acquired personal property of the Borrower located on the Property or used for the Project;

(g) sell, assign, transfer or otherwise dispose of its interest or any part thereof in the Property or the Project nor enter into any trust deed in respect of the Property or the Project; and

(h) if a corporation or partnership, amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Borrower;

12.2. following the completion of the Project, the Borrower will provide a survey and surveyor's certificate prepared by a registered land surveyor approved by BCHMC in respect of the Property, confirming the location of any buildings and other improvements and the location of all registered easements, statutory rights of way or covenant areas, and confirming that the location of such buildings and other improvements, including foundation and overhangs, comply with all rules, regulations and by-laws of the appropriate municipal or other governmental authorities having jurisdiction in connection therewith including, without limitation, all set-back, easement, zoning, and height restrictions;

12.3. at milestones predetermined by BCHMC, if applicable, the Borrower will provide BCHMC with a report confirming that a satisfactory visual site inspection of the Project has been completed and the current state of the renovation of the Project;

12.4. the Borrower will perform and do all things necessary to ensure completion of the Project in its entirety in accordance with the Approved Budget and the Approved Plans;

12.5. whenever the Borrower proposes that a new trade or subtrade be engaged to work on the Project, the Borrower will provide BCHMC for review and approval the proposed contracts for such subtrades or trades, along with resumes and satisfactory evidence of the amount they are bondable to;

12.6. that BCHMC reserves the right to refuse the participation of any trades or subtrades in the Project or to require bonding for such trades or subtrades;

12.7. the Borrower agrees and consents to any and all consultants retained by the Borrower fully disclosing all information and matters relating to the Property and the Project to BCHMC;

12.8. the Borrower will provide BCHMC, promptly upon receipt of the same, copies of all plans, permits, surveys, studies, specifications, budgets, reports, contracts, appraisals and other information and materials regarding the Project and the Property to BCHMC, including but not limited to:

(a) development cash flow noting the projected timing of capital project costs;

(b) completed waste management tracking spreadsheets or monthly update tracking sheets totaling all waste for the Project;

(c) revised Approved Budget and Approved Plans at milestones predetermined by BCHMC; and

(d) preliminary Project schedule, including a construction project management schedule, on a monthly basis;

12.9. the Borrower agrees to make reasonable changes to any of the documents provided by the Borrower to BCHMC pursuant to Section 12.8 upon request by BCHMC;

12.10. the Borrower will ensure all design and working drawings are acceptable to BCHMC;

12.11. the Loan is available exclusively to the Borrower for the construction of the Project at the Property;

12.12. the Borrower will comply with all applicable laws of local, provincial or federal authorities including all applicable WorkSafeBC provisions, and prior to commencement of work by any Contractor, the Borrower will obtain and provide BCHMC with WorkSafeBC clearance letters for such Contractor, if applicable;

12.13. the Borrower will provide an executed Statutory Declaration to BCHMC confirming that the lien holdback requirement has been satisfied as per the Builders Lien Act at each construction loan advance;

12.14. the Borrower will notify BCHMC immediately of any material delay or interruption in the construction of the Project or if any builders liens are filed or registered against any part of the Property;

12.15. the Borrower will provide BCHMC prior to filing with the Superintendent of Real Estate, copies of the disclosure statement and all disclosure statement amendments for the Project, if applicable, such documents to be in form and substance satisfactory to BCHMC and its solicitors;

12.16. the Borrower will provide BCHMC with a description of all present and after-acquired personal property situate at, arising from or used in connection with the Property or the Project, including the make, model and serial number, as applicable, and the Borrower will provide evidence to the satisfaction of BCHMC that all such personal property has been paid for in full;

12.17. if applicable, the Borrower will provide BCHMC with copies of the municipal pre-condition letters, as the same may be amended from time to time, with respect to any subdivision or rezoning of the Property;

12.18. the Borrower will provide BCHMC monthly written progress reports, with such supporting documentary evidence and correspondence as required by BCHMC, concerning municipal approvals for the Project, including, but not limited to, the negotiation of documents required by the «Municipality» to be registered on title to the Property, and the approval of all subdivision, strata title, airspace parcel or other title creation plans;

12.19. the Borrower will, prior to finalization and submission to the municipality, submit to BCHMC for approval any and all subdivision, strata title, airspace parcel or other title creation plans, which documents will be in form and substance satisfactory to BCHMC and its solicitors;

12.20. the Borrower will comply with all zoning, development permit and building permit requirements, and will submit to the municipality all subdivision, strata title, airspace parcel or other title creation plans within such times as are required to adhere to the Project schedule,

12.21. the Borrower will provide to BCHMC, promptly upon receipt, copies of any and all documents that are proposed to be or are registered on title to the Property and any priority agreements proposed to be granted by BCHMC, which documents will be in form and substance satisfactory to BCHMC and its solicitors, and the

Borrower will finalize the terms of such documents with the «Municipality» as required to adhere to the Project schedule;

12.22. the Borrower will use and will take all steps required to ensure that the Project is used only as residential rental housing for middle-income households, as required by BCHMC from time to time;

12.23. prior to the final advance under the Loan, the Borrower will provide BCHMC with a final claim form with the certificate of completion and deficiency list and the deficiency holdback amount to be retained;

12.24. the Borrower agrees to complete any and all deficiencies identified through a building inspection in a reasonable amount of time after completion;

12.25. upon completion of the Project, the Borrower will provide BCHMC with an unconditional occupancy permit issued by the appropriate municipal authority and upon request by BCHMC, the Borrower will provide to BCHMC, within 90 days following the issuance of the unconditional occupancy permit, a letter from the appropriate municipal authority confirming that the Project complies with all zoning and other bylaws, including set-back requirements;

12.26. the Borrower will, within sixty (60) days of the issuance of an occupancy permit by the City of Vancouver for the Project, provide BCHMC with a copy of a term sheet with a third-party financial institution for the takeout of the Loan, which takeout shall occur by the earlier of the Repayment Date and that date which is four (4) months following the issuance of an occupancy permit by the City of Vancouver for the Project; and

12.27. the Borrower will make payment of the following to BCHMC:

a) the Commitment Fee;

b) interest (at cost);

c) legal fees (on an indemnity basis); and

d) all other expenses of BCHMC (at cost).

14. Representations and Warranties

Each party comprising the Borrower and each of the Covenantors represents and warrants to and will be deemed to continuously represent and warrant to BCHMC, that:

14.1. If a corporation or partnership, it has been duly incorporated and organized and/or formed as the case may be, validly exists, is in good standing, is authorized to conduct its business in all jurisdictions in which it carries on business or has assets and have all requisite power and capacity to own its assets, carry on the business presently carried on by it, to execute and deliver this Loan Commitment Letter and the Security Documents, as may be applicable, and to observe and perform the provisions thereof;

14.2. If a corporation or partnership, this Loan Commitment Letter and the Security Documents, as may be applicable, have been or will be duly authorized, executed and delivered by it;

14.3. this Loan Commitment Letter and the Security Documents, as may be applicable, constitute or will constitute, upon execution and delivery by the Borrower and the Covenantors (as applicable), valid and binding obligations and are or will be enforceable against them in accordance with their respective terms;

14.4. the execution of this Loan Commitment Letter and the Security Documents, as may be applicable, and the incurring of liability and indebtedness to BCHMC in accordance with this Loan Commitment Letter does not and will not contravene:

(a) any Legal Requirements of a government authority;

(b) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which it is a party; or

(c) the constating documents or bylaw documents, as applicable, of the Borrower and the corporate Covenantors;

14.5. all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the Loan and the execution and delivery of the Security Documents;

14.6. all financial and other information, budgets, timetables, certificates, plans, specifications and other material provided to BCHMC in connection with the Loan are true and accurate, and the Borrower and the Covenantors acknowledge that the Loan is made by BCHMC in reliance on the truth and accuracy of such information and the representations and warranties contained therein;

14.7. all utilities and services necessary for the development and construction of the Project and the operation and use thereof for its intended purpose (including, without limitation, water supply, storm and sanitary sewer, gas, electricity, and telephone facilities) are available to the boundaries of the Property and the Property is contiguous to a publicly dedicated street, road, or highway, and that vehicular and pedestrian access to the Project is permitted; and

14.8. no Event of Default has occurred and is continuing.

15. <u>Hazardous Substances</u>

15.1. To the best of the knowledge of the Borrower, having made due and diligent inquiry, no Hazardous Substance is located on any part of the Property, nor, so far as the Borrower is aware, due and diligent inquiry having been made, have any such substances been stored or used on the Property not in compliance with all applicable environmental laws and regulations prior to the Borrower's ownership, possession or control of the Property. The Borrower agrees to provide written notice to BCHMC immediately upon the Borrower becoming aware that the Property is being or has been contaminated with any Hazardous Substance. The Borrower will not permit any activities on the Property which directly or indirectly could result in the Property or any other property being contaminated with any Hazardous Substance.

15.2. The Borrower will promptly comply with all Legal Requirements relating to the use, collection, storage, treatment, control, removal or cleanup of any Hazardous Substance in, on, or under the Property as a result of construction, operations or other activities on the Property, or incorporated in any improvements thereon. BCHMC may, but will not be obligated to, enter upon the Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower will reimburse BCHMC on demand for the full amount of all costs and expenses incurred by BCHMC in connection with such compliance activities. The assets of the Borrower which are now or in the future encumbered by the Security Documents are hereby further mortgaged and charged to BCHMC, and BCHMC will have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Loan.

16. Events of Default

Without in any way limiting the right of BCHMC to demand payment in full of the Loan, the Loan shall, at the option of BCHMC, immediately become due and payable upon the occurrence and during the continuance of any one or more of the following events (collectively, "**Events of Default**"):

16.1. the Borrower fails to pay the Loan or any portion thereof or other monies payable by the Borrower in accordance with this Loan Commitment Letter within two (2) business days of any such amount being due;

16.2. the Borrower is in breach of any of the provisions of this Loan Commitment Letter (other than the obligations to pay the Loan or other moneys payable when due) and has not cured such breach within fourteen (14) days from the date the Borrower obtains actual knowledge of the breach or is provided with notice of the breach from BCHMC, whichever is earlier, except that if the breach, by its nature, requires more than 14 days to cure, the Borrower may have such further time to rectify the default as BCHMC considers reasonable so long as the Borrower begins to rectify promptly and thereafter proceeds with all due diligence to cure the default;

16.3. the Borrower, any one of its subsidiaries, or any of the Covenantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation, or appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver (or the equivalent in any jurisdiction) or any other officer or party with similar powers or if a judgement or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Covenantors, or if the Borrower, any of its subsidiaries or any of the Covenantors is insolvent, ceases to exist or is declared bankrupt;

16.4. without the prior written consent of BCHMC:

(a) there occurs a change of ownership (beneficial or otherwise) or control of the Borrower or any of the corporate Covenantors;

(b) the Borrower sells, conveys, transfers or enters into an arrangement for sale or transfer of title (of either or both of the legal and beneficial estates) of the Property or any part thereof; or

16.5. there is a breach or non-performance or non-observance of any term or condition of this Loan Commitment Letter or the Security Documents.

17. Taxes

Unless the Borrower is advised otherwise by BCHMC, the Borrower will make payments directly to the local government of all taxes and rates when due and provide proof of payment to BCHMC within thirty days of the due date.

18. Insurance

The Borrower will maintain insurance in the form and content acceptable to BCHMC. Without limiting the generality of the foregoing the insurance must include the minimum requirements set out in the Insurance Memo attached as Schedule "A" where applicable - please ensure that your insurance agent receives a copy of Schedule "A". The policy of insurance is to be forwarded to BCHMC and will be reviewed by BCHMC's insurance advisor. The cost of the review will be borne by the Borrower.

19. Builders Liens

19.1. The Borrower will comply with all the provisions of the *Builders Lien Act* (including any provision requiring or enabling the retention of portions of any sums payable by way of holdbacks and the establishment of the Holdback Accounts).

19.2. If any builders lien or other lien for work, labour, services, or materials supplied to the Project or for the cost of which the Borrower may be in any way liable are filed, the Borrower will within 15 days after receipt of notice thereof procure the discharge thereof, including any certificate of pending litigation registered in respect of any lien, by payment or giving security into court or otherwise or in such other manner as may be required or permitted by law.

20. Assignment

20.1. The Borrower will not be entitled to assign any of the rights and benefits conferred by this Loan Commitment Letter.

20.2. This Loan Commitment Letter and the Security Documents may be freely assigned by BCHMC, in whole or in part, without the consent of the Borrower.

21. Communications and Event Protocols

BCHMC and the Borrower will work together on a number of communication activities that may take place over the course of the Project. The Borrower should contact Corporate Communications at BCHMC with questions regarding such communication activities. The Borrower agrees that the communication activities will be governed by the following terms:

21.1. **Coordination** – BCHMC will lead the coordination of official announcements, groundbreaking and opening events and will ensure the Borrower is involved in the planning process and acknowledged in all materials and at all events.

21.2. **Media Inquiries & Confidentiality** – As information regarding government-funded developments is generally only shared with the media during official announcements or events, BCHMC and the Borrower will work together to develop standard key messages that will be used to respond to media inquiries with respect to the Project.

21.3. **Event Date Selection** – BCHMC will work with government partners and the Borrower to schedule official event dates to coincide with the timeline of construction and/or completion of the Project. Event dates are impacted by the availability of provincial and/or federal and municipal representatives. The Borrower acknowledges that, where appropriate due to funding, BCHMC has a commitment to include and acknowledge the Government of Canada for its contribution to projects. BCHMC must follow Canada-British Columbia event protocols when scheduling events under this initiative. The Canada-British Columbia event protocols include proposing event dates twenty (20) business days in advance in order to confirm a government representative for the proposed announcement or event. In addition, federal quotes, logos, and boilerplates will be included in the news release. The Borrower agrees that it will not inform its staff or stakeholders regarding announcements or events without confirming the dates for such announcements or events with BCHMC, as dates may shift during the scheduling phase.

21.4. **Event Location** – The location of the event is negotiable; however, it is ideal to hold the event on the Property in order for attendees, including the media, to see the Project site first hand.

21.5. **News Release/Backgrounder** – BCHMC will prepare and distribute media materials, including news releases/backgrounders and media advisories, for official announcements. The Borrower will be offered a quote in the news release, as well as an opportunity to include a brief background or boilerplate. BCHMC will work with the Borrower to invite media to official events and will provide copies of final media materials on the day of the announcement.

21.6. **Representation and Agenda -** BCHMC will prepare and confirm the final agenda for official events following government protocols. A representative of the Borrower will be offered a speaking role on the agenda.

21.7. **Invitations** – BCHMC will draft an electronic invitation to official events and will include the Borrower's logo on the invitation. The Borrower will be responsible for the email distribution of the invitation. The Borrower may provide the names, titles, organizations and email addresses of additional invitees.

21.8. **Logistics/Staging** – BCHMC works with outside agencies to provide event logistics (tents, audio-visual, and staging) and a photographer to document the event. The Borrower may suggest local venders to use for regional events. BCHMC staff will attend the event and provide events-related support. BCHMC will share event photographs with the Borrower following the event.

21.9. **Project Signs** – During the construction of the Project, the Borrower will permit BCHMC to display on the Property one or more signs of a size and content selected by BCHMC. BCHMC will provide the Borrower with such Project signs, to be installed in a prominent location on the Property, at the beginning of the construction. These signs may be removed at the time of landscaping.

21.10. **Opening Ceremony** – The Borrower and BCHMC will work together to coordinate an official opening ceremony for the Project which should take place within a few months of the occupancy date. Event dates are impacted by the availability of provincial and/or federal and municipal representatives. The final approval of event dates is at the discretion of BCHMC. In order to allow enough time to confirm the attendance of provincial representatives, please contact BCHMC Corporate Communications regarding the proposed ceremony date at least eight weeks in advance.

22. General Provisions

The following terms and conditions apply to this Loan Commitment Letter:

22.1. **Site Visits** - Representatives of BCHMC and its payment certifier or quantity surveyor will be entitled to attend at and view the Project and all personal property thereon and all financial records of the Borrower at any time, on reasonable notice.

22.2. **Confidentiality** – This Loan Commitment Letter is delivered to the Borrower on the understanding that neither this Loan Commitment Letter nor its substance is to be disclosed without BCHMC's prior written consent except to counsel, accountants, employees and agents of the Borrower who are specifically involved in the transaction contemplated in this Loan Commitment Letter.

22.3. **Time of Essence** - Time will be of the essence of this Loan Commitment Letter.

22.4. **Notice** – Any notice required to be given under this Loan Commitment Letter is to be provided in writing and may effectively be given by a party by delivery of such notice to the other party at the address set out on the first page of this Loan Commitment Letter or at such other address as either party may in writing notify the other party, or by electronic or facsimile transmission to the fax number or email address as either party may in writing provide to the other party. Any notice so mailed will be deemed to have been delivered on the fifth (5th) day after the date of mailing. Any notice sent by facsimile or electronic transmission will be deemed to have been delivered upon receipt by the receiving party.

22.5. **Credit Investigations** - The Borrower hereby authorizes and consents to such credit investigations as BCHMC may deem necessary from time to time throughout the time the Loan is outstanding.

22.6. **BCHMC Records** – The Borrower acknowledges that the recording of the amount of any advance or repayment under the Loan, and interest, fees and other amounts due in connection with the Loan, made by BCHMC in its records will constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the Loan, and the obligation of the Borrower to repay any indebtedness and liability in accordance with the terms and conditions of the Loan will not be affected by the failure of BCHMC to make such recording. The Borrower also acknowledges being indebted to BCHMC for principal amounts shown as outstanding from time to time in BCHMC's records, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Loan Commitment Letter.

22.7. **Legal and Other Expenses** - The Borrower will pay all legal fees and disbursements in respect of the Loan, the preparation and issuance of this Loan Commitment Letter and the Security Documents, the enforcement and preservation of BCHMC's rights and remedies, all appraisals, insurance consultation, and similar fees and all other fees and disbursements of BCHMC, whether or not the documentation is completed or any funds are advanced under the Loan.

22.8. **Waiver** - Failure by BCHMC to insist upon strict performance by the Borrower and/or the Covenantors of any obligation or covenant, option or right under this Loan Commitment Letter or any of the Security Documents will not be a waiver or relinquishment in the future of such obligation or covenant, option or right, but the same will remain in full force and effect and BCHMC will have the right to insist upon the strict performance by the Borrower and/or the Covenantors of any and all of the terms and provisions of this Loan Commitment Letter and the Security Documents.

22.9. **Variation** - No term or requirement of this Loan Commitment Letter or any of the Security Documents may be waived or varied orally or by any course of conduct, of any officer, employee, or agent of BCHMC. Any amendment to this Loan

Commitment Letter or any of the Security Documents must be in writing and signed by an authorized officer of BCHMC.

22.10. **Right and Remedies Cumulative** - The remedies, rights and powers of BCHMC under this Loan Commitment Letter, the Security Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of BCHMC and no delay or omission in the exercise of any such remedy, right, or power will exhaust such remedy, right, or power or be construed as a waiver of any of them.

22.11. **Governing Law** - This Loan Commitment Letter will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

22.12. **BCHMC's Solicitor** - BCHMC's legal work and documentation is to be performed at the Borrower's expense by a solicitor of BCHMC's choice. All legal costs (including those of BCHMC's solicitor) and other reasonable costs and expenses incurred by BCHMC in establishing or operating the Loan are for the account of the Borrower whether or not funds are advanced.

BCHMC has appointed the following law firm to act on its behalf on this transaction:

Richards Buell Sutton LLP
Barristers and Solicitors
700-401 West Georgia Street
Vancouver, BC V6B 5A1
Attention: Winsome Glover

22.13. **Joint and Several** - All representations, covenants and other obligations of the Borrower and the Covenantors hereunder or under any other Security Documents are joint and several representations, covenants and obligations of all parties comprising the Borrower and the Covenantors, as the case may be.

23. Lapse and Cancellation

This Loan Commitment Letter will lapse and all obligations of BCHMC set forth in this Loan Commitment Letter and in respect of the Loan will cease, all at the option of BCHMC, if there has been, in the opinion of BCHMC, a material adverse change in the financial condition of the Borrower. The availability of the Loan and the terms and conditions of the offer of credit contained in this Loan Commitment Letter will be subject to periodic review by BCHMC in BCHMC's sole discretion, however BCHMC will be under no obligation to conduct any such review or to provide a renewal letter or extension letter or other notification of such review if such review is conducted. BCHMC will have the option to conduct corporate, personal property registry and land registry searches in respect of the Borrower at the Borrower's sole cost. Upon demand being made by BCHMC for repayment of the amount outstanding under the Loan, any unadvanced portion of the Loan will be immediately cancelled.

This offer of credit may be accepted by the Borrower by dating and returning to BCHMC two copies of this Loan Commitment Letter duly executed by the Borrower. The Borrower acknowledges and agrees that execution and delivery of this Loan Commitment Letter does not impose an obligation on BCHMC to advance any portion of the Loan.

Yours very truly,

British Columbia Housing Management Commission

Per:

Pooi Ching Siew
Director, Lending Services

THESE TERMS AND CONDITIONS ARE HEREBY ACCEPTED THIS 18th DAY OF NOVEMBER, 2022.

THE BORROWER:

1061511 B.C. LTD., by its authorized signatory(ies):

Authorized Signatory

Authorized Signatory

JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP by its General Partner, **JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.** by its authorized signatory(ies) and thereby binding upon **JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP**:

Authorized Signatory

Authorized Signatory

JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD. by its authorized signatory(ies):

Authorized Signatory

Authorized Signatory

THE COVENANTORS:

JAMES HOLDINGS LTD. by its authorized signatory(ies):

Authorized Signatory

Authorized Signatory

GATLAND DEVELOPMENT CORPORATION by its authorized signatory(ies):

____

Authorized Signatory

____

Authorized Signatory

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THOMAS JAMES PAPPAJOHN

____

ANTHONY JAMES PAPPAJOHN

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JOHN GEORGE JAMES PAPPAJOHN

____

GRAHAM THOM

4354 INVESTMENTS LTD. by its authorized signatory(ies):

____

Authorized Signatory

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Authorized Signatory

NO. 198 CATHEDRAL VENTURES LTD. by its authorized signatory(ies):)
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Authorized Signatory)
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_______________________________)
Authorized Signatory

5186 INVESTMENTS LTD. by its authorized signatory(ies):)
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Authorized Signatory)
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Authorized Signatory

0993786 B.C. LTD. by its authorized signatory(ies):)
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Authorized Signatory

\WBG

c Sarah Smith, HousingHub, BCHMC

Schedule "A"

A. Construction Insurance Requirements (please carefully read the notes at the bottom of the page):

Whilst British Columbia Housing Management Commission ("BCHMC") is providing interim financing to the Borrower of the housing project (the "Project"), BCHMC requires the Borrower/Owner of the Project to obtain and maintain through the BCHMC Owner-Controlled Insurance Program insurance of the property to be insured (the "Property"). Without limiting the generality of the foregoing, the insurance must cover the following:

1. **"All Risks" Builders' Risk Policy:**

   This policy shall cover "all risks" of direct physical loss or damage to the Project, including the perils of earthquake, flood, sewer back-up and subject to the terms, conditions, limitations and exclusions, and further, the policy shall:

   a. be written in the joint names of BCHMC, the Borrower/Owner, the Project Manager, the Construction Manager, the Contractor, the Subcontractors, the Consultant(s), architects, engineers, other consultants and sub-consultants engaged on the Project;

   b. provide for a limit of coverage not less than the estimated final completed value of the Project, with a sublimit on transit of $1,000,000.00, off-site storage of $1,000,000.00, extend to include soft costs, by-Laws (not sublimit), landscaping (no sublimit), no requirement to replace or repair on same or adjacent site, $1,000,000.00 Extra Expense, Off-site Services, testing and commissioning cover with no exclusion for equipment breakdown, pollution and contamination clean-up of $250,000.00, debris removal 10% (minimum $250,000), watchman/video surveillance for any projects $10,000,000.00 with wording and security/video surveillance companies acceptable to BCHMC ;

   c. contain a waiver of the insurer's subrogation rights against all insureds and their officers, employees and servants, and provide that, in the event of loss or damage, payment shall be made to BCHMC and the Borrower/Owner on their own behalf and as trustees for the benefit of any and all Insureds.

2. Loss payable is to be in favour of BCHMC as mortgagee. A standard mortgage endorsement clause (IBC 3000) is to form part of the policy.

3. **"Wrap-Up" Commercial General Liability Insurance:**

   This policy shall cover the risks of liability for bodily injury and property damage arising from the activities at the Place of the Work, and further the policy shall:

   a. be written in the joint names of BCHMC, the Borrower/Owner, the fee simple owner of the Place of the Work, the Project Manager, the Construction Manager, the Contractor, the Subcontractors, the Consultant(s), architects, engineers, other consultants and sub-consultants engaged on the Property;

   b. provide for a limit of liability not less than $10,000,000.00 inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof;

   c. include Sudden & Accidental Pollution for $10,000,000.00 and Non-Owned Auto and include 24 months completed operations once project completed, off-site services.

   (See GC11.1 Insurance Clause of the Supplementary General Conditions of the Stipulated Price Contract for additional details and requirements.)

B. Operating Insurance Requirements (please carefully read the notes at the bottom of the page):

British Columbia Housing Management Commission ("BCHMC") requires that the Borrower/Owner of the Project obtain a quote from Marsh Canada ("Marsh"), who have set up a Group Insurance Program for Operating Insurance. Even if you do not get your insurance coverage through the Group Insurance Program, BCHMC requires a copy of the quote to be included with your financial statements.

1. Insurance must be carried for the full 100% replacement cost of the building. Co-Insurance is not acceptable. Coverage shall be written on an "all risks" form, including flood and earthquake.
2. Loss payable is to be in favour of BCHMC, or the lender of monies, as mortgagee. A standard mortgage endorsement clause (IBC 3000) is to form part of the policy.
3. BCHMC must continue to be named as an additional insured until the Loan is repaid and BCHMC is not the lender of the funds for the Project.
4. Rental Income Insurance for a full 100% of rentals lost during a minimum term of 6 months is required, or for an indemnity period equal to the estimated full reconstruction period.
5. The correct civic description of the Property must be specified.
6. Commercial General Liability Insurance including personal injury and non-owned auto insurance coverage (for a minimum of $10,000,000 for each occurrence). This policy must include a cross liability clause.
7. Where applicable, boiler, vessel, and air-conditioning insurance in comprehensive form, against breakdown of boilers, engines, machinery and electrical apparatus for a minimum of the loan amount. Insurance is to be written on a Replacement Cost wording with a waiver of co-insurance requirement. Rental Income Insurance is required as stipulated under Clause B.4.
8. All fixtures, furnishings and equipment must be insured for the full replacement value and must cover all risks.
9. By-law coverage clause for both the building and tenant improvements including:
   a. loss occasioned by enforcement of any laws or ordinances regulating the construction or repair of the buildings or structures enforced at the time that a loss occurs, which requires the demolition of any portion of the insured buildings or structures which have not suffered damages; and
   b. the cost incurred in actually rebuilding both the damaged and demolished portions of the insured buildings or structures with materials and in a manner to fully satisfy such ordinances or laws.

A BCHMC signed government Certificate of Insurance (form as enclosed) is required if Operating Insurance is not purchased through the Group Insurance Program with Marsh. Please ensure that all the requirements as specified in the above "<u>**Section B – Operating Insurance Requirements – Items 1-9(b)**</u>" are in compliance and detailed in the attached Certificate of Insurance form. Please provide completed Certificate of Insurance to BCHMC at #1701 - 4555 Kingsway, Burnaby, B.C. V5H 4V8 (Attention: «Development_Manager», «Dept»), within 30 days of the date of the issuance of the insurance binders. **60 days notice of cancellation or material change in the policy must be given to BCHMC.**

NOTE:

***Where the borrower has entered into a ground lease (for example, if the owner of the land is Provincial Rental Housing Corporation or any municipal government), then all insurance referred to in A and B shall include the owner as a named insured and, with respect to property insurance, as a loss payee, as its interests may appear. Proof of insurance should be forwarded to the owner.**

****Without limiting the generality of the foregoing, BCHMC must continue to be named as an additional insured until the Loan is repaid and BCHMC is not the lender of the funds for the Project. In addition, where the City of Vancouver is the landlord, the relevant notices and proof of insurance must be forwarded to: Director of Risk Management, City of Vancouver, 453 West 12th Avenue Vancouver, B.C. V5Y 1V4, and the rental income insurance in B.4. must be for 12 months minimum.**

BC HOUSING

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
BC Housing adheres to the Freedom of Information and Protection of Privacy Act when collecting and using personal information. Direct any questions to the Manager, Records and Information Privacy at #1701 – 4555 Kingsway, Burnaby, BC V5H 4V8. Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by BC Housing

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(BC Housing)* BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION	CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.
BC HOUSING CONTRACT ADMINISTRATOR	PHONE NO:
NAME & TITLE Sarah Smith, HousingHub	FAX NO:
ADDRESS 1701 - 4555 Kingsway Avenue, Burnaby, BC	POSTAL CODE V5H 4V8
CONTRACTOR/SOCIETY NAME	
CONTRACTOR/SOCIETY ADDRESS	POSTAL CODE

Contractor/Society Information
Please provide this form and a copy of the Contract Terms and Conditions to your Insurance Broker for completion and then return the completed form to BC Housing. No substitutions of this form will be accepted. Commencement of any work cannot begin until BC Housing has the Certificate of Insurance in hand.

Part 2 To be completed by the Society/Contractor/Consultant's Agent or Broker (please provide all details as specified under "Operating Insurance Requirements item 1-9 (b)" in the above attached Schedule "A")

INSURED	NAME	
	ADDRESS	POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
LOSS PAYABLE:			

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS:		
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	AGENT or BROKER NAME	DATE SIGNED

BC HOUSING

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
BC Housing adheres to the Freedom of Information and Protection of Privacy Act when collecting and using personal information. Direct any questions to the Manager, Records and Information Privacy at #1701 – 4555 Kingsway, Burnaby, BC V5H 4V8. Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by BC Housing

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(BC Housing)*	CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.
BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION	PHONE NO:
BC HOUSING CONTRACT ADMINISTRATOR NAME & TITLE Sarah Smith, HousingHub	FAX NO:
	POSTAL CODE V5H 4V8
ADDRESS 1701 - 4555 Kingsway Avenue, Burnaby, BC	
CONTRACTOR/SOCIETY NAME	POSTAL CODE
CONTRACTOR/SOCIETY ADDRESS	

Contractor/Society Information
Please provide this form and a copy of the Contract Terms and Conditions to your Insurance Broker for completion and then return the completed form to BC Housing.
No substitutions of this form will be accepted. Commencement of any work cannot begin until BC Housing has the Certificate of Insurance in hand.

Part 2 To be completed by the Contractor/Society/Consultant's Agent or Broker (please provide all details as specified under "Operating Insurance Requirements item 1-9 (b)" in the above attached Schedule "A")

INSURED	NAME *ABC Housing Society*	POSTAL CODE *V1V2B2*
	ADDRESS *123 Broadway Street, Vancouver, BC*	
OPERATIONS INSURED	PROVIDE DETAILS *ABC Court – 123 Broadway Street, Vancouver BC V1V2B2*	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
BLANKET ALL PROPERTY – As per Locations Declared ALL RISKS • *Replacement Cost Basis* • *Flood* • *Earthquake* • *By-Laws Included*	*ABC Insurance Company* *Master Policy No. 1234567*	*2015/12/31*	*Property of Every Description $15,000,000* *Rental Income $1,000,000* *Indemnity Period 24 months*
BOILER AND MACHINERY INSURANCE - COMPREHENSIVE FORM • *Repair or Replacement Cost* • *By-Laws Included*	*ABC Insurance Compnay* *Master Policy No. 1234567*	*2015/12/31*	*$15,000,000*
GENERAL LIABILITY INSURANCE • *Occurrence Form* • *Bodily Injury and Property Damage* • *Personal Injury* • *Tenants' Legal Liability* • *Cross Liability Clause* • *Non-Owned Automobile*	*ABC Insurance Company* *Master Policy No. 1234567*	*2015/12/31*	*Per Occurrence $10,000,000*
LOSS PAYABLE:	*1st Loss Payee – BCHMC, 1701 -4555 Kingsway, Burnaby, BC V5H 4V8* *2nd Loss Payee – CMHC,*		

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS: *British Columbia Housing Management Commission is added as an Additional Insured but only with respect to liability arising out of the operations of the Named Insu as noted above.*		
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	AGENT or BROKER NAME *John Smith, XYZ Insurance Co.*	DATE SIGNED

12139971.2

Schedule "B"
Order To Pay

TO: **British Columbia Housing Management Commission** ("BCHMC")

FROM: **1061511 B.C. Ltd., Jameson Broadway & Birch Limited Partnership** and **Jameson Broadway & Birch General Partner Ltd.** (together, the "Borrower")

James Holdings Ltd., Gatland Development Corporation, Thomas James Pappajohn, Anthony James Pappajohn, John George James Pappajohn , Graham Thom, 4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and **0993786 B.C. Ltd.** (together, the "Covenantors")

RE: Mortgage (the "Mortgage") in favour of BCHMC which charges the freehold interest of the Borrower in the following lands and premises: **2538/2550 Birch Street, Vancouver, BC and 1298 West Broadway, Vancouver, BC**, legally described as: **PID: 030-417-261, Lot 1 Block 353 District Lot 526 Group 1 New Westminster District Plan EPP81033** (the "Property").

We hereby irrevocably authorize and direct you or your solicitors, to make advances secured by the Mortgage in the following manner:

1. To deduct any accrued interest (if applicable);
2. To pay to BCHMC any money owing under any proposal development funding loan, administration, legal, inspection and other fees or amounts payable to it;
3. To holdback or pay amounts required to satisfy statutory or contractual holdbacks directly to BCHMC's solicitors to be used to satisfy lien claims and otherwise to be paid out at BCHMC's direction;
4. To holdback or pay to BCHMC's solicitors, on or before the final advance, an amount estimated to be required to fund remaining project costs, such funds to be paid out at BCHMC's direction in respect of such costs as they are incurred;
5. To pay to the landlord of the Property rent required to be paid under a lease, if any;
6. At BCHMC's discretion:
   a) to pay any taxing authority, any taxes, levies, or rates due and accruing due;
   b) to pay to the holder of any prior encumbrance the amount required to pay out and discharge the prior encumbrance;
   c) to pay to any appraiser, contractor, engineer, subcontractor, surveyor, or supplier of material in respect of the Property;
   d) if any advance or draw is to be made subject to a BCHMC condition, to pay to our solicitors, ______________________________, in trust, any such advance; and
   e) deposit the advances or any of them into the following bank account **(Voided blank cheque attached):**

Bank Account in the name of:______________________________

Name of banking Institution:______________________________

Address (include postal code) of banking Institution:______________________________

Account Number:______________________________

Dated at ______________________________, the ____ day of __________, 20 __:

THE BORROWER:

1061511 B.C. LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP by its General Partner, **JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.** by its authorized signatory(ies) and thereby binding upon **JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP**:

____
Authorized Signatory

____
Authorized Signatory

JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

THE COVENANTORS:

JAMES HOLDINGS LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

GATLAND DEVELOPMENT CORPORATION by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

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THOMAS JAMES PAPPAJOHN

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ANTHONY JAMES PAPPAJOHN

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JOHN GEORGE JAMES PAPPAJOHN

____
GRAHAM THOM

4354 INVESTMENTS LTD. by its authorized signatory(ies):

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Authorized Signatory

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Authorized Signatory

NO. 198 CATHEDRAL VENTURES LTD. by its authorized signatory(ies):

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Authorized Signatory

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Authorized Signatory

5186 INVESTMENTS LTD. by its authorized signatory(ies):

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Authorized Signatory

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Authorized Signatory

0993786 B.C. LTD. by its authorized signatory(ies):

____
Authorized Signatory

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Authorized Signatory

SCHEDULE C - CORPORATE / ENTITY

Loan No. ______________________________

In order to satisfy government legislation, the following information is required as a condition for the successful Take-Out Lender to process the long term fixed rate mortgage. Please refer to Appendix A for assistance in completing the form. Where insufficient space, please attach a separate page.

A. Type of Relationship and Entity

Borrower _________ Beneficial Owner _________ Guarantor/Covenantor _________

Corporation _______ Partnership _______ Not-for-Profit _______ Trust _______ Other (Specify) _________

B. Corporate/Entity/Not-for-Profit Information

Legal Name of Entity ______________________________

Business Address ______________________________

____

Principal Contact ______________________________ Email Address ______________________________

Phone Number ______________________________ Fax Number ______________________________

Business Type ______________________________

C. Directors of Corporation/Entity/Not-for-Profit

List all principal of the Entity, including Directors, Partners, Trustees, as the case may be:

Name of Director/Partner/Trustee	Description of Occupation and Nature of Business

D. Not-for-Profit Organization

If the entity is a not-for-profit organization, is the entity registered with Canada Revenue Agency?

____

If yes, please insert Business/Registration No. ______________________________

If the entity is an unregistered not-for-profit organization, does it solicit donations from the public? ____________

E. Declaration

By signing this Information Form, the undersigned declares that the information provided herein is true and correct.

Authorized Signatory:

______________________________ Signature

______________________________ Date

______________________________ Print Name

______________________________ Title

Authorized Signatory:

______________________________ Signature

______________________________ Date

______________________________ Print Name

______________________________ Title

APPENDIX A

INSTRUCTIONS TO COMPLETE INFORMATION FORM

PART A
Place a checkmark to indicate if the entity is the borrower, beneficial owner of the borrower, guarantor or covenantor.

Place a checkmark next to the business form the entity takes.

PART B
Please complete the full legal name of the entity, its business address, principal contact name, email address, phone number during business hours and facsimile number and the nature of the entity's principal business.

PART C
Please list all of the Directors, Trustees or Limited and/or General Partners, as well as a description of each individual's occupation.

PART D
If the entity is a not-for-profit organization, indicate if it is registered with the Canada Revenue Agency and their Business/Registration number. If the entity is a not-for-profit organization and not registered with the Canada Revenue Agency, indicate whether the entity solicits donations from the public.

PART E
Corporate / Entity Borrower / Not-for-Profit
An authorized signatory of the corporate/entity borrower must sign where indicated, clearly print his or her name, title, and insert the date of execution.

SCHEDULE C-1 - SOLICITOR'S CERTIFICATE OF CLIENT IDENTIFICATION
("Certificate")

Loan No.________________ Property Address____

Prior to disbursing funds, we require that you ascertain the identity of each mortgagor, covenantor/guarantor and signing officer in accordance with our instructions to Solicitor, and send this fully completed and signed Certificate to us. Each mortgagor, covenantor/guarantor and signing officer is required to be physically present at the time you ascertain his or her identity. If required by the Mortgage Commitment, funds may not be disbursed until we have received the Certificate. Attach a separate page if insufficient space.

(A) Individuals and corporate/other entity signing officers. Particulars of identification produced by each mortgagor, covenantor/guarantor, and, where applicable, signing officer.

i. ______________________________________ ____________________

Full Legal Name Date of Birth

Identification Viewed from Appendix "A": Acceptable Forms of Identification

1. Type ______________________________ No. ______________________________

Place of Issue ______________________________ Expiry Date. ______________________________

2 Type ______________________________ No. ______________________________

Place of Issue ______________________________ Expiry Date. ______________________________

ii. ______________________________________ ____________________

Full Legal Name Date of Birth

Identification Viewed from Appendix "A": Acceptable Forms of Identification

1. Type ______________________________ No. ______________________________

Place of Issue ______________________________ Expiry Date. ______________________________

2 Type ______________________________ No. ______________________________

Place of Issue ______________________________ Expiry Date. ______________________________

iii. ______________________________________ ____________________

Full Legal Name Date of Birth

Identification Viewed from Appendix "A": Acceptable Forms of Identification

1. Type ______________________________ No. ______________________________

Place of Issue ______________________________ Expiry Date. ______________________________

2 Type ______________________________ No. ______________________________

Place of Issue ______________________________ Expiry Date. ______________________________

(B) Corporations, Not-for-Profit and other entities; Particulars of information ascertained for each mortgagor, covenantor/guarantor, beneficial owner, which is a corporation, not-for-profit or other entity.

____

Legal Name of Corporation, Not-for-Profit or Other Entity

Type of Entity ______________________ Reg. No. __________

Type of Record ______________________

Source of the electronic version of the record, if applicable (must be a source which is accessible to the public):

____

____

Legal Name of Corporation, Not-for-Profit or Other Entity

Type of Entity ______________________ Reg. No. __________

Type of Record ______________________

Source of the electronic version of the record, if applicable (must be a source which is accessible to the public):

____

____

Legal Name of Corporation, Not-for-Profit or Other Entity

Type of Entity ______________________ Reg. No. __________

Type of Record ______________________

Source of the electronic version of the record, if applicable (must be a source which is accessible to the public):

____

Certificate of Solicitor

I have complied with your instructions set out above and in the section of the Solicitor's Instructions entitled "Identification Verification Requirements".

Certified at ______________________ this _____ day of ______________, 20_______.

____

Signature

____

Print Name

Identification Verification Requirements

Prior to disbursement of funds, we require you to ascertain the identity of each mortgagor, covenantor/guarantor, and where applicable, signing officer. Each mortgagor, covenantor/guarantor, and where applicable, signing officer (those who sign the security documentation) and beneficial owner must present to you for examination:

Two pieces of identification from the list of Acceptable Forms of Identification below.

One of the ID documents must be photo identification. EXCEPTION: Customers over the age of 65 who do not have Photo ID may substitute it with another form of ID from the Acceptable Forms of Identification.

Where a corporation or other entity has more than three signing officers, you are required to ascertain the identity of only three of the signing officers.

No other form of identification is acceptable. All identification must be original, valid, legible, and not substantially damaged. Every mortgagor, covenantor/guarantor, signing officer, and beneficial owner is required to be physically present when you ascertain their identity. You must be satisfied that all parties who have attended before you to execute the mortgage documents are the same parties set out in our Commitment Letter. **Please provide photocopies of the identification.** Our office must be immediately notified if you are unable to comply with these instructions and the reasons why. Solicitors and Notaries Public outside of Canada hereby accept the appointment as agent for BC Housing Management Commission for the purpose of ascertaining the identity of the signatories of the security documentation.

Acceptable Forms of Identification

Any piece of identification issued by a **Canadian Government Body (Federal, Provincial or Municipal)** including but not limited to:

- a valid Driver's License
- Current Canadian Passport
- Certificate of Canadian Citizenship
- Certificate of Naturalization
- Permanent Resident Card
- Birth Certificate issued in Canada
- Old Age Security Card Issued by the Government of Canada
- Social Insurance Number
- Health Cards Issued by:
    - BC (Signature Only)
    - Alberta (No Picture of Signature)
    - Saskatchewan (No Picture of Signature)
    - Quebec (can be used only if client offers as ID)
    - New Brunswick (Signature Only)
    - Nova Scotia (Signature Only)
    - Newfoundland & Labrador (No Picture of Signature)
    - Valid foreign identification, if equivalent to an acceptable type of Canadian identification document, is also allowed. (ie. a valid foreign passport).

Note: Health Cards issued by the Provinces of Ontario, Manitoba and Prince Edward Island are not acceptable forms of identification.

In addition, if the borrower is a corporation or other entity, please provide the following:

ID for Corporations

Copy of most recent annual report filed with the Registrar of Companies or current Corporate Search confirming the Borrower's existence and containing the names of the directors.

ID for Partnerships

- Copy of Certificate of Partnership and Partnership Agreement

Formal Trust

- Copy of Trust Deed, including all revisions

Not for Profit- (Unincorporated Bodies)

Copy of Charter or Articles of Association

Schedule "D"
Definitions

The following terms used in the Loan Commitment Letter shall have the following meanings:

"**Approved Budget**" means the finalized cost and construction and operating budgets and timetable detailing all hard and soft costs associated with the development and construction of the Project in accordance with the Approved Plans, as approved by BCHMC and its payment certifier or quantity surveyor, as applicable;

"**Approved Plans**" means the finalized plans, specifications, drawings, timetables, reports, and recommendations for the Project which have been approved by BCHMC and its payment certifier or quantity surveyor, as applicable;

"**Contractors**" means all contractors engaged for the Project pursuant to the Construction Contracts;

"**Construction Contracts**" means the construction contracts in respect of the Project entered into between any of the parties comprising the Borrower and the Contractors, which Construction Contracts will be in a form CCDC 2 as amended from time to time, with BCHMC's Supplementary General Conditions;

"**First Advance**" means the first advance of the principal amount under the Loan made by BCHMC;

"**Hazardous Substance**" means any substance defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial or local statute, regulation or ordinance now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance;

"**Last Advance**" means the last advance of the principal amount under the Loan made by BCHMC;

"**Legal Requirements**" means any law, statute, code, ordinance, order, award, judgment, decree, injunction, rule, regulation, authorization, consent, approval, order, permit, licence, direction or requirement of any government authority;

"**Loan**" means the authorized amount set forth in Section 4.1;

"**Loan Commitment Letter**" means the Loan Commitment Letter to which this Schedule "D" is attached and all other schedules attached thereto, as they may be amended, supplemented or replaced from time to time;

"**PDF Loan**" means a predevelopment funding loan;

"**Project Completion Date**" means the date a final occupancy permit is issued by the appropriate municipal authority for the Project;

"**RBC Prime Rate**" means the floating annual rate of interest established and recorded by Royal Bank of Canada from time to time as a reference rate for purposes of determining rates of interest it shall charge on loans denominated in Canadian dollars made in Canada; and

"**Variable Rate**" means an interest rate calculated as a weighted average of the interest charged by the Ministry of Finance of the Government of British Columbia to BCHMC plus administration spread of up to 0.5625% and, in any event, not more than the RBC Prime Rate plus 1.00%.

Schedule "E"
Builders Lien Declaration

TO: **British Columbia Housing Management Commission ("BCHMC")**

FROM: **1061511 B.C. Ltd., Jameson Broadway & Birch Limited Partnership** and **Jameson Broadway & Birch General Partner Ltd.** (collectively the "**Borrower**")

RE: Mortgage (the "**Mortgage**") in favour of BCHMC which charges the freehold interest of the Borrower in the following lands and premises: **2538/2550 Birch Street, Vancouver, BC and 1298 West Broadway, Vancouver, BC**, legally described as:
PID: 030-417-261, Lot 1 Block 353 District Lot 526 Group 1 New Westminster District Plan EPP81033 (the "**Property**")

ADVANCE NUMBER: ______________________

I, ________________________ of ____________________, British Columbia, DO SOLEMNLY DECLARE or AFFIRM THAT:

1. I am a director/officer of **1061511 B.C. Ltd.** and **Jameson Broadway & Birch General Partner Ltd.**, the general partner of **Jameson Broadway & Birch Limited Partnership**, and as such I have knowledge of the Loan Commitment Letter dated November 8, 2022, as amended, modified, extended or restated from time to time (the "**Loan Commitment Letter**") issued by BCHMC and accepted by the Borrower and by **James Holdings Ltd., Gatland Development Corporation, Thomas James Pappajohn, Anthony James Pappajohn, John George James Pappajohn , Graham Thom, 4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd.** and **0993786 B.C. Ltd** as covenantors, and of the Security Documents (as defined in the Loan Commitment Letter) and of the matters hereinafter declared or affirmed.

2. The representations and warranties contained in the Loan Commitment Letter and the Security Documents (as amended from time to time) are true and accurate in all material respects as of the date hereof.

3. The requirements of the *Builders Lien Act* (the "**Act**") are being met with respect to the Property and the project thereon (the "**Project**") and there has been no event subsequent to the date of the Loan Commitment Letter or the Security Documents which has or may result in the creation of any lien, charge or encumbrance on the Property or the Project (other than those liens, charges or encumbrances specifically consented to in writing by BCHMC) or any part thereof or which has or may substantially and adversely impair the Borrower's ability to make all payments as required by the Loan Commitment Letter or the Security Documents or which has or may substantially and adversely impair the financial standing of any covenantor(s) or the Borrower, or the obligations of any covenantor(s) or the Borrower under the Loan Commitment Letter or the Security Documents.

4. By holding the amounts the Borrower presently has on deposit in the holdback accounts(s) established pursuant to the Act for the Project (the "**Holdback Accounts**"), the Borrower is complying with all applicable provisions of the Act relating to holdbacks and holdback accounts.

5. The Borrower acknowledges that BCHMC is not in any way responsible for the administration of the Holdback Accounts, including, but not limited to, such matters as determining the amount of holdbacks required by the Act to be deposited into the Holdback Accounts, the number of Holdback Accounts required for the Project, or when monies are to be withdrawn from the Holdback Accounts.

6. The Borrower further acknowledges that it is solely the Borrower's responsibility to ensure the administration of the Holdback Accounts complies with the requirements of the Act.

7. There are no trade or supplier disputes relating to the Property or the Project that BCHMC has not been made aware of in writing.

8. This Declaration is made for the purpose of inducing BCHMC to make, and I am aware that BCHMC is relying on this declaration in making, the advance of money under the Mortgage noted above.

AND I make this solemn Declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the *Evidence Act* (Canada).

DECLARED before me at _______________, British Columbia, this ___ day of __________, 202__	))))))	
_______________________________ A Commissioner for Taking Affidavits in the Province of British Columbia	)	_______________________ Print Name:

This is Exhibit "C" referred to in the
affidavit of Raymond Kwong
made before me on July 22 2026

A Commissioner for taking Affidavits
within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
DEC 21 2022 09:17:12.002
CB400524

bc Land Title & Survey

Land Title Act
Mortgage
Part 1 Province of British Columbia

Document Fees: $76.32

1. Application

Winsome Glover, Barrister and Solicitor
Richards Buell Sutton LLP
700-401 West Georgia Street
Vancouver BC V6B 5A1
604.661.9234

File No.: 32374-0524
BCHMC No.: 95670/10577/17771 kc

2. Description of Land

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

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

1061511 B.C. LTD. BC1061511
104-1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5

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

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701-4555 KINGSWAY
BURNABY BC V5H 4V8

5. Payment Provisions

Principal Amount
$164,227,655.00

Interest Rate
See Schedule

Interest Adjustment Date
See Schedule

Interest Calculation Period
See Schedule

Payment Dates
See Schedule

First Payment Date
See Schedule

Amount of each periodic payment
See Schedule

Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is
N/A % per annum

Last Payment Date
See Schedule

Assignment of Rents which the applicant wants registered?
No

Place of payment
Same as Lender address in #4 above

Balance Due Date
See Schedule

6. Mortgage contains floating charge on land?
No

7. Mortgage secures a current or running account?
Yes

8. Interest Mortgaged
Fee Simple

2022 11 08 10:30:27.432

Form B (Section 225)

9. Mortgage Terms

Part 2 of this mortgage consists of:
(b) Filed Standard Mortgage Terms D F Number: **MT900183**

A selection of (a) or (b) includes any additional or modified terms.

10. Additional or Modified Terms

See Schedule

11. Prior Encumbrances Permitted by Lender

See Schedule

12. Execution(s)

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

Witnessing Officer Signature	Execution Date	Borrower / Party Signature(s)
Wilfred Chan **Barrister & Solicitor** Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver BC V6C 3R8 Telephone (604) 687-4460	YYYY-MM-DD **2022-11-18**	**1061511 B.C. Ltd.** By their Authorized Signatory **Name: Anthony Pappajohn**

Officer Certification

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

Electronic Signature

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

Winsome Blythe Glover 77G67B

Digitally signed by Winsome Blythe Glover 77G67B
Date: 2022-12-16 16:49:25 -08:00

5. PAYMENT PROVISIONS:

Interest Rate:

The Interest Rate (the "mortgage rate") payable under this mortgage is:

1. The "Variable Rate" (as defined below) from and including the date of the first advance of the Principal Amount or any portion thereof up to (but excluding) the date that is the earlier of (i) exactly three (3) months from the Project Completion Date and (ii) January 27, 2026; and

2. The Prime Rate plus 6.00% per annum from and including the date that is the earlier of (i) exactly three (3) months from the Project Completion Date and (ii) January 27, 2026, to and including the day on which the Principal Amount and any other money advanced and/or secured under this mortgage have been repaid in full to the Mortgagee.

The mortgage rate payable under this mortgage is payable both before and after demand, both before and after default and both before and after judgment.

Interest payable under this mortgage will be calculated and compounded monthly, not in advance, from the date of the first advance of the Principal Amount, both before and after demand, default and judgement, until actual payment is made.

The "Prime Rate" means the floating annual rate of interest established and recorded by Royal Bank of Canada from time to time as a reference rate for purposes of determining rates of interest, it shall charge on loans denominated in Canadian dollars made in Canada.

The "Variable Rate" means the interest rate calculated as a weighted average of the interest charged by the Ministry of Finance of the Government of British Columbia to the Mortgagee plus administration spread of up to 0.5625%, and , in any event, not more than the Prime Rate plus 1.00%.

The "Project Completion Date" means the date a final occupancy permit is issued by the appropriate municpal authority for the Project (as such term is defined in the Loan Commitment Letter (hereinafter defined)).

Interest Adjustment Date:

The first day of the month following the month in which the first advance under this mortgage is made.

Interest Calculation Period:

Monthly, not in advance.

Payment Dates:

On the day an advance of the Principal Amount is made by the Mortgagee but not less than once every two months.

First Payment Date:

No later than the first day of the second month in which the first advance under this mortgage is made.

Amount of Each Periodic Payment:

Monthly payments of interest only at the applicable mortgage rate on the portion of the Principal Amount and any other amounts advanced and/or secured under this mortgage.

Last Payment Date:

Without limiting in any way the Mortgagee's right to at any time make demand for payment of any or all of the Principal Amount, the Principal Amount and all amounts outstanding owed to the Mortgagee arising under or in connection with this mortgage will in any event be repaid in full by no later than the earlier of (i) **February 27, 2026**, and (ii) the date that is exactly four (4) months following the Project Completion Date.

Balance Due Date:

Same as Last Payment Date set forth above.

10. Additional or Modified Terms:

A. "Loan Commitment Letter" means the loan commitment letter issued by the Mortgagee to the Mortgagor with respect to the loan secured by this mortgage (including any amendment to that letter).

1. <u>Amendments to the Mortgage Terms Filed Under No. MT900183:</u>

The Standard Mortgage Terms filed under No. MT900183 are amended as follows:

1.1 delete clause 1(b) and replace it with the following:

"The Mortgagor covenants and agrees to pay to the Mortgagee interest on the amounts from time to time advanced at the applicable mortgage rate computed from the respective dates of such advances. On becoming overdue, all interest shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the applicable mortgage rate as well after as before maturity of the mortgage and all such interest and compound interest shall be a charge on the land referred to in item 2 of Part 1 of the mortgage (the "said lands"). In the event of non-payment of any of the money hereby secured at the times set for payment in the mortgage, the Mortgagor agrees to pay interest at the applicable mortgage rate on the same so long as any part thereof remains unpaid. "

1.2 add clause 1(d) as follows:

"In consideration of the Principal Amount of lawful money of Canada now paid or to be paid by the Mortgagee to the Mortgagor, the receipt of which is acknowledged, the Mortgagor grants and mortgages to the Mortgagee, its successors and assigns, if applicable, forever the said lands."

1.3 delete clause 3 and replace it with the following:

"The Mortgagor is permitted to make full or partial repayment of the loan secured by this mortgage at any time during the term of such loan."

1.4 add the following to clause 5:

"Without limiting the generality of the foregoing, the Mortgagor shall effect and keep in force insurance in compliance with the Mortgagee's requirements as set out in the Loan Commitment Letter, with such variations, additions and changes in the amounts and types of coverage as the Mortgagee may from time to time notify the Mortgagor in writing, including but not limited to insurance protecting the Mortgagor and the Mortgagee (without any rights of cross claim or subrogation against the Mortgagee) against claims for personal injury, death, property damage or third party or public liability claims arising from any accident or occurrence on the said lands or improvements for a minimum of $10,000,000 (or such other amount that the Mortgagee may require from time to time) inclusive of any one occurrence. "

1.5 delete clause 17 "DUE ON SALE" and replace with the following:

"The Mortgagor covenants and agrees with the Mortgagee that in the event of the Mortgagor selling, conveying, transferring or entering into an agreement for sale or transfer of title (of either or both of the legal and beneficial estates) of the said lands or any part of them (including, but not limited to, the sale of the issued and outstanding shares in the Mortgagor or other interest resulting in a transfer of an ownership interest in the Mortgagor) to a purchaser or transferee not approved, in writing, by the Mortgagee, all monies hereby secured with accrued interest thereon at the applicable mortgage rate shall at the option of the Mortgagee forthwith become due and payable. Any such conveyance, transfer or entry into an agreement for sale or transfer shall not (even if the Mortgagor receives the Mortgagee's consent) release the Mortgagor from any of its obligations under this Mortgage."

1.6 delete all references to the "Condominium Act" in clause 22 and replace with the following:

"Strata Property Act, SBC 1998, c.43 as amended from time to time (the "Strata Property Act")"

1.7 delete the words "a certificate in Form B of the Schedule to the Condominium Act" in clause 22 (b) and replace with the following:

"a Form G certificate of lien, as the same may be amended from time to time, of the Strata Property Regulation, BC Reg. 43/2000 (the "Strata Property Regulation")"

1.8 delete the words "a certificate in Form A of the Schedule to the Condominium Act " in clause 22(c) and replace with the following:

"a Form F certificate of payment, as the same may be amended from time to time, of the Strata Property Regulation"

1.9 delete the reference to "Section 28(3) of the Condominium Act" in clause 22 (g) and replace with the following:

"Section 36(1)(c) of the Strata Property Act"

1.10 adding the following to clause 22(g):

"together with all other records and documents referred to in Section 35 of the Strata Property Act"

1.11 delete clause 22(h) and replace with the following:

"Pursuant to Section 59 of the Strata Property Act, the Mortgagor hereby authorizes in writing any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the information required by Section 59(3) of the Strata Property Act"

1.12 add the following to clause 23:

"(e) The Mortgagor covenants and agrees with the Mortgagee that:

(i) the covenants of the Mortgagor under the lease have been performed to the date of this mortgage;

(ii) in consideration of the Mortgagee agreeing to lend the Principal Amount to the Mortgagor, the Mortgagor grants and mortgages by way of sub-lease the said lands (including without limitation the lease) and all of the Mortgagor's present and future interest in and to the lease and the said lands to the Mortgagee, for the entire residue of the term of the lease and any renewals thereof except the last month thereof, as security for the payment of the Principal Amount, interest and any other money secured under this mortgage and for the performance of all of the Mortgagor's covenants and agreements under this mortgage and the Mortgagor releases to the Mortgagee all its claims on the said lands (including without limitation the lease) subject to the proviso in clause 20;

(iii) for the last month of the lease it is a trustee for the Mortgagee (subject to the right of redemption herein) and grants to the Mortgagee power to remove the Mortgagor as trustee and appoint another trustee in its place and the Mortgagor irrevocably appoints the Mortgagee its attorney to assign to the Mortgagee or a person of the Mortgagee's choosing the immediate reversion;

(iv) the Mortgagor will execute such further assurances with respect to the said lands as may be required from time to time by the Mortgagee;

(v) the Mortgagor will give written notice to the lessor of the granting of this mortgage in favour of the Mortgagee;

(vi) the Mortgagor will not, without the Mortgagee's prior written consent, surrender its leasehold estate, terminate or cancel the lease, or modify, amend or supplement the lease orally or in writing;

(vii) no dealing by the Mortgagee with the lessor, or with the owner of the equity of redemption of the said lands, will in any way limit or otherwise prejudice the rights or the Mortgagee against the Mortgagor or any other person liable for the payment of monies hereby secured;

(viii) the Mortgagor hereby irrevocably appoints the Mortgagee its attorney to enforce the lessor's covenants and agreements contained in the lease in the name of and on behalf of the Mortgagor, provided that such appointment will not be effective unless and until accepted in writing by the Mortgagee, and the Mortgagee shall be under no obligation to accept such appointment or enforce such covenants and agreements; and,

(ix) any default under the lease will be a default under this mortgage."

1.13 add the following to clause 28 in the second line after the word "lands":

"including, without limiting the generality of the foregoing, concerning the protection of the environment and public health and safety,"

1.14 add the following to clause 30:

"reference to "Canada Mortgage and Housing Corporation" ("CMHC") in these Standard Mortgage Terms means "CMHC".

2. Loan Commitment Letter and Incorporating Documents

The Mortgagor and the Mortgagee acknowledge and agree that a breach of the Loan Commitment Letter issued by the Mortgagee to the Mortgagor with respect to the loan secured by this mortgage or amendment of the constitution, by-laws, memorandum or articles of incorporation of the Mortgagor, without the prior written consent of British Columbia Housing Management Commission ("BCHMC"), will constitute a breach of this mortgage. In addition, a breach of this mortgage will constitute a breach of the Loan Commitment Letter.

The Mortgagor acknowledges and agrees that the execution and delivery of this mortgage and any collateral security shall in no way merge or extinguish the terms and provisions of the Loan Commitment Letter and the terms and conditions contained in the Loan Commitment Letter continue in full force and effect, provided that in the case of any inconsistency or conflict between any provisions of the Loan Commitment Letter, any provisions of this mortgage, and/or any collateral security, the Mortgagee shall determine in its sole discretion which agreement shall prevail.

3. Security Agreement and Assignment of Rents

For the better security of the Mortgagee, the Mortgagor agrees that forthwith at the request and in favour of the Mortgagee, the Mortgagor will grant in a form satisfactory to the Mortgagee as security concurrent herewith:

3.1 a security agreement in favour of the Mortgagee covering all goods, chattel paper, documents of title, instruments, investment property, intangibles and money now or hereafter situate on, related to, used in connection with or arising from or out of the premises herein mortgaged, including without limiting the generality of the foregoing, all floor coverings, ranges, refrigerators, dishwashers, appliances, heating, ventilating and air-conditioning equipment, elevators, conveyancing devices and all other mechanical equipment, plumbing and electrical fixtures, bathroom fixtures, lighting fixtures, cupboards, doors, water heaters, window coverings, communications and data systems, awnings and other equipment and fixtures now or hereafter installed in or situated on such premises as the case may be, and will pay on demand to the Mortgagee the legal costs and other expenses, if any, incurred by the Mortgagee to obtain renewal of such security agreement from time to time; and,

3.2 an assignment of rents and any money whatsoever to be paid by the occupants of the building situate on the said lands and every guarantee given to the Mortgagor for payment thereof;

and the Mortgagor acknowledges and agrees that any default by the Mortgagor under any other security or securities for payment of the money or performance of the obligations thereby secured shall be deemed to be a default under this mortgage and shall entitle the Mortgagee to exercise any and all remedies available in the event of default hereunder, subject to the notice provisions granted to CMHC or BCHMC herein.

4. <u>Environmental Matters</u>

4.1 In this Article, "Hazardous Substance" includes, without limitation, any contaminants, pollutants or other substances, products, materials or goods which are hazardous or dangerous or potentially hazardous or dangerous to human, animal, or plant health or life or the environment, and, in particular, includes any substances, products, materials or goods which are defined as hazardous substances or special waste in or pursuant to any law, regulation or order of any authority of competent jurisdiction.

4.2 The Mortgagor represents and warrants to the Mortgagee that to the best of the Mortgagor's information and belief, after having made due and diligent inquiry:

4.2.1 the said lands have never been used to manufacture, refine, handle, store or dispose of any Hazardous Substance and no Hazardous Substance has been deposited, added or discharged on the said lands by the Mortgagor or a prior owner, lessee or occupier of the said lands or of any adjoining property that has migrated onto or into the said lands; or,

4.2.2 the Mortgagor has obtained and forwarded to the Mortgagee confirmation from a professional environmental consultant that the said lands do not contain any Hazardous Substance in excess of the standards set by the provincial authority having jurisdiction over environmental standards for residential use of the said lands.

4.3 The Mortgagor hereby agrees to indemnify and hold the Mortgagee harmless from and against any and all liabilities, losses, claims and damages (including lost profits, consequential damages, interest, penalties, fines and monetary and other sanctions) incurred or suffered by the Mortgagee by reason of, or in any way related to, the breach of any of the representations and warranties set forth in this Article and any and all other environmental liabilities relating to any Hazardous Substance on or under the said lands during the term or any renewal of this mortgage. This agreement to indemnify will survive repayment of the monies owing under the mortgage, and will continue in force so long as the possibility of such liability, loss, claim or damage exists.

4.4 The Mortgagee or agent of the Mortgagee or agent of CMHC may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the said lands to inspect the lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC (or their respective agents) may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study, deemed necessary by the Mortgagee or CMHC, , in its sole and unfettered discretion after a default has occurred, and where a default has not yet occurred if the Mortgagee or CMHC acting reasonably has reason to believe that there has been a breach of any of the representations and warranties set forth in this Article or is risk of any environmental liabilities relating to any Hazardous Substance on or under the said lands, and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the applicable mortgage rate, shall be payable by the Mortgagor forthwith and shall be a charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the said lands and buildings.

5. Financial Records

The Mortgagor hereby:

5.1 agrees to keep records of all rents received and of all expenses paid by the Mortgagor in connection with the said lands and, at least annually, have a statement of revenue and expenses for the said lands prepared by a professional accountant and to give a copy of the statement to the Mortgagee, if requested to do so; and,

5.2 grants to the Mortgagee the right at any time during the term of this mortgage, upon prior notice to the Mortgagor, to inspect the Mortgagor's property, books of account and other relevant records relating to the said lands and/or this mortgage and the Mortgagor agrees to advise the Mortgagee of the location of the said books of account and other relevant documents when required to do so by the Mortgagee.

6. Appointment

The Mortgagor hereby irrevocably appoints the Mortgagee its attorney to enforce, in the name of and on behalf of the Mortgagor, the Mortgagor's rights contained in the labour and material payment bond and the performance bond that have been or will be obtained by the Mortgagor for construction of the premises on the said lands, if applicable and the construction contract that has been or will be entered into by the Mortgagor to construct the premises on the said lands, provided that such appointment shall not be effective unless and until accepted in writing by the Mortgagee, and the Mortgagee shall be under no obligation to accept such appointment or enforce any covenants and agreements contained in those agreements.

7. Further Encumbrances

The Mortgagor will not allow title to the said lands or any present or after-acquired personal property located on the said lands to become further encumbered or charged in any manner whatsoever without the Mortgagee's prior written consent. If the Mortgagor further encumbers the said lands or any present or after-acquired personal property located on the said lands, without the Mortgagee's prior written consent, which consent may be withheld or granted in the Mortgagee's sole discretion, the Principal Amount, interest and all other monies secured under this mortgage shall, at the Mortgagee's sole option, immediately become due and payable. As a term of providing its consent the Mortgagee may require the encumbrancer to grant to it a registrable priority or priority/standstill agreement on terms satisfactory to the Mortgagee at the Mortgagor's expense.

8. Additional Defaults

If the Mortgagor makes any default in payment of the Principal Amount, interest or other monies hereby secured, or in the observance or performance of any of the covenants, agreements or provisos herein contained, or becomes bankrupt or insolvent or makes an assignment to or proposal for the benefit of his creditors, or becomes subject to or takes advantage of any provision of any legislation for the benefit of insolvent debtors, or being a corporation is dissolved or wound up, then and in every such case the whole of the monies hereby secured remaining unpaid shall, at the option of the Mortgagee, forthwith become due and payable without notice in like manner and to all intents and purposes as if the due date for payment of such monies had fully come and expired, and all powers and remedies of the Mortgagee hereunder shall be exercisable.9. Construction Loan Provision

Add the following to clause 6:

If the principal amount advanced and secured under this mortgage is to be used in the course and for the purpose of demolishing, repairing, improving and/or constructing improvements upon the said lands:

9.1 The Mortgagor shall construct all buildings and other improvements on the said lands in accordance with the applicable building and air space parcel plans and to the satisfaction of all governmental and regulatory authorities having jurisdiction and carry on diligently to completion the buildings and other improvements. All buildings and other improvements now or later on the said lands shall form part of the security for the full amount of the money secured by this mortgage.

9.2 All construction on the said lands shall be carried out by reputable contractors having experience which is commensurate to the nature and size of the project, and such contractors must be prior approved by the Mortgagee in writing, such approval not to be unreasonably withheld.

9.3 Provided that should construction on the project cease for any reason whatsoever (strikes, material shortages, public health orders and weather conditions beyond the control of the Mortgagor excepted), for a period of fifteen (15) consecutive business days, then, at the sole option of the Mortgagee, this mortgage shall, immediately become due and payable. In the event that construction does cease, then the Mortgagee shall have the right, at its sole option but under no circumstance shall the Mortgagee be obliged, to assume some part or complete control of the construction of the project in such manner and on such terms as it deems available. The cost and expenses of completion of the project by the Mortgagee and all expenses incidental thereto together with a management fee of fifteen percent (15%) of the costs and expenses of the construction completed by the Mortgagee will be secured under this mortgage and bear interest.

9.4 At all times there shall be sufficient funds unadvanced under this mortgage and retained by the Mortgagee to complete the construction.

9.5 This mortgage will be advanced in stages as construction upon the said lands proceeds or as the conditions as enumerated by the Loan Commitment Letter are complied with.

9.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Mortgagee with respect to the project and the progress thereof, whose fees and costs shall be for the account of the Mortgagor regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction to the date of such certificate shall be in accordance with the applicable building plans and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the said lands. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings.

9.7 The Mortgagor shall pay to the Mortgagee on each occasion when an inspection of the said lands is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Mortgagee may charge from time to time for each such inspection and the Mortgagee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Mortgagee shall be entitled to all right and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.

9.8 The Mortgagee shall be entitled to erect at the Mortgagee's expense, a reasonable number of signs at reasonable locations and of reasonable size, and to otherwise publicize the source of the financing during the construction period.

9.9 The Mortgagee may at its sole option, withhold from any advances for which the Mortgagor may have qualified, such amounts as the Mortgagee, in its sole discretion, considers advisable to protect its position under the provisions of the Builders Lien Act (British Columbia) as amended, so as to secure its priority over all liens, until the Mortgagee is fully satisfied that all lien periods have expired and that there are no liens outstanding. Nothing in this clause shall be construed to make the Mortgagee an "owner" as defined under the Builders Lien Act (British Columbia) as amended, nor shall there be, or be deemed to be, any obligation by the Mortgagee to retain any holdback which may be required to be made by the owner which shall remain solely the Mortgagor's obligation. The Mortgagor hereby covenants and agrees to comply in all respects with the provisions of the Builders Lien Act (British Columbia) as amended.

MORTGAGE PART 2

10. Municipal Compliance

The Mortgagor warrants, represents and covenants with the Mortgagee that every building and improvement to be constructed on the said lands and their uses will comply with all municipal, civic, or provincial building, zoning and siting by-laws, all governmental laws and regulations of an environmental nature which regulate or control such use and every order made thereunder and every order of a fire marshal or health inspector and will continue so to comply at least until the money hereby secured and all other money owing under this mortgage have been paid in full to the Mortgagee.

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:*

EASEMENT AND INDEMNITY AGREEMENT 499005M

EASEMENT BE53176

COVENANT CA7161138, MODIFIED BY CB78990

STATUTORY RIGHTS OF WAY CA8600154, CA8600171 and CA8600173

COVENANTS CA8600156, CA8600158, CA8600160 (as modified by CB382781), CA8600163, CA8600165, CA8600167, CA8600169, CA8600175 and CA8600177

EQUITABLE CHARGE CA8600179

COVENANTS CB368525, CB368526 and CB368527

STATUTORY RIGHT OF WAY CB368528

EQUITABLE CHARGE CB368529

COVENANT CB382782

COVENANT IN FAVOUR OF BCHMC FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

END OF DOCUMENT

NEW WESTMINSTER LAND TITLE OFFICE
DEC 21 2022 09:17:12.003
CB400525

Document Fees: $76.32

1. Application

Winsome Glover, Barrister and Solicitor
Richards Buell Sutton LLP
700-401 West Georgia Street
Vancouver BC V6B 5A1
604.661.9234

File No.: 32374-0524
BCHMC No.: 95670/10577/17771 kc

2. Description of Land

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

3. Nature of Interest

Type	Number	Additional Information
ASSIGNMENT OF RENTS		

4. Terms

Part 2 of this instrument consists of:
(a) Filed Standard Charge Terms D F Number: **ST921015**

Includes any additional or modified terms.

5. Transferor(s)

1061511 B.C. LTD., NO.BC1061511

6. Transferee(s)

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701-4555 KINGSWAY
BURNABY BC V5H 4V8

7. Additional or Modified Terms

N/A

8. Execution(s)

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
Wilfred Chan **Barrister & Solicitor** Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver BC V6C 3R8 Telephone (604) 687-4460	YYYY-MM-DD 2022-11-18	**1061511 B.C. Ltd.** By their Authorized Signatory **Name: Anthony Pappajohn**

Officer Certification

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

Electronic Signature

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

Winsome Blythe Glover 77G67B

Digitally signed by Winsome Blythe Glover 77G67B
Date: 2022-12-16 16:50:37 -08:00

Land Title Act

Charge

General Instrument – Part 1

1. Application

Winsome Glover, Barrister and Solicitor
Richards Buell Sutton LLP
700-401 West Georgia Street
Vancouver BC V6B 5A1
604.661.9234

File No.: 32374-0524
BCHMC No.: 95670/10577/17771 kc

2. Description of Land

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

3. Nature of Interest

Type	Number	Additional Information
ASSIGNMENT OF RENTS		

4. Terms

Part 2 of this instrument consists of:

(a) Filed Standard Charge Terms D F Number: ST921015

Includes any additional or modified terms.

5. Transferor(s)

1061511 B.C. LTD., NO.BC1061511

6. Transferee(s)

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701-4555 KINGSWAY
BURNABY BC V5H 4V8

7. Additional or Modified Terms

N/A

8. Execution(s)

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
~~(as to both signatures~~)	YYYY-MM-DD 2022 - 11 - 18	**1061511 B.C. Ltd.** By their Authorized Signatory **Name: Anthony Pappajohn**
WILFRED CHAN *Barrister & Solicitor* DENTONS CANADA LLP 20th Floor, 250 Howe Street Vancouver, B.C. V6C 3R8 Telephone (604) 687-4460		**Name:**

Officer Certification

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This is Exhibit "...D..." referred to in the
affidavit of...Raymond Kwong...
made before me on...July 22...20 20...

....
A Commissioner for taking Affidavits
within British Columbia

Land Title Act
Charge
General Instrument – Part 1

NEW WESTMINSTER LAND TITLE OFFICE
DEC 21 2022 09:17:12.001
CB400523

Document Fees: $76.32

1. Application

Winsome Glover, Barrister and Solicitor
Richards Buell Sutton LLP
700-401 West Georgia Street
Vancouver BC V6B 5A1
604.661.9234

File No.: 32374-0524
BCHMC No.: 95670-10577

2. Description of Land

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

3. Nature of Interest

Type	Number	Additional Information
COVENANT		**Section 219 Covenant** **Page 12, Section 3** **Person Entitled to Interest - British Columbia Housing Management Commission**

4. Terms

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

5. Transferor(s)

1061511 B.C. LTD., NO.BC1061511

6. Transferee(s)

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701-4555 KINGSWAY
BURNABY BC V5H 4V8

7. Additional or Modified Terms

8. Execution(s)

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
Wilfred Chan **Barrister & Solicitor** Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver BC V6C 3R8 Telephone (604) 687-4460	YYYY-MM-DD **2022-11-18**	**1061511 B.C. Ltd.** By their Authorized Signatory **Name: Anthony Pappajohn**

Officer Certification

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
Charlotte K. Wong **Barrister & Solicitor** 2110 Burquitlam Drive Vancouver BC V5P 2P1 (as to both signatures).	YYYY-MM-DD **2022-10-26**	**British Columbia Housing Management Commission** By their Authorized Signatory **Name: Vincent Tong** **Name: Michael Pistrin**

Officer Certification

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

Electronic Signature

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

Winsome Blythe Glover 77G67B

Digitally signed by Winsome Blythe Glover 77G67B
Date: 2022-12-16 16:48:03 -08:00

EXPRESS CHARGE TERMS
TERMS OF INSTRUMENT – PART 2

WHEREAS:

A. The Commission, on behalf of His Majesty the King in Right of the Province of British Columbia, provides, or assists in providing, housing for persons with limited incomes and/or for persons with special housing requirements;

B. The Transferor wishes to develop a portion of the Improvements on the Land for the Specific Purpose, and wishes to obtain the Commission's assistance in carrying out the Specific Purpose;

C. The Transferor has acknowledged to the Commission that:

(i) the Transferor is entering into this Agreement to benefit the public interest;

(ii) the Transferor will use the agreed upon portion of the Improvements for the Specific Purpose during the Term; and

(iii) the provision of housing, in accordance with the Specific Purpose, is in the public interest and is more important than the fact that the use of the Property may be restricted during the Term;

D. Section 219 of the *Land Title Act* of British Columbia provides, amongst other things, that a covenant, whether of a negative or positive nature, in respect of the use of land or the use of a building, in favour of a Crown agency, may be registered as a charge against the title to that land;

E. The Commission is a Crown agency pursuant to Section 10 of the *Ministry of Lands, Parks and Housing Act* of British Columbia but may on behalf of the Government of the Province of British Columbia carry out its duties and functions in its own name; and

F. The Transferor has agreed to enter into this Agreement to ensure that the agreed upon portion of the Improvements is used only for the Specific Purpose during the Term and that the objectives stated in paragraph C of these recitals are carried out.

THEREFORE in consideration of the premises and of the mutual covenants contained herein, and in further consideration of the sum of $1.00 now paid by each party to the other, the receipt and sufficiency of which each party hereby acknowledges.

SECTION 1.

INTERPRETATION

1.1 **Definitions. In this Agreement:**

(a) "Agreement" means the General Instrument Part 1 and these Express Charge Terms under Part 2;

(b) "Commission" means the British Columbia Housing Management Commission, or its successors in function;

(c) "Eligible Occupants" means individuals who meet the eligibility criteria set out in Schedule "A";

(d) "Environmental Law" means any applicable federal, provincial, municipal or local law, statutes, ordinance, codes, by-law, regulation, rule, order, directive, decision, policy, instruction, guideline or decree regulating, relating to or imposing liability or standards of conduct concerning any environmental matter, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, packaging, transport, handling, containment, clean-up or other remediation or corrective action of Hazardous Substances including, but not limited to, matters related to air pollution, water pollution, noise control, or hazardous material and any similar, replacement, amendment or supplemental act and all regulations, orders or decrees, now or hereafter made pursuant to any of the foregoing;

(e) "General Instrument Part 1" means Part 1 of the General Instrument as prescribed by the Land Title (Transfer Forms) Regulation, as amended;

(f) "Hazardous Substances" collectively means, without limitation, contaminants, pollutants or other substances, products, materials or goods which are hazardous or dangerous to human, animal or plant health or life or the environment, and, in particular, includes substances, products, materials, or goods which are defined as hazardous substances or special waste in or pursuant to any law, regulation or order of any Statutory Authority;

(g) "Improvements" means those improvements, structures, buildings, fixtures, equipment and systems which now exist, or which are constructed on the Land from time to time including heating, ventilating, air-conditioning, plumbing, electrical and mechanical systems and equipment;

(h) "Interest in the Property" means the Transferor's registered and/or beneficial (as applicable) right, title and estate in and to the Property;

(i) "Land" means that certain parcel or those certain parcels of land, or any part thereof, described in Item 2 of the General Instrument Part 1;

(j) "Landlord" means the landlord named in the Lease if the Interest in the Property is a leasehold interest;

(k) "Lease" means the lease of the Property granted to the Transferor by the Landlord if the Interest in the Property is a leasehold interest;

(l) "Permitted Encumbrances" means those charges or encumbrances set forth in Schedule "B" and any other encumbrances from time to time approved in writing by the Commission;

(m) "Person" means any association, society, corporation, individual, joint-stock company, joint venture, partnership, trustee, administrator, legal representative, unincorporated organization, or Statutory Authority;

(n) "Personal Property" means all trade fixtures, machinery, equipment, kitchen ware, cabinetry, furniture, moveable partitions, carpets, rugs, drapes, appliances and other personal property necessary or desirable to carry out the Specific Purpose from time to time;

(o) "Property" means the Land, Improvements, and Personal Property;

(p) "Records" means all documentation relating to the use and occupation of the Property including occupancy agreements, information confirming Eligible Occupant status, books of account and receipts;

(q) "Specific Purpose" means the operation of the Property to provide affordable rental housing as a principal residence for persons who, at the date of the commencement of their residency, are Eligible Occupants, and without limiting the generality of the foregoing, the rent payable for the first Eligible Occupant to occupy each residential unit located on the Property shall not exceed the initial monthly rents for the initial term of the occupancy of such residential unit as set out in the table below:

Type of Unit	Initial Monthly Rent (for occupancy commencing in 2025)
Studio - Market	$2,547.00
1 Bedroom - Market	$2,894.00
2 Bedroom - Market	$4,109.00
3 Bedroom - Market	$4,780.00

provided further that:

(i) the above stated initial monthly rents shall apply to the first Eligible Occupant for the residential unit regardless of the year that occupancy occurs and in no event shall such rent exceed 30% of the Middle Income limit for that type of residential unit set out in Schedule "A". If initial occupancy of a residential unit located on the Property occurs in a subsequent year to that stated above, the Commission will consider at its sole discretion an adjustment to the initial monthly rent for the unit upon written request from the Transferor in writing with an accompanying rationale for increase including a market rent appraisal prepared by a qualified third party professional that supports the rent adjustment being requested; and

(ii) the restrictions contained in this Section 1.1(q) shall not apply to the 58 residential units located on the Property that are "Moderate Income Rental Housing Units" under the housing agreement covenant registered on title to the Property in favour of the City of Vancouver under number CA8600160;

(r) "Statutory Authority" means any federal, provincial, regional, municipal, or other government or authorized agency, department or ministry thereof, which has jurisdiction with respect to any matter referred to in this Agreement;

(s) "Term" means that period of time commencing on the date when this Agreement is registered at the Land Title Office and ending on the later of the date that is ten (10) years from when:

(i) this Agreement is registered at the Land Title Office; or

(ii) the final Certificate of Occupancy for the Improvements is issued by the applicable Statutory Authority; and

(t) "Transferor" means the Person named in the General Instrument Part 1 as Transferor.

1.2 **Time**. Time will be of the essence of this Agreement. If either party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be then local Vancouver, British Columbia time.

1.3 **Governing Law**. This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia, and the laws of Canada applicable therein.

1.4 **References**. In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.5 **Construction**. The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any provision contained in this Agreement. In all cases, the language in this Agreement will be construed simply, according to its fair meaning, and not strictly for or against either party.

1.6 **No Limitation**. The word "including" when following any general statement, term, or matter is not to be construed to limit such general statement, term, or matter to the specific items set forth immediately following such word or to similar items whether or not non-limiting language such as "without limitation" or "but not limited to" or words of similar import are used with reference thereto, but rather such general statement, term, or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of such general statement, term, or matter.

1.7 **Validity of Provisions**. If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal, or unenforceable provision had never been contained therein and such other provisions will be enforceable to the fullest extent permitted at law or in equity provided that such enforceability is consistent with the intent of this Agreement.

1.8 **No Waiver**. Failure by either party to exercise any of its rights, powers or remedies hereunder, or its delay to do so, shall not constitute a waiver of those rights, powers or remedies unless such waiver is in writing. No waiver made with respect to a particular right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right.

1.9 **Statutes**. Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect, and to any statute or regulation that may be passed that has the effect of supplementing or superceding such statute or regulation.

1.10 **Remedies**. Each party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to nor exercise of any specific right or remedy under this Agreement or at law or in equity by either party will prejudice, limit or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but either party, from time to time, may exercise any one or more of such rights or remedies independently, successively, or in combination. The Transferor acknowledges that specific performance, injunctive relief (mandatory or otherwise), or other equitable relief may be the only adequate remedy for a default by the Transferor under this Agreement.

1.11 **Schedules**. The following schedules are attached to and form part of this Agreement:

Schedule "A" Eligible Occupants – Criteria

Schedule "B" Permitted Encumbrances

SECTION 2.

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TRANSFEROR

2.1 **Representations and Warranties of the Transferor**. Regardless of any independent investigations that the Commission may cause to be made, the Transferor represents and warrants to the Commission as follows:

(a) the Transferor has sufficient power, authority and capacity to enter into this Agreement and the execution and delivery of this Agreement has been duly and validly authorized by all necessary proceedings;

(b) the execution of this Agreement by the Transferor will not constitute a breach by the Transferor of any statute, regulation or its constating documents, or of any agreement to which it is a party, or by which it is bound;

(c) the Transferor has good and marketable title to the Interest in the Property, free and clear of all liens, encumbrances, charges, encroachments, defects in title, equities or claims, except for the Permitted Encumbrances;

(d) to the best knowledge of the Transferor, having made due inquiries, the Property does not contain any Hazardous Substances other than in compliance with all Environmental Laws, the Property complies with all Environmental Laws, and there are no environmental risks or liabilities in connection with the Property known to the Transferor;

(e) the Transferor has no indebtedness to any Person or to any Statutory Authority which might by operation of law or otherwise now or hereafter constitute a lien, charge or encumbrance on the Interest in the Property, other than the Permitted Encumbrances;

(f) the Improvements (if any) on the Land have been constructed, renovated and repaired pursuant to building permits, validly issued, and in compliance with all applicable building, zoning and other municipal by-laws and restrictions, and the Transferor has not received any notice alleging any such violation. Such Improvements do not encroach upon any lands not owned by the Transferor, or on which the Transferor does not have a leasehold interest;

(g) the Transferor is a corporation duly organized, validly existing and in good standing under the laws of British Columbia;

(h) all municipal taxes, rates, levies and assessments in respect of the Property have been paid in full, and the Transferor has no present or future obligation to pay moneys to any Statutory Authority in connection with offsite services, roads, utilities or the like that have not been otherwise disclosed by the Transferor to the Commission;

(i) the Transferor is not a non-resident of Canada within the meaning of the *Income Tax Act* of Canada; and

(j) if the Interest in the Land is a leasehold interest, the Lease is in good standing and the Transferor has observed or performed all its obligations under the Lease as required by the Lease.

2.2 **Covenants of the Transferor – General**. The Transferor covenants and agrees with the Commission as follows:

(a) the representations and warranties contained in Section 2.1 will be true and correct on the date of this Agreement and will remain true and correct throughout the term of this Agreement;

(b) the Transferor shall maintain the Property in a state of good repair and maintenance, and in particular will:

(i) establish maintenance procedures to maintain the value of the Property and prolong the life of the Improvements and Personal Property on the Land;

(ii) ensure that the necessary skills and tools are available to adequately clean and maintain the Property;

(iii) ensure that the Improvements on the Land comply with all municipal requirements, and applicable statutory, health and safety standards at all times;

(iv) ensure that any construction, renovation or repairs carried out on the Property comply with all municipal requirements and will advise the

Commission in a timely manner as to the progress of such construction, renovation or repairs; and

(v) ensure that all applicable fire regulations are observed and that fire inspections are carried out regularly by the appropriate authorities;

(c) the Transferor shall maintain in force adequate insurance coverage that a prudent owner of property similar to the Property would obtain, including without limitation, insurance in respect of claims for personal injury, death, property damage, and third party or public claims arising from any accident which may occur on or within the vicinity of the Property and such other insurance as the Commission may reasonably require from time to time;

(d) the Transferor shall pay to the appropriate Statutory Authority, as and when due, all municipal taxes, water taxes, school taxes and any other taxes, local improvements or similar rates, levies, charges and assessments whatsoever relating to the Property and shall submit to the Commission, upon request, proof of such payment;

(e) the Transferor shall not vacate the Property or permit the Property to be used by any Person who is not entitled to use the Property;

(f) the Transferor shall use the agreed upon portion of the Improvements throughout the Term for the Specific Purpose, and for no other purpose;

(g) the Transferor shall promptly observe, perform, execute and comply with all present and future laws, rules, requirements, orders, directions, ordinances and regulations of every Statutory Authority that relate to the Property and further agrees at the sole cost and expense of the Transferor to do and perform all acts and things which may be required at any time during the Term by any such present or future laws, rules, requirements, orders, directions, ordinances and regulations;

(h) if the Property now or any time hereafter comprises one or more strata lots:

(i) the Transferor will duly observe all of the provisions of the *Strata Property Act*, R.S.B.C. 1998, c.43, as amended or as replaced and other similar statutes affecting the Property, together with the by-laws and the rules and regulations of the strata corporation;

(ii) in exercising its right to vote at any strata meetings, the Transferor shall at all times vote to ensure that the Transferor is able to continue to use the agreed upon portion of the Improvements for the Specific Purpose and at the Commission's written request, the Transferor shall assign to and confer on the Commission its right to vote at any strata meetings; and

(iii) the Transferor will pay on or before the due dates thereof, the monthly maintenance fees and all assessments, contributions, or levies made against the Property by the strata corporation;

(i) the Transferor shall not, without the Commission's prior written consent, transfer, mortgage, charge or otherwise further encumber the Property during the Term, except by the Permitted Encumbrances; and

(j) every year, or as otherwise requested by the Commission from time to time, the Transferor will submit to the Commission:

(i) move-in date of the current occupants;

(ii) household income of the current occupants, including at move-in, to verify the occupants are Eligible Occupants; and

(iii) current monthly rent.

2.3 **Covenants of the Transferor – Records and Privacy.** The Transferor covenants and agrees with the Commission as follows:

(a) the Transferor shall comply with all applicable privacy legislation and will maintain accurate and complete Records;

(b) the Transferor shall notify the Commission in writing immediately upon becoming aware of any breach of privacy or security involving the unauthorized collection, use, disclosure or destruction of information relating to its obligations under this Agreement;

(c) if the *Information Management Act* (British Columbia) applies to the destruction of Records, the Transferor will not destroy the Records without first obtaining the written consent of the Commission;

(d) the Transferor shall cooperate with the Commission when the Commission has a request under the *Freedom of Information and Protection of Privacy Act* (British Columbia) to which the Records in the Transferor's custody apply, by locating and disclosing the relevant Records as directed by the Commission upon notice and without delay;

(e) the Transferor will retain all records that pertain to its obligations under this Agreement for the retention period required under applicable Provincial and Federal laws but for not less than seven (7) years following the date of receipt or production of the Records; and

(f) the Commission shall have the right to inspect the Records including the right to enter any premises used by the Transferor to keep or store the Records at any time after the delivery of notice to the Transferor, and shall have the immediate right to make extracts from and take copies of the Records. The Transferor acknowledges that disclosure to the Commission without consent from the individual impacted by the Records is permitted under information and privacy legislation.

SECTION 3.

SECTION 219 COVENANT

3.1 **Section 219 Covenant.** The Transferor hereby covenants with the Commission, pursuant to Section 219 of the *Land Title Act* of British Columbia, with the intent that this Section 219 Covenant will be registered as a charge against the Interest in the Property and the burden of which will run with the Interest in the Property, and will also bind the Transferor contractually, during such time as the Transferor has an Interest in the Property, that:

(a) the fourth to twenty-eighth floors of the twenty-eight floor building, which form part of the Improvements (the agreed upon portion of the Improvements) will be used only for the Specific Purpose during the Term; and

(b) the Interest in the Property will not be subdivided during the Term.

SECTION 4.

INDEMNITY

4.1 **Indemnity**. The Transferor will indemnify and save harmless the Commission and the Government of the Province of British Columbia and each of their ministers, officers, directors, employees and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, actions, causes of action, damages, losses, deficiencies, costs, liabilities and expenses which may be made or brought against the Commission or the Government of the Province of British Columbia, or which the Commission or the Government of the Province of British Columbia may suffer or incur as a result of, in respect of, or arising out of:

(a) any non-performance or non-fulfillment of any covenant on the part of the Transferor contained in this Agreement;

(b) any misrepresentation, inaccuracy or breach of any representation or warranty made by the Transferor contained in this Agreement;

(c) any other act or omission of the Transferor or its officers, directors, employees, agents, contractors or other persons for whom the Transferor is at law responsible; or

(d) the Commission remedying any default by the Transferor in observing or performing its obligations under this Agreement or enforcing the obligations of the Transferor under this Agreement.

4.2 **Release**. The Transferor releases the Commission and the Government of the Province of British Columbia, and each of their ministers, officers, directors, employees and agents and their heirs, executors, administrators, personal representatives, successors and assigns absolutely and forever, from any claims the Transferor may have against all or any of them for costs, expenses, or damages the Transferor may suffer, incur, or be put to arising out of or in connection with the terms contained in this Agreement and, from all claims arising out of advice or direction respecting the use, development, operation or lease of the Property given to the Transferor by any of them.

SECTION 5.

GENERAL PROVISIONS

5.1 **Notices**. Unless otherwise specified, each notice to the Transferor must be given in writing and delivered, personally, or by courier to the Transferor as follows:

670 - 1665 West Broadway
Vancouver, BC V6J 1X1

Attention: Director

or to any other address or person that the Transferor designates.

Unless otherwise specified, each notice to the Commission must be given in writing and delivered personally or by courier to the Commission, Attention: Manager Real Estate Services, at the address shown as the registered office of the Commission in the records maintained by the British Columbia Registrar of Companies as of the date upon which the notice is sent, or to any other address or person that the Commission designates. Any notice, if delivered personally or by courier, will be deemed to have been given when actually received.

5.2 **Fees**. Each of the Transferor and the Commission will pay its own legal fees.

5.3 **Enuring Effect**. This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Transferor and the Commission.

5.4 **Discharge**. On the expiry of the Term, at the Transferor's cost, the Transferor may require that the Commission execute and deliver to the Transferor a release in registrable form of the Agreement.

5.5 **Modification or Amendment**. Except as expressly provided in this Agreement, no amendment, supplement, restatement or termination of any provision of this Agreement is binding on the parties unless it is in writing and signed by each person that is a party to this Agreement at the time of the amendment, supplement, restatement or termination.

5.6 **Counterparts**. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed in any number of counterparts, each of which, when executed and delivered will deemed to be an original, but all of which taken together will be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto acknowledge that the parties have duly executed this Agreement by signing the Form C and Form D, on pages 1 and 2 hereof.

SCHEDULE "A"

ELIGIBLE OCCUPANTS

"Eligible Occupants" are limited to those persons who collectively have an Income, as defined below, that does not exceed Middle Income, as defined below.

"Income" means the total income from all sources, before tax, of all persons residing in a residential unit.

"Middle Income" means

(a) for residential units with less than two bedrooms, Income that does not exceed the 75th income percentile for families, without children, as determined by the Commission from time to time based on data provided by Statistics Canada. For 2022, this annual Income is $121,330.00; and

(b) for residential units with two or more bedrooms, Income that does not exceed the 75th income percentile for families, with children, as determined by the Commission from time to time based on data provided by Statistics Canada. For 2022, this annual Income is $173,800.00.

SCHEDULE "B"

PERMITTED ENCUMBRANCES

LEGAL NOTATIONS

Easement BE53177 over Lot C, Plan 22980 Part Formerly Lot 3 Blk 353 Plan 590

Housing Agreement, Vancouver Charter, S. 565.2, See CA8600162, as modified by CB382783

CHARGES & ENCUMBRANCES - EXISTING

Easement and Indemnity Agreement 499005M

Easement BE53176

Covenant CA7161138, modified by CB78990

Statutory Right of Way CA8600154

Covenants CA8600156, CA8600158, CA8600160 (as modified by CB382781), CA8600163, CA8600165, CA8600167 and CA8600169

Statutory Right of Ways CA8600171 and CA8600173

Covenants CA8600175 and CA8600177

Equitable Charge CA8600179

Covenants CB368525, CB368526 and CB368527

Statutory Right of Way CB368528

Equitable Charge CB368529

Covenant CB382782

CHARGES & ENCUMBRANCES - FUTURE

The Commission consents to the registration of a First Mortgage in favour of the Commission in the principal amount of $164,227,655.00, together with an Assignment of Rents relating thereto.

Land Title Act

Charge

General Instrument – Part 1

1. Application

Winsome Glover, Barrister and Solicitor
Richards Buell Sutton LLP
700-401 West Georgia Street
Vancouver BC V6B 5A1
604.661.9234

File No.: 32374-0524
BCHMC No.: 95670-10577

2. Description of Land

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

3. Nature of Interest

Type	Number	Additional Information
COVENANT		**Section 219 Covenant** **Page 12, Section 3** **Person Entitled to Interest - British Columbia Housing Management Commission**

4. Terms

Part 2 of this instrument consists of:

(b) Express Charge Terms Annexed as Part 2

5. Transferor(s)

1061511 B.C. LTD., NO.BC1061511

6. Transferee(s)

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701-4555 KINGSWAY
BURNABY BC V5H 4V8

7. Additional or Modified Terms

2022 10 21 09:45:41.808

Form C (Section 233)

8. Execution(s)

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
~~(as to both signatures)~~ WILFRED CHAN, Barrister & Solicitor, DENTONS CANADA LLP, 20th Floor, 250 Howe Street, Vancouver, B.C. V6C 3R8, Telephone (604) 687-4460	YYYY-MM-DD 2022-11-18	**1061511 B.C. Ltd.** By their Authorized Signatory **Name:** Anthony Pappajohn **Name:**

Officer Certification

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
	YYYY-MM-DD	**British Columbia Housing Management Commission** By their Authorized Signatory **Name:** **Name:**

Officer Certification

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

8. Execution(s)

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
(as to both signatures)	YYYY-MM-DD	**1061511 B.C. Ltd.** By their Authorized Signatory **Name:** **Name:**

Officer Certification

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
CHARLOTTE K. WONG *Barrister & Solicitor* 2110 Burquitlam Drive Vancouver, BC V5P 2P1 (AS TO BOTH SIGNATURES)	YYYY-MM-DD 2022-10-26	**British Columbia Housing Management Commission** By their Authorized Signatory **Name:** Vincent Tong **Name:** Michael Pistrin

Officer Certification

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

2022 10 21 09:45:41.808

Electronic Signature

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

EXPRESS CHARGE TERMS
TERMS OF INSTRUMENT – PART 2

WHEREAS:

A. The Commission, on behalf of His Majesty the King in Right of the Province of British Columbia, provides, or assists in providing, housing for persons with limited incomes and/or for persons with special housing requirements;

B. The Transferor wishes to develop a portion of the Improvements on the Land for the Specific Purpose, and wishes to obtain the Commission's assistance in carrying out the Specific Purpose;

C. The Transferor has acknowledged to the Commission that:

(i) the Transferor is entering into this Agreement to benefit the public interest;

(ii) the Transferor will use the agreed upon portion of the Improvements for the Specific Purpose during the Term; and

(iii) the provision of housing, in accordance with the Specific Purpose, is in the public interest and is more important than the fact that the use of the Property may be restricted during the Term;

D. Section 219 of the *Land Title Act* of British Columbia provides, amongst other things, that a covenant, whether of a negative or positive nature, in respect of the use of land or the use of a building, in favour of a Crown agency, may be registered as a charge against the title to that land;

E. The Commission is a Crown agency pursuant to Section 10 of the *Ministry of Lands, Parks and Housing Act* of British Columbia but may on behalf of the Government of the Province of British Columbia carry out its duties and functions in its own name; and

F. The Transferor has agreed to enter into this Agreement to ensure that the agreed upon portion of the Improvements is used only for the Specific Purpose during the Term and that the objectives stated in paragraph C of these recitals are carried out.

THEREFORE in consideration of the premises and of the mutual covenants contained herein, and in further consideration of the sum of $1.00 now paid by each party to the other, the receipt and sufficiency of which each party hereby acknowledges.

SECTION 1.

INTERPRETATION

1.1 **Definitions. In this Agreement:**

(a) "Agreement" means the General Instrument Part 1 and these Express Charge Terms under Part 2;

(b) "Commission" means the British Columbia Housing Management Commission, or its successors in function;

(c) "Eligible Occupants" means individuals who meet the eligibility criteria set out in Schedule "A";

(d) "Environmental Law" means any applicable federal, provincial, municipal or local law, statutes, ordinance, codes, by-law, regulation, rule, order, directive, decision, policy, instruction, guideline or decree regulating, relating to or imposing liability or standards of conduct concerning any environmental matter, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, packaging, transport, handling, containment, clean-up or other remediation or corrective action of Hazardous Substances including, but not limited to, matters related to air pollution, water pollution, noise control, or hazardous material and any similar, replacement, amendment or supplemental act and all regulations, orders or decrees, now or hereafter made pursuant to any of the foregoing;

(e) "General Instrument Part 1" means Part 1 of the General Instrument as prescribed by the Land Title (Transfer Forms) Regulation, as amended;

(f) "Hazardous Substances" collectively means, without limitation, contaminants, pollutants or other substances, products, materials or goods which are hazardous or dangerous to human, animal or plant health or life or the environment, and, in particular, includes substances, products, materials, or goods which are defined as hazardous substances or special waste in or pursuant to any law, regulation or order of any Statutory Authority;

(g) "Improvements" means those improvements, structures, buildings, fixtures, equipment and systems which now exist, or which are constructed on the Land from time to time including heating, ventilating, air-conditioning, plumbing, electrical and mechanical systems and equipment;

(h) "Interest in the Property" means the Transferor's registered and/or beneficial (as applicable) right, title and estate in and to the Property;

(i) "Land" means that certain parcel or those certain parcels of land, or any part thereof, described in Item 2 of the General Instrument Part 1;

(j) "Landlord" means the landlord named in the Lease if the Interest in the Property is a leasehold interest;

(k) "Lease" means the lease of the Property granted to the Transferor by the Landlord if the Interest in the Property is a leasehold interest;

(l) "Permitted Encumbrances" means those charges or encumbrances set forth in Schedule "B" and any other encumbrances from time to time approved in writing by the Commission;

(m) "Person" means any association, society, corporation, individual, joint-stock company, joint venture, partnership, trustee, administrator, legal representative, unincorporated organization, or Statutory Authority;

(n) "Personal Property" means all trade fixtures, machinery, equipment, kitchen ware, cabinetry, furniture, moveable partitions, carpets, rugs, drapes, appliances and other personal property necessary or desirable to carry out the Specific Purpose from time to time;

(o) "Property" means the Land, Improvements, and Personal Property;

(p) "Records" means all documentation relating to the use and occupation of the Property including occupancy agreements, information confirming Eligible Occupant status, books of account and receipts;

(q) "Specific Purpose" means the operation of the Property to provide affordable rental housing as a principal residence for persons who, at the date of the commencement of their residency, are Eligible Occupants, and without limiting the generality of the foregoing, the rent payable for the first Eligible Occupant to occupy each residential unit located on the Property shall not exceed the initial monthly rents for the initial term of the occupancy of such residential unit as set out in the table below:

Type of Unit	Initial Monthly Rent (for occupancy commencing in 2025)
Studio - Market	$2,547.00
1 Bedroom - Market	$2,894.00
2 Bedroom - Market	$4,109.00
3 Bedroom - Market	$4,780.00

provided further that:

(i) the above stated initial monthly rents shall apply to the first Eligible Occupant for the residential unit regardless of the year that occupancy occurs and in no event shall such rent exceed 30% of the Middle Income limit for that type of residential unit set out in Schedule "A". If initial occupancy of a residential unit located on the Property occurs in a subsequent year to that stated above, the Commission will consider at its sole discretion an adjustment to the initial monthly rent for the unit upon written request from the Transferor in writing with an accompanying rationale for increase including a market rent appraisal prepared by a qualified third party professional that supports the rent adjustment being requested; and

(ii) the restrictions contained in this Section 1.1(q) shall not apply to the 58 residential units located on the Property that are "Moderate Income Rental Housing Units" under the housing agreement covenant registered on title to the Property in favour of the City of Vancouver under number CA8600160;

(r) "Statutory Authority" means any federal, provincial, regional, municipal, or other government or authorized agency, department or ministry thereof, which has jurisdiction with respect to any matter referred to in this Agreement;

(s) "Term" means that period of time commencing on the date when this Agreement is registered at the Land Title Office and ending on the later of the date that is ten (10) years from when:

  (i) this Agreement is registered at the Land Title Office; or

  (ii) the final Certificate of Occupancy for the Improvements is issued by the applicable Statutory Authority; and

(t) "Transferor" means the Person named in the General Instrument Part 1 as Transferor.

1.2 **Time**. Time will be of the essence of this Agreement. If either party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be then local Vancouver, British Columbia time.

1.3 **Governing Law**. This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia, and the laws of Canada applicable therein.

1.4 **References**. In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.5 **Construction**. The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any provision contained in this Agreement. In all cases, the language in this Agreement will be construed simply, according to its fair meaning, and not strictly for or against either party.

1.6 **No Limitation**. The word "including" when following any general statement, term, or matter is not to be construed to limit such general statement, term, or matter to the specific items set forth immediately following such word or to similar items whether or not non-limiting language such as "without limitation" or "but not limited to" or words of similar import are used with reference thereto, but rather such general statement, term, or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of such general statement, term, or matter.

1.7 **Validity of Provisions**. If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal, or unenforceable provision had never been contained therein and such other provisions will be enforceable to the fullest extent permitted at law or in equity provided that such enforceability is consistent with the intent of this Agreement.

1.8 **No Waiver**. Failure by either party to exercise any of its rights, powers or remedies hereunder, or its delay to do so, shall not constitute a waiver of those rights, powers or remedies unless such waiver is in writing. No waiver made with respect to a particular right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right.

1.9 **Statutes**. Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect, and to any statute or regulation that may be passed that has the effect of supplementing or superceding such statute or regulation.

1.10 **Remedies**. Each party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to nor exercise of any specific right or remedy under this Agreement or at law or in equity by either party will prejudice, limit or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but either party, from time to time, may exercise any one or more of such rights or remedies independently, successively, or in combination. The Transferor acknowledges that specific performance, injunctive relief (mandatory or otherwise), or other equitable relief may be the only adequate remedy for a default by the Transferor under this Agreement.

1.11 **Schedules**. The following schedules are attached to and form part of this Agreement:

Schedule "A" Eligible Occupants – Criteria

Schedule "B" Permitted Encumbrances

SECTION 2.

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TRANSFEROR

2.1 **Representations and Warranties of the Transferor**. Regardless of any independent investigations that the Commission may cause to be made, the Transferor represents and warrants to the Commission as follows:

(a) the Transferor has sufficient power, authority and capacity to enter into this Agreement and the execution and delivery of this Agreement has been duly and validly authorized by all necessary proceedings;

(b) the execution of this Agreement by the Transferor will not constitute a breach by the Transferor of any statute, regulation or its constating documents, or of any agreement to which it is a party, or by which it is bound;

(c) the Transferor has good and marketable title to the Interest in the Property, free and clear of all liens, encumbrances, charges, encroachments, defects in title, equities or claims, except for the Permitted Encumbrances;

(d) to the best knowledge of the Transferor, having made due inquiries, the Property does not contain any Hazardous Substances other than in compliance with all Environmental Laws, the Property complies with all Environmental Laws, and there are no environmental risks or liabilities in connection with the Property known to the Transferor;

(e) the Transferor has no indebtedness to any Person or to any Statutory Authority which might by operation of law or otherwise now or hereafter constitute a lien, charge or encumbrance on the Interest in the Property, other than the Permitted Encumbrances;

(f) the Improvements (if any) on the Land have been constructed, renovated and repaired pursuant to building permits, validly issued, and in compliance with all applicable building, zoning and other municipal by-laws and restrictions, and the Transferor has not received any notice alleging any such violation. Such Improvements do not encroach upon any lands not owned by the Transferor, or on which the Transferor does not have a leasehold interest;

(g) the Transferor is a corporation duly organized, validly existing and in good standing under the laws of British Columbia;

(h) all municipal taxes, rates, levies and assessments in respect of the Property have been paid in full, and the Transferor has no present or future obligation to pay moneys to any Statutory Authority in connection with offsite services, roads, utilities or the like that have not been otherwise disclosed by the Transferor to the Commission;

(i) the Transferor is not a non-resident of Canada within the meaning of the *Income Tax Act* of Canada; and

(j) if the Interest in the Land is a leasehold interest, the Lease is in good standing and the Transferor has observed or performed all its obligations under the Lease as required by the Lease.

2.2 **<u>Covenants of the Transferor – General</u>**. The Transferor covenants and agrees with the Commission as follows:

(a) the representations and warranties contained in Section 2.1 will be true and correct on the date of this Agreement and will remain true and correct throughout the term of this Agreement;

(b) the Transferor shall maintain the Property in a state of good repair and maintenance, and in particular will:

(i) establish maintenance procedures to maintain the value of the Property and prolong the life of the Improvements and Personal Property on the Land;

(ii) ensure that the necessary skills and tools are available to adequately clean and maintain the Property;

(iii) ensure that the Improvements on the Land comply with all municipal requirements, and applicable statutory, health and safety standards at all times;

(iv) ensure that any construction, renovation or repairs carried out on the Property comply with all municipal requirements and will advise the

Commission in a timely manner as to the progress of such construction, renovation or repairs; and

(v) ensure that all applicable fire regulations are observed and that fire inspections are carried out regularly by the appropriate authorities;

(c) the Transferor shall maintain in force adequate insurance coverage that a prudent owner of property similar to the Property would obtain, including without limitation, insurance in respect of claims for personal injury, death, property damage, and third party or public claims arising from any accident which may occur on or within the vicinity of the Property and such other insurance as the Commission may reasonably require from time to time;

(d) the Transferor shall pay to the appropriate Statutory Authority, as and when due, all municipal taxes, water taxes, school taxes and any other taxes, local improvements or similar rates, levies, charges and assessments whatsoever relating to the Property and shall submit to the Commission, upon request, proof of such payment;

(e) the Transferor shall not vacate the Property or permit the Property to be used by any Person who is not entitled to use the Property;

(f) the Transferor shall use the agreed upon portion of the Improvements throughout the Term for the Specific Purpose, and for no other purpose;

(g) the Transferor shall promptly observe, perform, execute and comply with all present and future laws, rules, requirements, orders, directions, ordinances and regulations of every Statutory Authority that relate to the Property and further agrees at the sole cost and expense of the Transferor to do and perform all acts and things which may be required at any time during the Term by any such present or future laws, rules, requirements, orders, directions, ordinances and regulations;

(h) if the Property now or any time hereafter comprises one or more strata lots:

(i) the Transferor will duly observe all of the provisions of the *Strata Property Act*, R.S.B.C. 1998, c.43, as amended or as replaced and other similar statutes affecting the Property, together with the by-laws and the rules and regulations of the strata corporation;

(ii) in exercising its right to vote at any strata meetings, the Transferor shall at all times vote to ensure that the Transferor is able to continue to use the agreed upon portion of the Improvements for the Specific Purpose and at the Commission's written request, the Transferor shall assign to and confer on the Commission its right to vote at any strata meetings; and

(iii) the Transferor will pay on or before the due dates thereof, the monthly maintenance fees and all assessments, contributions, or levies made against the Property by the strata corporation;

(i) the Transferor shall not, without the Commission's prior written consent, transfer, mortgage, charge or otherwise further encumber the Property during the Term, except by the Permitted Encumbrances; and

(j) every year, or as otherwise requested by the Commission from time to time, the Transferor will submit to the Commission:

(i) move-in date of the current occupants;

(ii) household income of the current occupants, including at move-in, to verify the occupants are Eligible Occupants; and

(iii) current monthly rent.

2.3 **Covenants of the Transferor – Records and Privacy.** The Transferor covenants and agrees with the Commission as follows:

(a) the Transferor shall comply with all applicable privacy legislation and will maintain accurate and complete Records;

(b) the Transferor shall notify the Commission in writing immediately upon becoming aware of any breach of privacy or security involving the unauthorized collection, use, disclosure or destruction of information relating to its obligations under this Agreement;

(c) if the *Information Management Act* (British Columbia) applies to the destruction of Records, the Transferor will not destroy the Records without first obtaining the written consent of the Commission;

(d) the Transferor shall cooperate with the Commission when the Commission has a request under the *Freedom of Information and Protection of Privacy Act* (British Columbia) to which the Records in the Transferor's custody apply, by locating and disclosing the relevant Records as directed by the Commission upon notice and without delay;

(e) the Transferor will retain all records that pertain to its obligations under this Agreement for the retention period required under applicable Provincial and Federal laws but for not less than seven (7) years following the date of receipt or production of the Records; and

(f) the Commission shall have the right to inspect the Records including the right to enter any premises used by the Transferor to keep or store the Records at any time after the delivery of notice to the Transferor, and shall have the immediate right to make extracts from and take copies of the Records. The Transferor acknowledges that disclosure to the Commission without consent from the individual impacted by the Records is permitted under information and privacy legislation.

SECTION 3.

SECTION 219 COVENANT

3.1 **Section 219 Covenant.** The Transferor hereby covenants with the Commission, pursuant to Section 219 of the *Land Title Act* of British Columbia, with the intent that this Section 219 Covenant will be registered as a charge against the Interest in the Property and the burden of which will run with the Interest in the Property, and will also bind the Transferor contractually, during such time as the Transferor has an Interest in the Property, that:

(a) the fourth to twenty-eighth floors of the twenty-eight floor building, which form part of the Improvements (the agreed upon portion of the Improvements) will be used only for the Specific Purpose during the Term; and

(b) the Interest in the Property will not be subdivided during the Term.

SECTION 4.

INDEMNITY

4.1 **Indemnity**. The Transferor will indemnify and save harmless the Commission and the Government of the Province of British Columbia and each of their ministers, officers, directors, employees and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, actions, causes of action, damages, losses, deficiencies, costs, liabilities and expenses which may be made or brought against the Commission or the Government of the Province of British Columbia, or which the Commission or the Government of the Province of British Columbia may suffer or incur as a result of, in respect of, or arising out of:

(a) any non-performance or non-fulfillment of any covenant on the part of the Transferor contained in this Agreement;

(b) any misrepresentation, inaccuracy or breach of any representation or warranty made by the Transferor contained in this Agreement;

(c) any other act or omission of the Transferor or its officers, directors, employees, agents, contractors or other persons for whom the Transferor is at law responsible; or

(d) the Commission remedying any default by the Transferor in observing or performing its obligations under this Agreement or enforcing the obligations of the Transferor under this Agreement.

4.2 **Release**. The Transferor releases the Commission and the Government of the Province of British Columbia, and each of their ministers, officers, directors, employees and agents and their heirs, executors, administrators, personal representatives, successors and assigns absolutely and forever, from any claims the Transferor may have against all or any of them for costs, expenses, or damages the Transferor may suffer, incur, or be put to arising out of or in connection with the terms contained in this Agreement and, from all claims arising out of advice or direction respecting the use, development, operation or lease of the Property given to the Transferor by any of them.

SECTION 5.

GENERAL PROVISIONS

5.1 **Notices**. Unless otherwise specified, each notice to the Transferor must be given in writing and delivered, personally, or by courier to the Transferor as follows:

670 - 1665 West Broadway
Vancouver, BC V6J 1X1

Attention: Director

or to any other address or person that the Transferor designates.

Unless otherwise specified, each notice to the Commission must be given in writing and delivered personally or by courier to the Commission, Attention: Manager Real Estate Services, at the address shown as the registered office of the Commission in the records maintained by the British Columbia Registrar of Companies as of the date upon which the notice is sent, or to any other address or person that the Commission designates. Any notice, if delivered personally or by courier, will be deemed to have been given when actually received.

5.2 **Fees**. Each of the Transferor and the Commission will pay its own legal fees.

5.3 **Enuring Effect**. This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Transferor and the Commission.

5.4 **Discharge**. On the expiry of the Term, at the Transferor's cost, the Transferor may require that the Commission execute and deliver to the Transferor a release in registrable form of the Agreement.

5.5 **Modification or Amendment**. Except as expressly provided in this Agreement, no amendment, supplement, restatement or termination of any provision of this Agreement is binding on the parties unless it is in writing and signed by each person that is a party to this Agreement at the time of the amendment, supplement, restatement or termination.

5.6 **Counterparts**. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed in any number of counterparts, each of which, when executed and delivered will deemed to be an original, but all of which taken together will be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto acknowledge that the parties have duly executed this Agreement by signing the Form C and Form D, on pages 1 and 2 hereof.

SCHEDULE "A"

ELIGIBLE OCCUPANTS

"Eligible Occupants" are limited to those persons who collectively have an Income, as defined below, that does not exceed Middle Income, as defined below.

"Income" means the total income from all sources, before tax, of all persons residing in a residential unit.

"Middle Income" means

(a) for residential units with less than two bedrooms, Income that does not exceed the 75th income percentile for families, without children, as determined by the Commission from time to time based on data provided by Statistics Canada. For 2022, this annual Income is $121,330.00; and

(b) for residential units with two or more bedrooms, Income that does not exceed the 75th income percentile for families, with children, as determined by the Commission from time to time based on data provided by Statistics Canada. For 2022, this annual Income is $173,800.00.

SCHEDULE "B"

PERMITTED ENCUMBRANCES

LEGAL NOTATIONS

Easement BE53177 over Lot C, Plan 22980 Part Formerly Lot 3 Blk 353 Plan 590

Housing Agreement, Vancouver Charter, S. 565.2, See CA8600162

CHARGES & ENCUMBRANCES - EXISTING

Easement and Indemnity Agreement 499005M

Easement BE53176

Covenant CA7161138, modified by CB78990

Statutory Right of Way CA8600154

Covenants CA8600156, CA8600158, CA8600160, CA8600163, CA8600165, CA8600167 and CA8600169

Statutory Right of Ways CA8600171 and CA8600173

Covenants CA8600175 and CA8600177

Equitable Charge CA8600179

CHARGES & ENCUMBRANCES - FUTURE

The Commission consents to the registration of a First Mortgage in favour of the Commission in the principal amount of $164,227,655.00, together with an Assignment of Rents relating thereto.

This is Exhibit "E" referred to in the affidavit of Raymond Kwong made before me on July 22 20 20

A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
JUL 13 2022 11:55:29.001
CB78990

bc Land Title & Survey

Land Title Act
Charge
General Instrument – Part 1

Document Fees: $76.32

1. Application

Dentons Canada LLP
250 Howe Street, 20th Floor
Vancouver BC V6C 3R8
6046874460

File No. 565483-4/WC/jtl
Form C Modification of HPO Covenant CA7161138

2. Description of Land

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

3. Nature of Interest

Type	Number	Additional Information
MODIFICATION	**CA7161138**	

4. Terms

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

5. Transferor(s)

1061511 B.C. LTD., NO.BC1061511

6. Transferee(s)

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701 - 4555 KINGSWAY
BURNABY BC V5H 4V8

7. Additional or Modified Terms

2022 07 12 15:03:24.805

Form C (Section 233)

Land Title Act
Charge
General Instrument – Part 1

8. Execution(s)

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
WILFRED CHAN **Barrister & Solicitor** DENTONS CANADA LLP 250 Howe Street, 20th Floor Vancouver BC V6C 3R8	YYYY-MM-DD **2022-07-12**	**1061511 B.C. LTD.** By their Authorized Signatory **THOMAS PAPPAJOHN**

Officer Certification

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

Witnessing Officer Signature	Execution Date	Transferor / Transferee / Party Signature(s)
Simon Millington **Commissioner for Taking Affidavits for British Columbia** BC Housing Management Commission 203-4555 Kingsway Burnaby BC V5H 4T8 Tel: (604)646-7091 Exp date: Apr 30, 2025 (As to all signatures of the Transferee)	YYYY-MM-DD **2022-07-13**	**BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION** By their Authorized Signatory **Michelle Hayes, Registrar**

Officer Certification

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

bc Land Title & Survey

Land Title Act

Charge

General Instrument – Part 1

Electronic Signature

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

Wilfred Chan HZ3YY4

Digitally signed by Wilfred Chan HZ3YY4
Date: 2022-07-13 11:54:13 -07:00

TERMS OF INSTRUMENT - PART 2
SECTION 219 COVENANT

THIS AGREEMENT is dated for reference the 12th day of July, 2022.

BETWEEN: **1061511 B.C. LTD.**,
670 -1665 West Broadway, Vancouver, BC V6J 5A4

(the "**Owner**")

AND: **BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**,
a Crown Corporation having its offices at
Suite 1701 - 4555 Kingsway, Burnaby BC V5H 4V8

(the "**BCHMC**")

WHEREAS:

A. The Owner is the registered owner of the property (the "**Lands**") situated, lying and being in the City of Vancouver, in the Province of British Columbia, described in Item 2 of Form C to which this Terms of Instrument (the "**Agreement**") is attached;

B. The Owner wishes to develop the Lands and is constructing on the Lands a mixed-use multi-storey building (the "**Building**") to be comprised of multiple residential units to be which are to be held for rental purposes (each a "**Dwelling Unit**" and collectively the "**Rental Development**") and street-level commercial and retail units (each a "**Commercial Unit**" and collectively the "**Commercial Development**");

C. The Owner made an application to be exempt from certain provisions of the *Homeowner Protection Act*, S.B.C. 1998, c. 31 and amendments thereto (the "**Act**") and the regulations thereunder (the "**Regulations**"), and to satisfy the conditions of such exemption, the Owner entered into an agreement with BCHMC to grant a covenant (the "**Covenant**") under Section 219 of the *Land Title Act* in favour of BCHMC which was registered at the Land Title Office against the Lands in respect of the Rental Development on October 31, 2018 under registration number CA7161138; and

D. The Covenant contains a typographical error and the Owner wishes to enter into this modification agreement (this "**Modification**") with BCHMC to amend the Covenant and correct the typographical error.

NOW THEREFORE, in consideration of each party agreeing to modify the Covenant as set out hereinafter and for good and valuable consideration, the receipt and sufficiency of which the parties hereto acknowledge and agree, the Owner and BCHMC, pursuant to Section 219 of the *Land Title Act*, hereby covenant and agree as follows:

NATDOCS\565483\4\64391650\V-1

1. All capitalized terms used in this Modification which are defined in the Covenant will have the same meaning ascribed to such terms in the Covenant unless defined in this Modification or the context requires otherwise.

2. The Owner and BCHMC agree that in connection with recital C of the Covenant, the Covenant shall be amended such that the reference to "158 secured market rental units" is deleted and replaced with "258 secured market rental units".

3. The Owner and BCHMC agree that in connection with Section 11 of the Covenant, the Covenant shall be amended such that the reference to "158 Dwelling Units" is deleted and replaced with "258 Dwelling Units"

4. Except as hereby expressly modified, the Covenant is hereby ratifed and confirmed by the Owner and BCHMC to the effect and with the intent that the Covenant and this Modification will be read and construed as one document.

5. This Modification shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6. In the event of any conflict or inconsistency between the terms and conditions of the Covenant and the terms and conditions of this Modification, the terms and conditions of this Modification will prevail.

7. Wherever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine or body corporate or politic where the context of the parties so requires.

IN WITNESS WHEREOF the parties have executed this Modification on the Form C General Instrument – Part 1 to which this Modification is attached and which forms a part of this Modification.

NATDOCS\565483\4\64391650\V-1

This is Exhibit "F" referred to in the
affidavit of Raymond Kwong
made before me on July 22 2026

A Commissioner for taking Affidavits
within British Columbia

COVENANTOR AGREEMENT

THIS AGREEMENT is dated for reference the 28th day of November, 2022.

BETWEEN:

JAMES HOLDINGS LTD. (Inc. No. BC0167369), having an office and postal address at 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

GATLAND DEVELOPMENT CORPORATION (Inc. No. BC0082496), having an office and postal address at 760 - 1040 West Georgia Street, Vancouver, B.C., V6E 4H1

THOMAS JAMES PAPPAJOHN, Businessman, of 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

ANTHONY JAMES PAPPAJOHN, Businessman, of 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

JOHN GEORGE JAMES PAPPAJOHN, Businessman, of 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

GRAHAM THOM, Businessman, of 760 - 1040 West Georgia Street, Vancouver, B.C., V6E 4H1

(collectively the "Covenantor")

AND:

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION, having an office and postal address at #1701 - 4555 Kingsway, Burnaby, British Columbia, V5H 4V8

(the "Lender")

WHEREAS:

A. 1061511 B.C. Ltd. (the "Trustee"), Jameson Broadway & Birch Limited Partnership (the "Beneficiary") and Jameson Broadway & Birch General Partner Ltd. (the "GP") (collectively the Trustee, the Beneficiary and the GP are hereinafter referred to as the "Borrower") have applied to the Lender for a loan (the "Loan") having a principal amount of $164,227,655.00, on the terms of an agreement dated November 8, 2022, as amended from time to time (the "Commitment Letter"), secured by a beneficial owner agreement (the "BOA") and a legal mortgage (the "mortgage") together the BOA and the mortgage are referred to as the "Mortgage") against the following lands and premises (the "Lands"):

Parcel Identifier: 030-417-261
Lot 1 Block 353 District Lot 526 Group 1 New Westminster District
Plan EPP81033

and an assignment of rents, an assignment of project agreements (together such assignments are referred to as the "Assignments"), an environmental indemnity agreement (the "Indemnity Agreement"), a security agreement (the "Security Agreement"), a section 219 covenant (the

"Covenant") and a cost overrun and completion agreement (the "COCA") all dated for reference the 28th day of November, 2022.

B. The Covenantor has related business interests to the Borrower and has requested the Lender to provide the Loan to the Borrower and in order to do so the Lender has stipulated that the Covenantor enter into this agreement;

IN CONSIDERATION of the recitals, the Lender making the Loan to the Borrower and other valuable consideration received by the Covenantor, the receipt and adequacy of which is acknowledged by the Covenantor, the Covenantor agrees with the Lender as follows:

1.0 **DEFINITIONS, INTERPRETATION**

1.1 Definitions. In this agreement:

(a) "Indebtedness", in respect of any person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor,

(b) "Loan Indebtedness" means any Indebtedness from time to time of the Borrower to the Lender arising under the Loan or the Loan Obligations or any modifications or renewals of same,

(c) "Loan Obligations" means the Mortgage, Commitment Letter, Assignments, Indemnity Agreement, Security Agreement, the Covenant and the COCA, any and all covenants, indemnities and agreements contained therein and any and all modifications, extensions or renewals of same, whether such modifications, extensions or renewals are entered into by the Borrower or a subsequent owner of the Lands, and

(d) "Other Person" means any person, corporation or other entity other than the Borrower or the Covenantor at anytime liable in respect of the Loan or the Loan Indebtedness,

1.2 Interpretation. In this agreement:

(a) Indebtedness of any person will be deemed to be incurred when the Borrower assumes, incurs or otherwise becomes liable in respect of such Indebtedness, and Indebtedness will include Indebtedness assumed, guaranteed or incurred by the Borrower and Indebtedness in respect of which the Borrower otherwise becomes liable, and

(b) each reference to full and punctual payment when due of any amount of the Loan is deemed to mean payment of such amount at the time and place and in the manner and amount that payment is required to be made by the Borrower pursuant to any agreement entered into by the Borrower in respect of the Loan, regardless of any law, decree, regulation, court order or enactment affecting same.

2.0 **REPRESENTATIONS AND WARRANTIES**

2.1 Representations and Warranties of Covenantor. The Covenantor makes the following representations and warranties to the Lender:

(a) the Covenantor is executing and delivering this agreement at the sole and exclusive request of the Borrower,

(b) the Covenantor has derived or expects to derive financial and other advantage from the Loan Indebtedness,

(c) the Covenantor has not received or relied on any representation from or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this agreement,

(d) the Borrower has furnished the Covenantor with all financial and other information and copies of all agreements and documents the Covenantor has requested concerning the Borrower, the Lands, the Loan, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk the Covenantor incurs under this agreement,

(e) the Covenantor has not received or relied on any representation by the Lender or any of its officers, employees or agents, except as specifically set out in the Loan Obligations,

(f) the Covenantor has established means satisfactory to it of obtaining from the Borrower, independently of the Lender, such other information and copies of all agreements and other writings the Covenantor deems desirable concerning the Borrower, the Lands, the Loan, the Loan Indebtedness, the Loan Obligations, the Borrower's relationship with the Lender and the nature and extent of the risk the Covenantor incurs under this agreement,

(g) the Covenantor has the full power to enter into this agreement, if the Covenantor is a corporation the directors of the Covenantor have passed a resolution now in effect which indicates that the directors of the Covenantor are of the opinion that the entering into of this agreement by the Covenantor is in the best interests of the Covenantor, and

(h) this agreement is a legal, valid and binding obligation of the Covenantor, enforceable in accordance with its terms.

3.0 **COVENANTS**

3.1 Covenants. The Covenantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

(a) in addition to and separate and distinct from its agreements in subsections 3.1(b) and (c), to guarantee to the Lender the repayment by the Borrower of the Loan Indebtedness and to guarantee to the Lender the punctual performance of all agreements and obligations of the Borrower under the Loan Obligations,

(b) in addition to and separate and distinct from its agreements in subsections 3.1(a) and (c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Borrower in respect of the Borrower's obligations under the Loan Indebtedness or the Loan Obligations, and

(c) in addition to and separate and distinct from its agreements in subsections 3.1(a) and (b), as primary obligor and not as guarantor, to pay and be responsible for the Loan Indebtedness and to adopt as its own obligations every obligation of the Borrower in respect of the Loan Indebtedness and the Loan Obligations.

3.2 Nature of Obligations of Covenantor. The Covenantor covenants and agrees with the Lender that:

(a) except as expressly set out in this agreement the obligations and liabilities of the Covenantor under this agreement will be irrevocable and will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this agreement will in any manner be prejudiced or impaired by:

(i) the dissolution, winding-up or other cessation of existence of the Borrower or the Covenantor or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Borrower or the Covenantor, the amalgamation of the Borrower or the Covenantor with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Borrower or Covenantor, any distribution of the assets of the Borrower or Covenantor on any arrangement, bankruptcy, composition, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Borrower or the Covenantor for the benefit of creditors, any other marshalling of any of the assets of the Borrower or the Covenantor or any other act or event which constitutes a novation of any obligation or liability of the Borrower in respect of the Loan, whether by substitution of the obligations or liabilities of any other person in place of those of the Borrower or otherwise,

(ii) any obligation or liability of the Borrower, whether in respect of the Loan or otherwise, the Covenantor, whether under this agreement or otherwise, or of any Other Person or any agreement or instrument evidencing any such obligation or liability at any time being unenforceable,

(iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan or for performance of any obligation of the Borrower, the Covenantor or any Other Person or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise,

(iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Borrower, whether in respect of the Loan or the Loan Indebtedness or otherwise, or against any Other Person,

(v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of the Covenantor or of any of its obligations or liabilities under this agreement or which would otherwise prejudice or impair any right of the Lender under this agreement, or

(vi) any sale, transfer, agreement to sell or other disposition of the Lands by the Borrower,

(b) the obligations and liabilities of the Covenantor under this agreement are absolute and independent of and not in consideration of or conditional on any other obligation or liability of the Covenantor or the Borrower, whether in respect of the Loan or otherwise, or any Other Person or any prior notice or protest to, demand upon or action, suit or other proceeding against the Borrower or any Other Person. The Lender may bring or prosecute a separate action, suit or other proceeding against the Covenantor whether it is brought or prosecuted against the Borrower or any Other Person or whether the Borrower or any Other Person is joined;

(c) this agreement will be binding in respect of any modification or renewal of the Loan Indebtedness by the Borrower or any subsequent owner of the Lands, whether or not the Covenantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of the Covenantor's obligations under this agreement; and

(d) any part payment by the Borrower of any of the Loan or the Loan Indebtedness or other circumstance which operates to extend any statute of limitations or law of prescription as to the Borrower will operate to extend such statute of limitations or law of prescription as to the Covenantor.

3.3 Authorizations. The Covenantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Covenantor and without in any manner affecting any obligation or liability of the Covenantor under this agreement or any security furnished to the Lender by the Covenantor in connection with the Loan or prejudicing or impairing any right of the Lender under this agreement, from time to time to:

(a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan or the Loan Indebtedness, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments,

(b) take any security for payment of the Loan or the Loan Indebtedness or for performance of any obligation of the Borrower, the Covenantor or any Other Person or the Loan Indebtedness and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion,

(c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Borrower, the Covenantor or any other person liable in respect of the Loan,

(d) grant any other indulgence to the Borrower, the Covenantor or any Other Person liable in respect of the Loan and compound with all or any of such persons as the Lender sees fit,

(e) accept payment of any Loan Indebtedness from the Borrower incurred by the Borrower after the execution of this agreement,

(f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Borrower, the Covenantor or any Other Person liable in respect of the Loan, to any Indebtedness, whether in respect of the Loan or otherwise of the Borrower, the Covenantor or any such Other Person to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines,

(g) otherwise deal with the Borrower, the Covenantor, any Other Person or the Loan Indebtedness or any security provided to the Lender by the Borrower, the Covenantor or any Other Person as the Lender deems appropriate, and

(h) impose a lien on or set off any money, security or other property of the Covenantor at any time in the possession of or on deposit with the Lender, whether held in a general or special account or on deposit or for safekeeping or otherwise, against any payment due from the Covenantor to the Lender under this agreement.

3.4 Waivers. The Covenantor unconditionally waives:

(a) any right to receive from the Lender any communication with respect to the Loan or the Loan Indebtedness or any obligation or liability of the Covenantor under this agreement, or of any Other Person liable in respect of any of the Loan or Loan Indebtedness, including, without limitation:

(i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Covenantor, whether under this agreement or otherwise, or of any Other Person, or any default by or non-observance of any obligation of the Borrower, the Covenantor or any Other Person,

(ii) any communication of any information known by the Lender relating to the financial condition of the Borrower or to any other circumstance bearing upon the risk of non-payment under the Loan, or

(iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Borrower, the Covenantor or any Other Person liable in respect of the Loan;

(b) any right to require the Lender to:

(i) proceed against the Borrower, the Covenantor or any Other Person liable in respect of the Loan, including, without limitation, any right or benefit of discussion or division,

(ii) proceed against or exhaust any security furnished to the Lender by the Borrower, the Covenantor or any Other Person,

(iii) first apply any property or assets of the Borrower or any Other Person liable in respect of the Loan to the discharge of the Loan or marshal in favour of the Covenantor, or

(iv) pursue or exercise any other right or remedy of the Lender whatsoever;

(c) any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Borrower, any Other Person or any security provided to the Lender by the Borrower or any such Other Person or any benefit of or right to participate in any such security; and

(d) any defense arising out of or in connection with:

(i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of the Covenantor in respect of the Borrower or any Other Person,

(ii) any disability, incapacity or other defense available to the Borrower or any Other Person liable in respect of the Loan Indebtedness or any cessation from any cause whatsoever of any obligation or liability of the Borrower or any Other Person in respect of the Loan Indebtedness, or

(iii) any other circumstance which might otherwise constitute a defense to any action, suit or other proceeding against the Covenantor, whether under this agreement or otherwise.

3.5 Bankruptcy, etc. In the event of any distribution of any of the assets of the Borrower, the Covenantor or any Other Person, on any arrangement, bankruptcy, composition, execution sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Borrower or any Other Person, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Borrower or any Other Person for the benefit of creditors or any other marshalling of any of the assets of any such person:

(a) no obligation or liability of the Covenantor under this agreement will be terminated or in any manner affected and no right of the Lender under this agreement will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender, and

(b) the Lender has the right to include in any claim made by it all sums paid by the Covenantor, whether under this agreement or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by the Covenantor and to receive the full amount of all dividends in respect thereof, which are hereby assigned and transferred by the Covenantor to the Lender.

4.0 SUBORDINATION

4.1 Subordination of Indebtedness. The Covenantor defers, postpones and subordinates in the manner set out in this Article all of the Indebtedness from time to time of the Borrower to the Covenantor, to all of the Loan Indebtedness and the Covenantor assigns and transfers to the Lender every right of the Covenantor relating to the Indebtedness.

4.2 Payment of Indebtedness. Any right of the Covenantor to receive any payment on account of Indebtedness of the Borrower to the Covenantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and the Covenantor shall not:

(a) commence any action, take any proceeding, collect or receive any payment upon, by set off or counterclaim or in any other manner, any of the Indebtedness of the Borrower to the Covenantor,

(b) assign, charge, mortgage, pledge, sell, transfer or otherwise encumber or give a security interest in any of the Indebtedness of the Borrower to the Covenantor,

(c) enforce or apply any security now or hereafter furnished by the Borrower to the Covenantor, or

(d) incur any Indebtedness to or receive any loan, advance or gift from the Borrower.

4.3 Payment in Trust. If any payment or distribution of assets of the Borrower is made to the Covenantor on account of the Indebtedness, to which the Covenantor would be entitled except for this Article 4, such payment or distribution will be received by the Covenantor in trust for the benefit of the Lender, and the Covenantor shall forthwith pay same to the Lender for application to any money due or owing to the Lender under the Loan Indebtedness.

5.0 **MISCELLANEOUS**

5.1 Payments. All payments required to be made by the Covenantor to the Lender under this agreement will be made at the address of the Lender set out on page one (or at any other place specified by the Lender by written notice to the Covenantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 Covenantor to Keep Informed. The Covenantor assumes responsibility for keeping itself informed of the financial condition of the Borrower and of all other circumstances bearing on the risk it incurs under this agreement.

5.3 Lender's Records. Absent manifest error, the records of the Lender as to the Loan, any Loan Indebtedness or any failure by the Borrower to make full and punctual payment when due of any of the Loan are conclusive evidence of the relevant facts without further proof.

5.4 Failure or Indulgence Not Waiver. No failure or delay by the Lender in the exercise of any power or right under this agreement constitutes a waiver thereof, nor does any exercise of any such power or right preclude any other exercise of same. Each power and right under this agreement is cumulative with, and not exclusive of, any power or right otherwise available.

5.5 Modification. No modification or waiver of this agreement is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

5.6 Entire Agreement. On the execution and delivery by the Covenantor, this agreement is deemed to be finally executed and delivered by the Covenantor to the Lender and is not subject to or affected by any condition as to the receipt by the Lender of any other security for any of the Loan or the Loan Indebtedness or as to the execution and delivery by any Other Person to the Lender of any other agreement or guarantee, nor by any promise or condition affecting the liability of the Covenantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this agreement forms part of this agreement, has induced the making of it or affects the liability of the Covenantor under it.

5.7 Severability. If any part or provision of this agreement is determined to be invalid, illegal or unenforceable, it will be severable from this agreement and the remainder of this agreement will be construed as if such invalid, illegal or unenforceable provision or part had been deleted.

5.8 Effect. This agreement is in addition to and not in substitution for any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability held by the Lender, all of which will be construed as complementary to each other. Nothing in this agreement prevents the Lender from enforcing any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability in accordance with its terms.

5.9 Assignability. The Lender may assign, grant, pledge, sell or transfer any participation in this agreement, the Loan, any of the Loan Obligations, any power, remedy or right of the Lender under this agreement, or any interest of the Lender herein or in any of the Loan or the Loan Indebtedness to any person, without notice to the Covenantor, and the obligations and liabilities of the Covenantor under this agreement exist for the benefit of each such person as well as the Lender. The benefits under this agreement and/or the Loan Obligations may be transferred or otherwise dealt with by the Lender, free from any set-off, counterclaim or other equity or claim. Upon a transferee assuming any obligation of the Lender under this agreement and/or the Loan Obligations the Lender will be released from liability for such obligation. Any information received by the Lender in respect of the Covenantor may be disclosed by the Lender to others.

5.10 Notice. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of the Covenantor and the Lender as set out on page one of this agreement as the case may be and such notice, if given by actual delivery shall be deemed received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.

5.11 Expenses, Fees and Indemnity. The Covenantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this agreement by the Covenantor to the Lender. The Covenantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by the Covenantor under this agreement.

5.12 Applicable Law. This agreement and the rights and obligations of the Covenantor and the Lender under it are governed by and construed according to the laws of British Columbia.

5.13 Interpretation. For the purposes of this agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

5.14 Time of the Essence. Time is of the essence of this agreement.

5.15 Jurisdiction. Any legal action or proceeding with respect to this agreement may be brought in the courts of British Columbia or in such other courts as the Lender in its sole discretion elects and the Covenantor irrevocably submits to each such jurisdiction.

5.16 Execution by Lender. This agreement need not be executed by the Lender to be binding on and to enure to the benefit of the Borrower and the Lender.

5.17 Counterparts. This agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document, and such will not affect the obligations of the Covenantor under this agreement.

5.18 Further Assurances. The Covenantor will promptly do all further acts and execute and deliver further documents as the Lender considers necessary or advisable to carry out the terms or intent of this agreement.

5.19 Successors and Assigns. This agreement is binding on and enures to the benefit of the Lender and the Covenantor and their executors, administrators, successors and assigns and to any person to whom the Lender may grant any participation in this agreement, the Loan or any of the Loan Obligations or any power, remedy or right of the Lender under this agreement or any of the Lender's interest herein or in the Loan Indebtedness.

5.20 Multiple Covenantor and Lender. If the Covenantor in this agreement consists of more than one party, this agreement will be read with all necessary grammatical changes and each reference to the Covenantor includes each and every such person or corporation individually. Save and except as specifically stated otherwise herein, all covenants and agreements herein of the Covenantor are the joint and several covenants and agreements of each such person or corporation. If the Lender consists of more than one party, this agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this agreement.

5.21 Financial Statements. Upon written request by the Lender and in any event within 90 days from the Covenantor's fiscal year end, each of JAMES HOLDINGS LTD. and GATLAND DEVELOPMENT CORPORATION will deliver to the Lender its up to date, current, complete financial statements, and each of THOMAS JAMES PAPPAJOHN, ANTHONY JAMES PAPPAJOHN, JOHN GEORGE JAMES PAPPAJOHN and GRAHAM THOM will deliver to the Lender his up to date, current, complete and detailed personal net worth statements. All statements shall be accountant prepared in accordance with the requirements of the Commitment Letter and in accordance with Generally Accepted Accounting Principles and shall be signed in the original.

JAMES HOLDINGS LTD. by its authorized signatory(ies):

Authorized Signatory

Authorized Signatory

GATLAND DEVELOPMENT CORPORATION by its authorized signatory(ies):

Authorized Signatory

Authorized Signatory

SIGNED, SEALED AND DELIVERED by **THOMAS JAMES PAPPAJOHN** in the presence of:

Witness Signature

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

Occupation

THOMAS JAMES PAPPAJOHN

12157084.1

SIGNED, SEALED AND DELIVERED by **ANTHONY JAMES PAPPAJOHN** in the presence of:

Witness Signature

WILFRED CHAN

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

Occupation

ANTHONY JAMES PAPPAJOHN

SIGNED, SEALED AND DELIVERED by **JOHN GEORGE JAMES PAPPAJOHN** in the presence of:

Witness Signature

WILFRED CHAN

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

Occupation

JOHN GEORGE JAMES PAPPAJOHN

SIGNED, SEALED AND DELIVERED by **GRAHAM THOM** in the presence of:

Witness Signature

WILFRED CHAN

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

Occupation

GRAHAM THOM

This is page 11 of a Covenantor Agreement dated for reference the 28th day of November, 2022, entered in by James Holdings Ltd., Gatland Development Corporation, Thomas James Pappajohn, Anthony James Pappajohn, John George James Pappajohn and Graham Thom in favour of British Columbia Housing Management Commission.

ACCEPTANCE OF SUBORDINATION

The undersigned, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), accepts and consents to the provisions of Paragraph 4.0 of the Covenantor Agreement to which this acceptance is attached and agrees to be bound by its provisions and to recognize all priorities and other rights granted to the Lender and to pay the Lender in accordance therewith.

DATED as of the date of the above mentioned Covenantor Agreement.

1061511 B.C. LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP by its General Partner, **JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.** by its authorized signatory(ies) and thereby binding upon **JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP**:

____
Authorized Signatory

____
Authorized Signatory

JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

COVENANTOR AGREEMENT

THIS AGREEMENT is dated for reference the 28th day of November, 2022.

BETWEEN:

4354 INVESTMENTS LTD. (Inc. No. BC0621513), having an office and postal address at 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

NO. 198 CATHEDRAL VENTURES LTD. (Inc. No. BC0546758), having an office and postal address at 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

5186 INVESTMENTS LTD. (Inc. No. BC0660305), having an office and postal address at 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

0993786 B.C. LTD. (Inc. No. BC0993786), having an office and postal address at 104-1525 West 8th Avenue, Vancouver, BC V6J 1T5

(collectively the "Covenantor")

AND:

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION, having an office and postal address at #1701 - 4555 Kingsway, Burnaby, British Columbia, V5H 4V8

(the "Lender")

WHEREAS:

A. 1061511 B.C. Ltd. (the "Trustee"), Jameson Broadway & Birch Limited Partnership (the "Beneficiary") and Jameson Broadway & Birch General Partner Ltd. (the "GP") (collectively the Trustee, the Beneficiary and the GP are hereinafter referred to as the "Borrower") have applied to the Lender for a loan (the "Loan") having a principal amount of $164,227,655.00, on the terms of an agreement dated November 8, 2022, as amended from time to time (the "Commitment Letter"), secured by a beneficial owner agreement (the "BOA") and a legal mortgage (the "mortgage") together the BOA and the mortgage are referred to as the "Mortgage") against the following lands and premises (the "Lands"):

Parcel Identifier: 030-417-261
Lot 1 Block 353 District Lot 526 Group 1 New Westminster District
Plan EPP81033

and an assignment of rents, an assignment of project agreements (together such assignments are referred to as the "Assignments"), an environmental indemnity agreement (the "Indemnity Agreement"), a security agreement (the "Security Agreement"), a section 219 covenant (the "Covenant") and a cost overrun and completion agreement (the "COCA") all dated for reference the 28th day of November, 2022.

B. The Covenantor has related business interests to the Borrower and has requested the Lender to provide the Loan to the Borrower and in order to do so the Lender has stipulated that the Covenantor enter into this agreement;

IN CONSIDERATION of the recitals, the Lender making the Loan to the Borrower and other valuable consideration received by the Covenantor, the receipt and adequacy of which is acknowledged by the Covenantor, the Covenantor agrees with the Lender as follows:

1.0 DEFINITIONS, INTERPRETATION

1.1 Definitions. In this agreement:

(a) "Indebtedness", in respect of any person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor,

(b) "Loan Indebtedness" means any Indebtedness from time to time of the Borrower to the Lender arising under the Loan or the Loan Obligations or any modifications or renewals of same,

(c) "Loan Obligations" means the Mortgage, Commitment Letter, Assignments, Indemnity Agreement, Security Agreement, the Covenant and the COCA, any and all covenants, indemnities and agreements contained therein and any and all modifications, extensions or renewals of same, whether such modifications, extensions or renewals are entered into by the Borrower or a subsequent owner of the Lands, and

(d) "Other Person" means any person, corporation or other entity other than the Borrower or the Covenantor at anytime liable in respect of the Loan or the Loan Indebtedness,

1.2 Interpretation. In this agreement:

(a) Indebtedness of any person will be deemed to be incurred when the Borrower assumes, incurs or otherwise becomes liable in respect of such Indebtedness, and Indebtedness will include Indebtedness assumed, guaranteed or incurred by the Borrower and Indebtedness in respect of which the Borrower otherwise becomes liable, and

(b) each reference to full and punctual payment when due of any amount of the Loan is deemed to mean payment of such amount at the time and place and in the manner and amount that payment is required to be made by the Borrower pursuant to any agreement entered into by the Borrower in respect of the Loan, regardless of any law, decree, regulation, court order or enactment affecting same.

2.0 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Covenantor. The Covenantor makes the following representations and warranties to the Lender:

(a) the Covenantor is executing and delivering this agreement at the sole and exclusive request of the Borrower,

(b) the Covenantor has derived or expects to derive financial and other advantage from the Loan Indebtedness,

(c) the Covenantor has not received or relied on any representation from or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this agreement,

(d) the Borrower has furnished the Covenantor with all financial and other information and copies of all agreements and documents the Covenantor has requested concerning the Borrower, the Lands, the Loan, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk the Covenantor incurs under this agreement,

(e) the Covenantor has not received or relied on any representation by the Lender or any of its officers, employees or agents, except as specifically set out in the Loan Obligations,

(f) the Covenantor has established means satisfactory to it of obtaining from the Borrower, independently of the Lender, such other information and copies of all agreements and other writings the Covenantor deems desirable concerning the Borrower, the Lands, the Loan, the Loan Indebtedness, the Loan Obligations, the Borrower's relationship with the Lender and the nature and extent of the risk the Covenantor incurs under this agreement,

(g) the Covenantor has the full power to enter into this agreement, if the Covenantor is a corporation the directors of the Covenantor have passed a resolution now in effect which indicates that the directors of the Covenantor are of the opinion that the entering into of this agreement by the Covenantor is in the best interests of the Covenantor, and

(h) this agreement is a legal, valid and binding obligation of the Covenantor, enforceable in accordance with its terms.

3.0 COVENANTS

3.1 Covenants. The Covenantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

(a) in addition to and separate and distinct from its agreements in subsections 3.1(b) and (c), to guarantee to the Lender the repayment by the Borrower of the Loan Indebtedness and to guarantee to the Lender the punctual performance of all agreements and obligations of the Borrower under the Loan Obligations,

(b) in addition to and separate and distinct from its agreements in subsections 3.1(a) and (c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Borrower in respect of the Borrower's obligations under the Loan Indebtedness or the Loan Obligations, and

(c) in addition to and separate and distinct from its agreements in subsections 3.1(a) and (b), as primary obligor and not as guarantor, to pay and be responsible for the Loan Indebtedness and to adopt as its own obligations every obligation of the Borrower in respect of the Loan Indebtedness and the Loan Obligations.

3.2 Nature of Obligations of Covenantor. The Covenantor covenants and agrees with the Lender that:

(a) except as expressly set out in this agreement the obligations and liabilities of the Covenantor under this agreement will be irrevocable and will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this agreement will in any manner be prejudiced or impaired by:

(i) the dissolution, winding-up or other cessation of existence of the Borrower or the Covenantor or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Borrower or the Covenantor, the amalgamation of the Borrower or the Covenantor with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Borrower or Covenantor, any distribution of the assets of the Borrower or Covenantor on any arrangement, bankruptcy, composition, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Borrower or the Covenantor for the benefit of creditors, any other marshalling of any of the assets of the Borrower or the Covenantor or any other act or event which constitutes a novation of any obligation or liability of the Borrower in respect of the Loan, whether by substitution of the obligations or liabilities of any other person in place of those of the Borrower or otherwise,

(ii) any obligation or liability of the Borrower, whether in respect of the Loan or otherwise, the Covenantor, whether under this agreement or otherwise, or of any Other Person or any agreement or instrument evidencing any such obligation or liability at any time being unenforceable,

(iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan or for performance of any obligation of the Borrower, the Covenantor or any Other Person or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise,

(iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Borrower, whether in respect of the Loan or the Loan Indebtedness or otherwise, or against any Other Person,

(v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of the Covenantor or of any of its obligations or liabilities under this agreement or which would otherwise prejudice or impair any right of the Lender under this agreement, or

(vi) any sale, transfer, agreement to sell or other disposition of the Lands by the Borrower,

(b) the obligations and liabilities of the Covenantor under this agreement are absolute and independent of and not in consideration of or conditional on any other obligation or liability of the Covenantor or the Borrower, whether in respect of the Loan or otherwise, or any Other Person or any prior notice or protest to, demand upon or action, suit or other proceeding against the Borrower or any Other Person. The Lender may bring or prosecute a separate action, suit or other proceeding against the Covenantor whether it is brought or prosecuted against the Borrower or any Other Person or whether the Borrower or any Other Person is joined;

(c) this agreement will be binding in respect of any modification or renewal of the Loan Indebtedness by the Borrower or any subsequent owner of the Lands, whether or not the Covenantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of the Covenantor's obligations under this agreement; and

(d) any part payment by the Borrower of any of the Loan or the Loan Indebtedness or other circumstance which operates to extend any statute of limitations or law of prescription as to the Borrower will operate to extend such statute of limitations or law of prescription as to the Covenantor.

3.3 Authorizations. The Covenantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Covenantor and without in any manner affecting any obligation or liability of the Covenantor under this agreement or any security furnished to the Lender by the Covenantor in connection with the Loan or prejudicing or impairing any right of the Lender under this agreement, from time to time to:

(a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan or the Loan Indebtedness, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments,

(b) take any security for payment of the Loan or the Loan Indebtedness or for performance of any obligation of the Borrower, the Covenantor or any Other Person or the Loan Indebtedness and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion,

(c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Borrower, the Covenantor or any other person liable in respect of the Loan,

(d) grant any other indulgence to the Borrower, the Covenantor or any Other Person liable in respect of the Loan and compound with all or any of such persons as the Lender sees fit;

(e) accept payment of any Loan Indebtedness from the Borrower incurred by the Borrower after the execution of this agreement,

(f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Borrower, the Covenantor or any Other Person liable in respect of the Loan, to any Indebtedness, whether in respect of the Loan or otherwise of the Borrower, the Covenantor or any such Other Person to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines,

(g) otherwise deal with the Borrower, the Covenantor, any Other Person or the Loan Indebtedness or any security provided to the Lender by the Borrower, the Covenantor or any Other Person as the Lender deems appropriate, and

(h) impose a lien on or set off any money, security or other property of the Covenantor at any time in the possession of or on deposit with the Lender, whether held in a general or special account or on deposit or for safekeeping or otherwise, against any payment due from the Covenantor to the Lender under this agreement.

3.4 Waivers. The Covenantor unconditionally waives:

(a) any right to receive from the Lender any communication with respect to the Loan or the Loan Indebtedness or any obligation or liability of the Covenantor under this agreement, or of any Other Person liable in respect of any of the Loan or Loan Indebtedness, including, without limitation:

(i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Covenantor, whether under this agreement or otherwise, or of any Other Person, or any default by or non-observance of any obligation of the Borrower, the Covenantor or any Other Person,

(ii) any communication of any information known by the Lender relating to the financial condition of the Borrower or to any other circumstance bearing upon the risk of non-payment under the Loan, or

(iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Borrower, the Covenantor or any Other Person liable in respect of the Loan;

(b) any right to require the Lender to:

(i) proceed against the Borrower, the Covenantor or any Other Person liable in respect of the Loan, including, without limitation, any right or benefit of discussion or division,

(ii) proceed against or exhaust any security furnished to the Lender by the Borrower, the Covenantor or any Other Person,

(iii) first apply any property or assets of the Borrower or any Other Person liable in respect of the Loan to the discharge of the Loan or marshal in favour of the Covenantor, or

(iv) pursue or exercise any other right or remedy of the Lender whatsoever;

(c) any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Borrower, any Other Person or any security provided to the Lender by the Borrower or any such Other Person or any benefit of or right to participate in any such security; and

(d) any defense arising out of or in connection with:

(i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of the Covenantor in respect of the Borrower or any Other Person,

(ii) any disability, incapacity or other defense available to the Borrower or any Other Person liable in respect of the Loan Indebtedness or any cessation from any cause whatsoever of any obligation or liability of the Borrower or any Other Person in respect of the Loan Indebtedness, or

(iii) any other circumstance which might otherwise constitute a defense to any action, suit or other proceeding against the Covenantor, whether under this agreement or otherwise.

3.5 Bankruptcy, etc. In the event of any distribution of any of the assets of the Borrower, the Covenantor or any Other Person, on any arrangement, bankruptcy, composition, execution sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Borrower or any Other Person, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Borrower or any Other Person for the benefit of creditors or any other marshalling of any of the assets of any such person:

(a) no obligation or liability of the Covenantor under this agreement will be terminated or in any manner affected and no right of the Lender under this agreement will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender, and

(b) the Lender has the right to include in any claim made by it all sums paid by the Covenantor, whether under this agreement or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by the Covenantor and to receive the full amount of all dividends in respect thereof, which are hereby assigned and transferred by the Covenantor to the Lender.

4.0 SUBORDINATION

4.1 Subordination of Indebtedness. The Covenantor defers, postpones and subordinates in the manner set out in this Article all of the Indebtedness from time to time of the Borrower to the Covenantor, to all of the Loan Indebtedness and the Covenantor assigns and transfers to the Lender every right of the Covenantor relating to the Indebtedness.

4.2 Payment of Indebtedness. Any right of the Covenantor to receive any payment on account of Indebtedness of the Borrower to the Covenantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and the Covenantor shall not:

(a) commence any action, take any proceeding, collect or receive any payment upon, by set off or counterclaim or in any other manner, any of the Indebtedness of the Borrower to the Covenantor,

(b) assign, charge, mortgage, pledge, sell, transfer or otherwise encumber or give a security interest in any of the Indebtedness of the Borrower to the Covenantor,

(c) enforce or apply any security now or hereafter furnished by the Borrower to the Covenantor, or

(d) incur any Indebtedness to or receive any loan, advance or gift from the Borrower.

4.3 Payment in Trust. If any payment or distribution of assets of the Borrower is made to the Covenantor on account of the Indebtedness, to which the Covenantor would be entitled except for this Article 4, such payment or distribution will be received by the Covenantor in trust for the benefit of the Lender, and the Covenantor shall forthwith pay same to the Lender for application to any money due or owing to the Lender under the Loan Indebtedness.

5.0 **MISCELLANEOUS**

5.1 Payments. All payments required to be made by the Covenantor to the Lender under this agreement will be made at the address of the Lender set out on page one (or at any other place specified by the Lender by written notice to the Covenantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 Covenantor to Keep Informed. The Covenantor assumes responsibility for keeping itself informed of the financial condition of the Borrower and of all other circumstances bearing on the risk it incurs under this agreement.

5.3 Lender's Records. Absent manifest error, the records of the Lender as to the Loan, any Loan Indebtedness or any failure by the Borrower to make full and punctual payment when due of any of the Loan are conclusive evidence of the relevant facts without further proof.

5.4 Failure or Indulgence Not Waiver. No failure or delay by the Lender in the exercise of any power or right under this agreement constitutes a waiver thereof, nor does any exercise of any such power or right preclude any other exercise of same. Each power and right under this agreement is cumulative with, and not exclusive of, any power or right otherwise available.

5.5 Modification. No modification or waiver of this agreement is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

5.6 Entire Agreement. On the execution and delivery by the Covenantor, this agreement is deemed to be finally executed and delivered by the Covenantor to the Lender and is not subject to or affected by any condition as to the receipt by the Lender of any other security for any of the Loan or the Loan Indebtedness or as to the execution and delivery by any Other Person to the Lender of any other agreement or guarantee, nor by any promise or condition affecting the liability of the Covenantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this agreement forms part of this agreement, has induced the making of it or affects the liability of the Covenantor under it.

5.7 Severability. If any part or provision of this agreement is determined to be invalid, illegal or unenforceable, it will be severable from this agreement and the remainder of this agreement will be construed as if such invalid, illegal or unenforceable provision or part had been deleted.

5.8 Effect. This agreement is in addition to and not in substitution for any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability held by the Lender, all of which will be construed as complementary to each other. Nothing in this agreement prevents the Lender from enforcing any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability in accordance with its terms.

5.9 Assignability. The Lender may assign, grant, pledge, sell or transfer any participation in this agreement, the Loan, any of the Loan Obligations, any power, remedy or right of the Lender under this agreement, or any interest of the Lender herein or in any of the Loan or the Loan Indebtedness to any person, without notice to the Covenantor, and the obligations and liabilities of the Covenantor under this agreement exist for the benefit of each such person as well as the Lender. The benefits under this agreement and/or the Loan Obligations may be transferred or otherwise dealt with by the Lender, free from any set-off, counterclaim or other equity or claim. Upon a transferee assuming any obligation of the Lender under this agreement and/or the Loan Obligations the Lender will be released from liability for such obligation. Any information received by the Lender in respect of the Covenantor may be disclosed by the Lender to others.

5.10 Notice. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of the Covenantor and the Lender as set out on page one of this agreement as the case may be and such notice, if given by actual delivery shall be deemed received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.

5.11 Expenses, Fees and Indemnity. The Covenantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this agreement by the Covenantor to the Lender. The Covenantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by the Covenantor under this agreement.

5.12 Applicable Law. This agreement and the rights and obligations of the Covenantor and the Lender under it are governed by and construed according to the laws of British Columbia.

5.13 Interpretation. For the purposes of this agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

5.14 Time of the Essence. Time is of the essence of this agreement.

5.15 Jurisdiction. Any legal action or proceeding with respect to this agreement may be brought in the courts of British Columbia or in such other courts as the Lender in its sole discretion elects and the Covenantor irrevocably submits to each such jurisdiction.

5.16 Execution by Lender. This agreement need not be executed by the Lender to be binding on and to enure to the benefit of the Borrower and the Lender.

5.17 Counterparts. This agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document, and such will not affect the obligations of the Covenantor under this agreement.

5.18 Further Assurances. The Covenantor will promptly do all further acts and execute and deliver further documents as the Lender considers necessary or advisable to carry out the terms or intent of this agreement.

5.19 Successors and Assigns. This agreement is binding on and enures to the benefit of the Lender and the Covenantor and their executors, administrators, successors and assigns and to any person to whom the Lender may grant any participation in this agreement, the Loan or any of the Loan Obligations or any power, remedy or right of the Lender under this agreement or any of the Lender's interest herein or in the Loan Indebtedness.

5.20 Multiple Covenantor and Lender. If the Covenantor in this agreement consists of more than one party, this agreement will be read with all necessary grammatical changes and each reference to the Covenantor includes each and every such person or corporation individually. Save and except as specifically stated otherwise herein, all covenants and agreements herein of the Covenantor are the joint and several covenants and agreements of each such person or corporation. If the Lender consists of more than one party, this agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this agreement.

5.21 Financial Statements. Upon written request by the Lender and in any event within 90 days from the respective Covenantor's fiscal year end, each Covenantor will deliver to the Lender its up to date, current, complete financial statements. All statements shall be accountant prepared in accordance with the requirements of the Commitment Letter and in accordance with Generally Accepted Accounting Principles and shall be signed in the original.

6.0 RECOURSE LIMITATION

If, in the course of enforcing any of its rights and remedies under this agreement and/or any agreement collateral to this agreement, (save and except the Indemnity Agreement to which the terms of this Recourse Limitation provision shall not apply) the Lender obtains a judgment against one or more of the Covenantor, the Lender agrees that it will limit its realization with respect to each of the Covenantor to the amounts specifically as set out below, and accrued interest on the date of pronouncement of such judgment plus interest on this amount calculated from the date of pronouncement of such judgment at the rate of interest set out in the Mortgage or if payment of interest at the rate set out in the Mortgage is not enforceable at law in respect of such judgment, then at such rate as may be allowed by law:

4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 0993786 B.C. Ltd.	**$123,170,741.25**

ON A JOINT OR SEVERAL BASIS

This provision shall not apply to, restrict nor limit the Lender's right to realize fully and without restriction or limitation against:

(i) any person other than the Covenantor, (including without limitation, the Borrower and any other covenantor who has granted the Lender a covenantor agreement in respect of the Loan), in respect of any covenant granted, assigned or transferred to it or any interest mortgaged, granted, assigned or transferred to it in any of the Loan Obligations,

(ii) the Covenantor in respect of any and all terms, agreements, covenants and indemnities contained in the Indemnity Agreement, nor

(iii) the Covenantor in respect of any other agreement granted by it to the Lender in connection with any other loan facility with the Lender.

4354 INVESTMENTS LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

NO. 198 CATHEDRAL VENTURES LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

5186 INVESTMENTS LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

0993786 B.C. LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

This is page 11 of a Covenantor Agreement dated for reference the 28th day of November, 2022, entered in by 4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 0993786 B.C. Ltd. in favour of British Columbia Housing Management Commission.

ACCEPTANCE OF SUBORDINATION

The undersigned, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), accepts and consents to the provisions of Paragraph 4.0 of the Covenantor Agreement to which this acceptance is attached and agrees to be bound by its provisions and to recognize all priorities and other rights granted to the Lender and to pay the Lender in accordance therewith.

DATED as of the date of the above mentioned Covenantor Agreement.

1061511 B.C. LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP by its General Partner, **JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.** by its authorized signatory(ies) and thereby binding upon **JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP**:

____
Authorized Signatory

____
Authorized Signatory

JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD. by its authorized signatory(ies):

____
Authorized Signatory

____
Authorized Signatory

This is Exhibit "......G......" referred to in the
affidavit of......Raymond Kwang..........
made before me on......July 22..........20.26...
....
A Commissioner for taking Affidavits
within British Columbia

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registration Number - "264457P"

Search Date and Time: May 23, 2025 at 10:51:44 am Pacific time
Account Name: B.C. HOUSING MANAGEMENT COMMISSION

TABLE OF CONTENTS

1 Match in 1 Registration in Report | Exact Matches: 1 (*) | Total Search Report Pages: 3

	Base Registration	Base Registration Date	Registration Type	Page
1	* 264457P	December 21, 2022	PPSA SECURITY AGREEMENT	2

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BRITISH COLUMBIA

BC Registries and Online Services

Base Registration Number: 264457P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 21, 2022 at 9:44:53 am Pacific time
Current Expiry Date and Time:	December 21, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 23, 2025 at 10:51:44 am Pacific time)

Secured Party Information

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Address

4555 KINGSWAY, STE 1701
BURNABY BC
V5H 4V8 Canada

Debtor Information

THOM, GRAHAM	**Address** 760-1040 WESTGEORGIA STREET VANCOUVER BC V6E 4H1 Canada	**Birthdate**
THOM, MICHELE L.	**Address** 760-1040 WEST GEORGIA STREET VANCOUVER BC V6E 4H1 Canada	**Birthdate**

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND FUTURE INDEBTEDNESS OF GATLAND DEVELOPMENT CORPORATION TO THE DEBTORS, OR ANY ONE OF THEM, INCLUDING WITHOUT LIMITATION, ANY AND ALL AMOUNTS DUE AND OWING, PRESENT AND FUTURE, DIRECT OR INDIRECT, ABSOLUTE AND CONTINGENT, OF GATLAND DEVELOPMENT CORPORATION TO THE DEBTORS, OR ANY ONE OF THEM, AND ALL ACCOUNTS RECEIVABLE ARISING FROM ANY OF THE ABOVE.

ALL PROCEEDS THEREOF AND THEREFROM CONSISTING OF ALL GOODS, INTANGIBLES, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, CHATTEL PAPER AND MONEY.

Original Registering Party

RICHARDS BUELL SUTTON LLP

Address

700 401 WEST GEORGIA STREET
VANCOUVER BC
V6B 5A1 Canada

This is Exhibit "....H....." referred to in the
affidavit of...Raymond Kwong........
made before me on....July 22.......2026
....
A Commissioner for taking Affidavits
within British Columbia

FORM_C_V27 (Charge)

NEW WESTMINSTER LAND TITLE OFFICE

Nov-26-2020 15:58:08.002

CA8600160 CA8600161

LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 27 PAGES

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

Wilfred Chan HZ3YY4 — Digitally signed by Wilfred Chan HZ3YY4 Date: 2020.11.26 15:02:39 -08'00'

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

DENTONS CANADA LLP
Barristers and Solicitors
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

Telephone 604-687-4460
File No. 565483-4/ Wilfred Chan (6778)
S. 219 Covenant for Housing Agreement

Document Fees: $149.74

Deduct LTSA Fees? Yes ☑

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

030-417-261 **LOT 1 BLOCK 353 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP81033**

STC? YES ☐

3. NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION

SEE SCHEDULE

4. TERMS: Part 2 of this instrument consists of (select one only)
(a) ☐ Filed Standard Charge Terms D.F. No. (b) ☑ Express Charge Terms Annexed as Part 2
A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

1061511 B.C. LTD. (INC. NO. BC1061511)
COMPUTERSHARE TRUST COMPANY OF CANADA (INC. NO. A52313) (AS TO PRIORITY)

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

CITY OF VANCOUVER

453 WEST 12TH AVENUE
VANCOUVER BRITISH COLUMBIA
V5Y 1V4 CANADA

7. ADDITIONAL OR MODIFIED TERMS:
N/A

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

Officer Signature(s)	Execution Date Y	M	D	Transferor(s) Signature(s)
WILFRED CHAN Barrister & Solicitor DENTONS CANADA LLP 20th Floor, 250 Howe Street Vancouver, BC V6C 3R8 Telephone: (604) 687-4460	20	11	12	1061511 B.C. LTD., by its authorized signatory(ies): Print Name: THOMAS PAPPAJOHN

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

LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED

Officer Signature(s)	Execution Date Y	M	D	Transferor / Borrower / Party Signature(s)
SAM GOLDER Notary Public in and for the Province of Ontario 100 University Ave., 11th Flr. Toronto, Ontario M5J 2Y1 416-263-9341	20	11	10	COMPUTERSHARE TRUST COMPANY OF CANADA, by its authorized signatory(ies): Print Name: Daniel Lee Professional, MBS Print Name: Ashvini Sivanantham Administrator, MBS
WESLEY Y.L. CHAN Barrister & Solicitor 453 West 12th Avenue Vancouver, BC V5Y 1V4	20	11	26	CITY OF VANCOUVER, by its authorized signatory: Print Name: Jeffrey M. Greenberg

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

FORM_E_V27

LAND TITLE ACT
FORM E
SCHEDULE

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Covenant		Section 219 Covenant Entire Instrument

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Priority Agreement		Granting the above charge priority over Mortgage CA4977621, as modified by CA5921618, CA6792468, CA7739445 and CA8457586 and Assignment of Rents CA4977622, as modified by CA5921619, CA6792469, CA7739446 and CA8457587

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION

TERMS OF INSTRUMENT - PART 2

HOUSING AGREEMENT AND BUILDING USE COVENANT SECURED RENTAL AND MODERATE INCOME RENTAL HOUSING

2538 BIRCH STREET

WHEREAS:

A. It is understood and agreed that this instrument and Agreement will be read as follows:

(i) the Transferor, 1061511 B.C. Ltd., is called the "**Owner**", as more particularly defined in Section 1.1; and

(ii) the Transferee, City of Vancouver, is called the "**City**" or the "**City of Vancouver**" when referring to corporate entity continued under the *Vancouver Charter*, and "**Vancouver**" when referring to geographic location;

B. The Owner is the registered owner of the Lands;

C. The Owner made an application (the "**Rezoning Application**") for a text amendment of Rezoning By-law CD-1 (708) to permit a taller mixed-use building (27 storey with a mezzanine) with approximately 258 secured rental units on the upper floors with 22 per cent of the residential floor area being secured as moderate income units under the Moderate Income Rental Housing Pilot Program, after a public hearing to consider the rezoning application, the rezoning application was approved by City Council, in principle, subject to, *inter alia,* fulfilment of the condition that, prior to enactment of the text amendment to the rezoning by-law (Rezoning By-law CD-1 (708) and the text amendment will collectively be referred to as the "**Rezoning By-law**"), the Owner make arrangements to the satisfaction of the General Manager of Planning, Urban Design and Sustainability and the Director of Legal Services to enter into a Housing Agreement by by-law enacted pursuant to Section 565.2 of the *Vancouver Charter* securing all of the residential units as secured rental housing units with at least 22 percent of the residential floor areas counted in the calculation of the floor space ratio secured as Moderate Income Rental Housing Units pursuant to Section 3.1A of the Vancouver DCL Bylaw, for the longer of 60 years and life of the New Building, and subject to other conditions set forth in the minutes of the public hearing (collectively, the "**Housing Condition**")and

D. The Owner is entering into this Agreement to satisfy the Housing Condition.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration (the receipt and sufficiency of which the parties hereby acknowledge and agree to) the Owner and the City, in satisfaction of the requirements of Section 3.1A of the Vancouver DCL By-law and pursuant to Section 565.2 of the *Vancouver Charter* and Section 219 of the *Land Title Act*, agree as follows, in respect of the use of the Lands and the New Building:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions. Terms defined in this Section 1.1, unless specifically otherwise provided in this Agreement, will have the following meanings:

(a) **"Agreement"** means this housing agreement and building use covenant, including the foregoing recitals and all schedules hereto;

(b) **"Building Permit"** means any building permit issued by the City authorizing the building of a New Building as contemplated by the Rezoning By-law and the Development Permit;

(c) **"City"** and **"City of Vancouver"** have the meaning ascribed to those terms in Recital A(ii);

(d) **"City Manager"** means the chief administrator from time to time of the City and his or her successors in function and their respective nominees;

(e) **"City Personnel"** means any and all of the elected and appointed officials, and officers, employees, agents, nominees, delegates, permittees, contractors, subcontractors and volunteers of the City;

(f) **"Development Permit"** means any development permit issued by the City authorizing the development of the Lands contemplated by the Rezoning By-law;

(g) **"Director of Legal Services"** means the chief administrator from time to time of the City's Legal Services Department and her/his successors in function and their respective nominees;

(h) **"Dwelling Unit"** has the meaning set out in the City's Zoning and Development By-law No. 3575, as amended or replaced from time to time;

(i) **"Effective Date"** means the date as of which this Agreement has been executed by all parties to it;

(j) **"Eligible Person"** means a person who:

(i) at the beginning of such person's tenancy of a Moderate Income Rental Housing Unit, together with all other Occupants of such Moderate Income Rental Housing Unit, have an aggregate annual household Income that is less than or equal to four (4) times the annual rent of such Moderate Income Rental Housing Unit;

(ii) thereafter throughout such person's tenancy of a Moderate Income Rental Housing Unit, together with all other Occupants of such Moderate Income Rental Housing Unit, have an aggregate annual household Income that is less than or equal to five (5) times the annual rent of such Moderate Income Rental Housing Unit; and

(iii) throughout such person's tenancy of a Moderate Income Rental Housing Unit, will:

(A) not permit such Moderate Income Rental Housing Unit to be occupied by a person or persons other than those persons identified in the Tenancy Agreement for more than 60 consecutive days or more than 90 days in total in any calendar year, without the prior written consent of the Owner;

(B) not permit such Moderate Income Rental Housing Unit to be occupied by a total number of Occupants less than the total number of bedrooms therein;

(C) occupy such Moderate Income Rental Housing Unit as his or her Principal Residence and not permit any Occupant to occupy such Moderate Income Rental Housing Unit unless such Moderate Income Rental Housing Unit is the Occupant's Principal Residence;

(D) not permit such Moderate Income Rental Housing Unit to be vacant for a period of six months or longer, cumulatively within a calendar year, without the prior written consent of the Owner; and

(E) not sublet such Moderate Income Rental Housing Unit or assign the Tenancy Agreement in whole or in part;

(k) "**Floor Space Ratio**" means the figure obtained when the area of the floors of the New Building is divided by the area of the Lands;

(l) "**For-Profit Affordable Rental Housing**" means multiple Dwelling Units within a building for use as Rental Housing which meets the requirements of Section 3.1A of the Vancouver DCL By-law to be "for-profit affordable rental housing" (as defined therein), but does not include alterations of or extensions to those Dwelling Units;

(m) "**For-Profit Affordable Rental Housing Units**" has the meaning ascribed to that term in Section 2.1(c) and "**For-Profit Affordable Rental Housing Unit**" means any one of such units;

(n) "**General Manager of Planning, Urban Design and Sustainability**" means the person appointed from time to time as the City's General Manager of Planning, Urban Design and Sustainability and his/her successors in function and delegatees and their respective nominees;

(o) "**Income**" of an Occupant means the total annual world-wide income before income tax from all sources of the Occupant and includes without limitation, the following income sources:

(i) income assistance;

(ii) employment, including regular overtime, vacation pay and gratuities;

(iii) self-employment, including commission sales;

(iv) seasonal employment;

(v) Employment Insurance and WorkSafe BC insurance;

(vi) training allowances;

(vii) income from the Resettlement Assistance Program;

(viii) child support, maintenance payments or support from family/ friends/ community;

(ix) rental income from real estate or dividends from stocks or bonds, if the real monthly Income is greater than the imputed Income from the Asset; and

(x) pension incomes including:

(A) old Age Security, Guaranteed Income Supplement, Allowance, and Allowance for the Survivor (formerly Spousal Allowance);

(B) senior's supplement;

(C) private pension plans including Registered Retirement Income Funds;

(D) Canada Pension Plan, including retirement, disability, orphans, widows, disability for child, etc.

(E) War Veteran's Allowance and Disability Pension from Veteran's Affairs Canada (included for calculations with an effective date prior to January, 2013); and

(F) foreign pensions,

but does not include:

(xi) earnings of dependent children aged 18 and under (regardless of student status);

(xii) student loans, equalization payments, student grants and scholarships;

(xiii) taxable benefits, including living out or travel allowances, medical coverage, uniform allowance, etc.;

(xiv) Shelter Aid for Elderly Renters and Rental Assistance Program payments;

(xv) Canada Child Tax Benefits, including the National Child Benefit Supplement, Child Disability Benefit, BC Family Bonus, and BC Earned Income Benefit;

(xvi) Universal Child Care Benefits;

(xvii) BC Childcare Subsidy;

(xviii) income from foster parenting;

(xix) Child in Home of Relative and Extended Family Program;

(xx) income from approved live-in care givers;

(xxi) GST and Income Tax rebates; and

(xxii) War Veteran's Allowance and Disability Pension from Veteran's Affairs Canada;

(p) "***Land Title Act***" means the *Land Title Act*, R.S.B.C. 1996, c. 250, and all amendments thereto and re-enactments thereof;

(q) "**Lands**" means the parcel of land situate in Vancouver, British Columbia, and legally described in Item 2 of the Form C - General Instrument – Part 1, and includes any parcels into which such land is consolidated or further subdivided;

(r) "**Losses**" means any and all damages, losses, fines, penalties, costs (including legal costs on a solicitor and own client basis), actions, causes of action, claims, demands, judgements, builders liens, liabilities, indirect or consequential damages (including loss of profit and loss of use and damages arising out of delays) and expenses of every nature or kind whatsoever;

(s) "**Moderate Income Rental Housing**" means a portion of the For-Profit Affordable Rental Housing in a building that is comprised of at least 22% of the residential floor area that is counted in the calculation of the floor space ratio consisting of Dwelling Units with average rents per unit type that meet the requirements of Section 2.1(p) of this Agreement, are made available for rent only to Eligible Persons in accordance with this Agreement and comply with the Moderate Income Rental Housing Pilot Program;

(t) "**Moderate Income Rental Housing Pilot Program**" means the pilot program adopted by City Council on November 28, 2017, as amended on December 5, 2017, May 4 ,2018 and November 26, 2019, which pilot program provides for, *inter alia*, the process, project requirements and available incentives for the development of new buildings where 100% of the residential floor area is secured rental housing and at least 20% of the residential floor area that is counted in the calculation of the floor space ratio is made available to moderate income households;

(u) "**Moderate Income Rental Housing Report**" means a notarized annual report prepared by the Owner and delivered to the City providing information regarding each of the Moderate Income Rental Housing Units, including but not limited to the following:

(i) unit number for the Moderate Income Rental Housing Unit;

(ii) monthly rent rate;

(iii) aggregate household Income of the Occupants;

(iv) number of Occupants residing therein;

(v) number of bedrooms contained therein;

(vi) length of occupancy of the current Tenant; and

(vii) the results of the verification conducted by the Owner pursuant to Section 2.1(g); and

such report shall not include the names or information of any Tenants or Occupants and shall otherwise be satisfactory to the General Manager of Planning, Urban Design and Sustainability in form and substance;

(v) "**Moderate Income Rental Housing Units**" has the meaning ascribed to that term in Section 2.1(c) and "**Moderate Income Rental Housing Unit**" means any one of such units;

(w) "**New Building**" means any new building or structure to be built on the Lands as contemplated by the Development Permit, and includes any portion of any such building or structure, but does not include temporary buildings or structures on the Lands during the period of, and required for the purposes of, any construction contemplated by the Development Permit;

(x) "**Occupancy Permit**" means a permit issued by the City authorizing the use and occupation of any New Building, development or partial development on the Lands issued after the Effective Date;

(y) "**Occupants**" means persons for whom a Rental Housing Unit serves as their principal residence and an "**Occupant**" means any one of them, as the context requires;

(z) "**Owner**" means the registered owner of the Lands as of the Effective Date, namely, 1196908 B.C. Ltd., and its successors and permitted assigns;

(aa) "***Personal Information Protection Act***" means the *Personal Information Protection Act*, S.B.C. 2003, c.63, and all amendments thereto and re-enactments thereof;

(bb) "**Principal Residence**" means the usual place where an individual lives, makes his or her home and conducts his or her daily affairs, including, without limitation, paying bills and receiving mail, and is generally the residential address used on documentation related to billing, identification, taxation and insurance purposes, including, without limitation, income tax returns, Medical Services Plan documentation, driver's licenses, personal identification, vehicle registration and utility bills and, for the purposes of this agreement, a person may only have one principal residence;

(cc) "**Related Person**" means, where the registered or beneficial owner of the Rental Housing Units is:

(i) a corporation (as that term is defined in the *Business Corporations Act*, S.B.C. 2002, c.57, then a Related Person is:

(A) an officer, director or shareholder of such Owner or of another entity which is a shareholder of such Owner; or

(B) the spouse, parent, child, sibling, niece or nephew of any such officer, director or shareholder; and

(ii) an individual, then a Related Person is the spouse, parent, child, sibling, niece or nephew of such individual;

(dd) "**Rental Housing**" means a Dwelling Unit which is not occupied by the registered or beneficial owner of the same or by a Related Person, but which is made available by such owner to the general public, at arm's length, for use as rental accommodation on a month-to-month basis or longer in accordance with this Agreement, reasonably prudent landlord-tenant practices for rental residential accommodation and any and all laws applicable thereto, including, without limitation, residential tenancy and human rights legislation in British Columbia;

(ee) "**Replacement For-Profit Affordable Rental Housing Units**" has the meaning ascribed to that term in Section 2.1(c) and "**Replacement For-Profit Affordable Rental Housing Unit**" means one such unit;

(ff) "**Replacement Moderate Income Rental Housing Units**" has the meaning ascribed to that term in Section 2.1(c) and "**Replacement Moderate Income Rental Housing Unit**" means one such unit;

(gg) "***Residential Tenancy Act***" means the *Residential Tenancy Act* S.B.C. 2002, c. 78 and all amendments thereto and re-enactments thereof;

(hh) "***Residential Tenancy Regulation***" means the *Residential Tenancy Regulation*, B.C. Reg. 477/2003 and all amendments thereto and re-enactments thereof;

(ii) "**Rezoning Application**" has the meaning ascribed to that term in Recital C;

(jj) "**Rezoning By-law**" has the meaning ascribed to that term in Recital C;

(kk) "**Statement of Moderate Income Rental Housing Unit Eligibility**" means a notarized statement, prepared by the Owner and delivered to the City, that states the following in respect of a Moderate Income Rental Housing Unit:

(i) confirmation that, to the best of the Owner's knowledge, the Tenant of such Moderate Income Rental Housing Unit is an Eligible Person;

(ii) description of all of the actions and procedures that the Owner has undertaken to verify that the Tenant of such Moderate Income Rental Housing Unit is an Eligible Person; and

(iii) such other information regarding such Moderate Income Rental Housing Unit and its Occupants as the General Manager of Planning, Urban Design and Sustainability may otherwise require;

provided that such statement shall not include the names or information of any Tenants or Occupants and shall otherwise be satisfactory to the General Manager of Planning, Urban Design and Sustainability in form and substance;

(ll) "**Tenancy Agreement**" means a tenancy agreement, lease, licence or other agreement granting rights to occupy a Moderate Income Rental Housing Unit;

(mm) "**Tenant**" means an Eligible Person who is a tenant of a Moderate Income Rental Housing Unit by way of a Tenancy Agreement;

(nn) "**Term**" means the term of this Agreement, which will commence on the Effective Date and will end on the later of:

(i) the 60 year anniversary of the issuance of the final Occupancy Permit for the New Building; and

(ii) the date as of which the New Building is demolished or substantially destroyed;

(oo) "**Vancouver**" has the meaning ascribed to that term in Recital A(ii);

(pp) "***Vancouver Charter***" means the *Vancouver Charter* S.B.C. 1953, c. 55, and all amendments thereto and re-enactments thereof; and

(qq) "**Vancouver DCL By-law**" means the City's Vancouver Development Cost Levy By-law No. 9755, and all amendments thereto and re-enactments thereof.

1.2 Interpretation. In this Agreement:

(a) Party. Any reference to a party herein will be deemed to include the heirs, executors, administrators, successors, assigns, employees, servants, agents, officers, contractors, licensees and invitees of such parties wherever the context so permits or requires.

(b) Singular; Gender. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed to mean the plural or the feminine or body corporate or politic, and vice versa, as the context or the parties so require.

(c) Captions and Headings. The captions and headings appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any of the provisions hereof.

(d) References. References to the or this "**Agreement**" and the words "**hereof**" "**herein**" and similar words refer to this Agreement as a whole and not to any section or subsection or other subdivision hereof and any reference in this

Agreement to a designated Recital, Section, subsection or other subdivision is a reference to the designated Recital, Section, subsection or subdivision hereof.

(e) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia.

(f) Legislation. Any reference to a statute or by-law includes and is a reference to such statute or by-law and to the regulations made pursuant thereto in force on the Effective Date, with all amendments made thereto and as in force from time to time, and to any statute, by-law and regulations that may be passed which have the effect of supplementing or superseding such statutes, by-laws and regulations.

(g) Time. Time will be of the essence of this Agreement and each part of it. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party(ies). If a time is specified in this Agreement for observing or performing any obligation, such time will be local Vancouver, British Columbia time.

ARTICLE 2
RESTRICTIONS ON USE OF LANDS AND SUBDIVISION

2.1 The Owner covenants and agrees with the City, in respect of the use of the Lands and the construction and use of the New Building, that throughout the Term:

(a) the Lands, New Building and the For-Profit Affordable Rental Housing Units (including the Moderate Income Rental Housing Units) will not be used in any way that is inconsistent with the terms of this Agreement;

(b) at its sole cost and expense, it will construct, fit and finish the New Building, including the For-Profit Affordable Rental Housing Units (including the Moderate Income Rental Housing Units) any amenities and parking spaces, in accordance with this Agreement, the Rezoning By-law, the Development Permit, the Building Permit and all applicable City by-laws and policies, all to the satisfaction of the City;

(c) all of the Dwelling Units in the New Building will be used only for the purpose of providing For-Profit Affordable Rental Housing (the "**For-Profit Affordable Rental Housing Units**"), provided that the For-Profit Affordable Rental Housing Units comprising not less than twenty-two (22) percent of the residential floor areas that are counted in the calculation of the Floor Space Ratio of the New Building will be used only for the purpose of providing Moderate Income Rental Housing (the "**Moderate Income Rental Housing Units**"), all in accordance with the terms of this Agreement, the Rezoning By-law, the Development Permit, the Building Permit and all applicable City by-laws and policies and if the New Building is damaged, destroyed or demolished before the 60 year anniversary of the issuance of the final Occupancy Permit for the New Building, then it will promptly take all steps reasonably necessary to enable it to repair the New Building or build a replacement building or buildings on the Lands, which repaired or replacement building(s) built on the Lands (together with any remaining undestroyed or undemolished building) will also contain not less than the same number and type of replacement Dwelling Units as the New Building formerly contained, which replacement Dwelling Units during the remainder of the Term, will also be used only for the purpose of providing For-Profit Affordable Rental Housing (such replacement Dwelling Units hereinafter referred to as a "**Replacement For-Profit Affordable Rental Housing Units**") and Moderate Income Rental Housing (such replacement Dwelling Units hereinafter referred to as a "**Replacement Moderate Income Rental Housing Units**") respectively, in the same percentages as set out in this Section and in accordance with the terms of this Agreement and the applicable by-laws of the City and such Replacement For-Profit Affordable Rental Housing Units and Replacement Moderate Income Rental Housing Units will be subject, for the remaining duration of the Term, to the same use restrictions, respectively, as the For-Profit Affordable Rental Housing Units and the Moderate Income Rental Housing Units are pursuant to this Agreement;

(d) not less than:

(i) 35% of the For-Profit Affordable Rental Housing Units; and

(ii) 35% of the Moderate Income Rental Housing Units;

will have two or more bedrooms;

(e) each of the Moderate Income Rental Housing Units shall not be rented, leased, licenced, used or otherwise permitted to be occupied unless it is rented, leased, licenced, used to or occupied by an Eligible Person and except in accordance with the following conditions:

(i) each Moderate Income Rental Housing Unit shall be rented only pursuant to a Tenancy Agreement, which Tenancy Agreement shall include a copy of this Agreement;

(ii) each Moderate Income Rental Housing Unit shall be rented for a monthly rent not exceeding the rent permitted to that type of Moderate Income Housing Unit, as described in Section 2.1(p);

(iii) each Moderate Income Rental Housing Unit shall be occupied only by an Eligible Person who is occupying such Moderate Income Rental Housing Unit as his or her Principal Residence and the Principal Residence of such other Occupants of the Eligible Person's household as specified in the Tenancy Agreement between the Owner and the Eligible Person for the rental thereof;

(iv) each Moderate Income Rental Housing Unit shall have at least one Occupant per bedroom thereof;

(v) each Tenancy Agreement shall include:

(A) a clause requiring the Tenant and each permitted Occupant of the respective Moderate Income Rental Housing Unit to comply with this Agreement;

(B) the names of all Occupants of the respective Moderate Income Rental Housing Unit;

(C) a term that is either on a month-to-month basis or for a fixed term of less than six (6) months;

(D) one or more clauses providing that the Tenant acknowledges and agrees that, among other terms, the following are material terms of the Tenancy Agreement:

I. the Tenant is and remains an Eligible Person at all times during the term of the Tenancy Agreement;

II. any person not identified in the Tenancy Agreement shall not reside at the Moderate Income Rental Housing Unit for more than 60 consecutive days or more than 90 days total in any calendar year, unless the Tenant receives prior written consent from the Owner;

III. the Moderate Income Rental Housing Unit will have at least one Occupant per bedroom thereof;

IV. the Moderate Income Rental Housing Unit will not be vacant for six months or longer, cumulatively, within a calendar year, without the prior written consent of the Owner;

V. the Moderate Income Rental Housing Unit will at all times during the term of the Tenancy Agreement be the Principal Residence of the Tenant and the other Occupants in the Tenant's household as specified in the Tenancy Agreement; and

VI. the Tenant will not sublease the Moderate Income Rental Unit or assign the Tenancy Agreement in whole or in part; and

(E) a clause:

I. wherein the Tenant consents to the collection, use and retention by the Owner and disclosure to the City of information, documentation and evidence described in Section 2.1(g); and

II. requiring the Tenant to deliver to the Owner the information, documentation and evidence described in Section 2.1(g)(ii) every five (5) years following the date on which the Tenant first occupies the Moderate Income Rental Housing Unit,

unless otherwise permitted by the General Manager of Planning, Urban Design and Sustainability in his or her sole discretion; and

(vi) subject to any contrary provisions in the *Residential Tenancy Act*, as determined to be contrary by a ruling or decision of any judicial body having jurisdiction, if the Tenant is in breach of any of the material terms described in Section 2.1(e)(v)(D), the Owner will take all necessary steps to end the tenancy of the Tenant in the respective Moderate Income Rental Housing Unit, which steps will include:

(A) providing the Tenant with a written notice specifying the breach forthwith upon the Owner becoming aware of any breach;

(B) providing the Tenant with a reasonable time to remedy the breach after such written notice has been provided;

(C) if the Tenant does not remedy the breach within the time specified in Section 2.1(e)(vi)(B), providing the Tenant with a written notice of termination of the Tenancy Agreement that will be effective two (2) months, except in respect of a breach of the material terms specified in Sections 2.1(e)(v)(D)I to 2.1(e)(v)(D)III in which case the termination will be effective six (6) months, following the date that the Owner has delivered such written termination notice to the Tenant; and

(D) causing all Occupants of the respective Moderate Income Rental Housing Unit to vacate the Moderate Income Rental Housing Unit upon the effective date of termination;

(f) if the Owner has terminated a Tenancy Agreement for the reasons specified in Sections 2.1(e)(v)(D)I to 2.1(e)(v)(D)III, the Owner shall offer another For-Profit Affordable Rental Housing Unit for rent to the former Tenant, subject to availability for rental of For-Profit Affordable Rental Housing Units and eligibility of the former Tenant in respect of other Moderate Income Rental Housing Units;

(g) in connection with Section 2.1(e), throughout the Term, the Owner shall:

(i) prior to renting a Moderate Income Rental Housing Unit to a prospective tenant, or upon the change of any Occupants residing within a Moderate Income Rental Housing Unit from the Occupants listed in the Tenancy Agreement, verify, by obtaining all information, documentation or evidence necessary or such other information, documentation or evidence that the General Manager of Planning, Urban Design and Sustainability may deem necessary, that such prospective tenant is an Eligible Person and that there will be at least one Occupant per bedroom for such Moderate Income Rental Housing Unit upon occupancy; and

(ii) not less than once every five (5) years after the date on which a Moderate Income Rental Housing Unit was rented to a Tenant, verify, by all information, documentation or evidence necessary or such other information, documentation or evidence that the General Manager of Planning, Urban Design and Sustainability may deem necessary, that such prospective tenant is an Eligible Person and that such Moderate Income Rental Housing Unit continues to have at least one Occupant per bedroom;

(h) the Owner will not rent, licence to use or sublet, nor will it allow to be rented, licenced to use or sublet, any For-Profit Affordable Rental Housing Unit for a term of less than one month at a time;

(i) except by way of a tenancy agreement to which the *Residential Tenancy Act* applies, it will not suffer, cause or permit, beneficial or registered title to any For-Profit Affordable Rental Housing Unit to be sold or otherwise transferred unless title to every one of the For-Profit Affordable Rental Housing Unit is sold or otherwise transferred together and as a block to the same legal and beneficial owner, as applicable, and subject to Section 9.9;

(j) the Owner will not suffer, cause or permit, the Lands or the New Building (or any replacement building(s) on the Lands, as applicable) or any part thereof, to be subdivided, whether by subdivision plan, strata plan or otherwise, without the prior written consent of the Director of Legal Services which consent may be arbitrarily withheld;

(k) any sale of any For-Profit Affordable Rental Housing Unit in contravention of the covenant in Section 2.1(i), and any subdivision of the Lands or the New Building (or any replacement building(s) on the Lands, as applicable) or any part thereof, in contravention of the covenant in Section 2.1(j), will in each case be of no force or effect, and the City will be entitled to the cancellation of the registration of any offending transfer of title or plan, as the case may be, at the Owner's expense;

(l) the Owner will keep and maintain the New Building, the For-Profit Affordable Rental Housing Units and all parts thereof in good repair and in a safe, clean, neat and tidy condition, to the standard of a reasonable and prudent owner of similar buildings;

(m) if the New Building, the For-Profit Affordable Rental Housing Units or any part thereof, are damaged it will promptly restore and repair the same whenever and as often as damage occurs, to at least as good a state and condition as existed before such damage occurred reasonable wear and tear excepted;

(n) the Owner will insure, or cause to be insured the New Building to the full replacement cost against perils normally insured against in Vancouver by reasonable and prudent owners of similar buildings and lands;

(o) the average size of the For-Profit Affordable Rental Housing Units will be at or below the following sizes:

UNIT TYPE	AVERAGE SIZE (APARTMENT)	AVERAGE SIZE (TOWNHOUSE)
Studio	42 square metres	N/A
1 Bedroom	56 square metres	56 square metres
2 Bedrooms	77 square metres	90 square metres
3 Bedrooms	97 square metres	112 square metres
4 Bedrooms	N/A	125 square metres

except that the floor area used for stairways within the townhouse units of two or more storeys is excluded from the calculation of maximum unit size;

(p) with respect to the Moderate Income Rental Housing Units:

(i) the average initial starting monthly rents for each unit type will be at or below the following amounts:

UNIT TYPE	AVERAGE MONTHLY STARTING RENTS
Studio	$950
1 Bedroom	$1,200
2 Bedrooms	$1,600
3 Bedrooms	$2,000

(ii) the rents to be charged by the Owner to the first Tenants of each of the Moderate Income Housing Rental Units in the New Building following issuance of the Occupancy Permit are as set forth in the rent roll attached hereto as Schedule A, and

the Owner shall not increase the monthly rents for any of the Moderate Income Rental Housing Units, except for annual increases in monthly rent following the issuance of an Occupancy Permit by an amount not to exceed the annual allowable increase in rent permitted under the provisions of the *Residential Tenancy Act* and the *Residential Tenancy Regulation*, which as of the date of this Agreement, are Section 43(1) (a) of the *Residential Tenancy Act* and Section 22 of the *Residential Tenancy Regulation*, respectively (as each such section may be amended or replaced from time to time) and for clarity, the Owner shall not increase the rent for a Moderate Income Rental Housing Unit in any other circumstance, including but not limited to, any change in tenancy or occupancy of a Moderate Income Rental Housing Unit.

ARTICLE 3
DEVELOPMENT PERMIT RESTRICTION ON THE LANDS

3.1 The Owner covenants and agrees with the City in respect of the use of the Lands and the New Building, that:

(a) the Lands and the New Building will not be used or occupied except as follows:

(i) the Owner will not apply for any Development Permit, and will take no action, directly or indirectly, to compel the issuance of any Development Permit, until such time as the Owner has delivered a rent roll to, and to the satisfaction of, the General Manager of Planning, Urban Design and Sustainability confirming the rents proposed to be charged to the first tenants of the Moderate Income Rental Housing Units following issuance of the Occupancy Permit, and the unit type mix and size, which rents, unit type mix and size shall comply with those applicable to the Moderate Income Rental Housing Units when the Development Permit is issued; and

(ii) the City will be under no obligation to issue any Development Permit until such time as the Owner has complied with Section 3.1(a)(i); and

(b) without limiting the general scope of Article 6, the Owner does hereby waive, remise and release absolutely any and all claims against the City and City Personnel for any Losses that may derive from the withholding of a Development Permit until there is compliance with the provisions of this Article 3.

ARTICLE 4
OCCUPANCY RESTRICTION ON THE LANDS

4.1 The Owner covenants and agrees with the City in respect of the use of the Lands and the New Building, that:

(a) the Lands and the New Building will not be used or occupied except as follows:

(i) the Owner will not apply for any Occupancy Permit in respect of, and will not suffer or permit the occupation of, the New Building and will take no action, directly or indirectly, to compel the issuance of any Occupancy Permit until such time as the Owner has delivered, to the satisfaction of the General Manager of Planning, Urban Design and Sustainability:

(A) a final rent roll confirming the rents to be charged to the first tenants of the Moderate Income Rental Housing Units following issuance of the Occupancy Permit on either a per unit or a per square foot basis, and the unit type mix and size, which rents, unit type mix and size shall comply with those applicable to the Moderate Income Rental Housing Units; and

(B) proof of the insurance, consistent with the requirements of Section 2.1(n), is in force and effect, in form and substance satisfactory to the City;

(ii) the City will be under no obligation to issue any Occupancy Permit, notwithstanding completion of construction of the New Building until such time as the Owner has complied with Section 4.1(a)(i); and

(b) without limiting the general scope of Article 6, the Owner does hereby waive, remise and release absolutely any and all claims against the City and City Personnel for any Losses that may derive from the withholding of an Occupancy Permit until there is compliance with the provisions of this Article 4.

ARTICLE 5
RECORD KEEPING

5.1 The Owner will keep accurate records pertaining to the use, occupancy and rental rates charged of/for the Moderate Income Rental Housing Units, such records to be to the satisfaction of the General Manager of Planning, Urban Design and Sustainability. The Owner will:

(a) on each anniversary of the date of issuance of the first Occupancy Permit for any portion of the New Building or at the request of the City, provide an updated Moderate Income Rental Housing Report to the General Manager of Planning, Urban Design and Sustainability;

(b) within ninety (90) days of:

(i) a change in any Occupant of a Moderate Income Rental Housing Unit;

(ii) the date that is the fifth anniversary of the date on which a Moderate Income Rental Housing Unit was rented to a Tenant and every five (5) years thereafter; and

(iii) at the request of the General Manager of Planning, Urban Design and Sustainability, from time to time,

complete and deliver to the City a Statement of Moderate Income Rental Housing Unit Eligibility in respect of such Moderate Income Rental Housing Unit;

(c) at the request of the General Manager of Planning, Urban Design and Sustainability, from time to time:

(i) make such records available for audit, inspection and copying by City staff, subject to applicable restrictions in any tenancy, privacy and other laws which place limitations on such disclosure; and

(ii) provide evidence of the insurance required to be taken out pursuant to Section 2.1(n); and

(d) comply with the *Personal Information Protection Act* in collecting, using, retaining and disclosing the information of any person, Tenant or Occupant pursuant to its obligations under this Agreement and any Tenancy Agreement.

ARTICLE 6
ENFORCEMENT

6.1 This Agreement may be enforced by mandatory and prohibitory orders of the court. In any action to enforce this Agreement if the City is entitled to court costs, it shall be entitled to court costs on a solicitor and own client basis.

ARTICLE 7
RELEASE AND INDEMNITY

7.1 Release and Indemnity. Subject to Section 7.2, the Owner hereby:

(a) will not make any claims against the City or City Personnel and releases and discharges the City and all City Personnel from and against all Losses which may arise or accrue to the Owner in connection with this Agreement, including without limitation:

(i) by reason of the City or City Personnel:

A. reviewing, accepting or approving the design, specifications, materials and methods for construction of the New Building or any part thereof;

B. performing any work in accordance with the terms of this Agreement or requiring the Owner to perform any work pursuant to this Agreement

C. withholding any permit pursuant to this Agreement; or

D. exercising any of its rights under any Section 219 covenant, *Vancouver Charter* Section 562.2 housing agreement or other right granted to the City pursuant to this Agreement; or

(ii) that otherwise arise out of, or would not have been incurred but for this Agreement;

whether or not such Losses are the result of, or relate in any way to any negligent acts or omissions on the part of the City or the City Personnel; and

(b) covenants and agrees to indemnify and save harmless the City and City Personnel, from and against all Losses which may arise or accrue to any person, firm or corporation against the City or any City Personnel or which the City or any City Personnel may pay, incur, sustain or be put to, by reason of or which could not have been sustained "but for" any of the following:

(i) this Agreement;

(ii) the City or City Personnel:

A. reviewing, accepting or approving the design, specifications, materials and methods for construction of the New Building or any part thereof;

B. withholding any permit pursuant to this Agreement;

C. performing any work in accordance with the terms of this Agreement or requiring the Owner to perform any work pursuant to this Agreement; or

D. exercising any of its rights under any Section 219 covenant, *Vancouver Charter* Section 562.2 housing agreement or other right granted to the City pursuant to this Agreement; or

(iii) any negligent act or omission or wilful misconduct of the Owner or any of the Owner's Personnel in connection with the observance and performance of the obligations of the Owner under this Agreement; or

(iv) any default in the due observance and performance of the obligations and responsibilities of the Owner under this Agreement;

whether or not such Losses are the result of, or relate in any way to any negligent acts or omissions on the part of the City or the City Personnel.

The indemnities in this Article 6 will be both personal covenants of the Owner and integral parts of the Section 219 covenants granted in this Agreement.

7.2 <u>Conduct of Proceedings</u>.

(a) In the event that a claim is made against the City which, pursuant to the terms of this Agreement, requires the Owner to indemnify the City or City Personnel, then the City will give notice of such claim to the Owner and, subject to Section 7.2(b), the Owner will have the right, upon written notice to the City, to conduct the proceedings in defence of the claim.

(b) Section 7.2(a) will not apply and the City will have the right to conduct the defence of any claim described in Section 7.2(a) in the following circumstances:

(i) where the City Manager determines that the proper administration of the municipal government requires that decisions with respect to the claim be made by the City;

(ii) where the City Manager determines that the public interest requires that the matter be resolved in an open and public way; or

(iii) where, in the opinion of the City Manager, the claim is of a nature where decisions with respect to settling or defending it would create a precedent with respect to other existing or potential claims affecting or involving the City;

provided however that if the City wishes to settle any claim, the City will not do so without the prior consent of the Owner, which consent will not be unreasonably withheld. In conducting any defence or making any settlement, the City will act in a manner reasonably consistent with the manner in which the City would act in connection with the defence or settlement of claims, suits, demands, actions or proceedings which would not be indemnified against under the provisions of this Section 7.2(b); and

(c) Regardless of whether the claim is being defended under Section 7.2(a) or Section 7.2(b), the party having conduct of the proceedings will, upon written request of the other party, provide to the other party all information in its possession relating to the proceedings which may be properly disclosed at law. If the party not having conduct of the proceedings so requests in writing in a timely fashion, the party having conduct of the proceedings will join the other party as a third party to the proceedings.

7.3 Survival of Release and Indemnities. The release and indemnities in this Article 6 will remain effective, and survive any modification of, or partial release or release of the covenants created by this Agreement, and any termination of this Agreement, whether by fulfilment of the covenants contained in this Agreement or otherwise.

ARTICLE 8
NOTICES

8.1 All notices, demands or requests of any kind which one party may be required or permitted to give to the other in connection with this Agreement, will be in writing and will be given by registered mail or personal delivery, addressed as set forth below. Any such notice, demand or request will be deemed given:

(a) if made by registered mail, on the earlier of the day receipt is acknowledged by the addressee or the third day after it was mailed, except when there is a postal service disruption during such period, in which case delivery will be deemed to be completed upon actual delivery of the notice, demand or request; and

(b) if personally delivered, on the date when delivered.

If to the City, addressed to:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4

Attention: General Manager of Planning, Urban Design and Sustainability with a concurrent copy to the Director of Legal Services

If to the Owner, addressed to:

1061511 B.C. Ltd.
670 – 1665 West Broadway

Vancouver, British Columbia
V6J 1X1

Attention: President

or to such other address in Canada as either party may specify in writing to the other party in the manner described above, provided that if and when the owner of the Land or any part thereof should change, in the absence of any such specification, then to the address as set out in the State of Title Certificate for that particular parcel of land.

ARTICLE 9
MISCELLANEOUS

9.1 Agreement Runs With the Lands. The covenants and agreements set forth herein on the part of the Owner will be covenants the burden of which will run with and will bind the Lands and will attach thereto. Upon the sale or transfer of any legal or beneficial interest in the Lands and/or the New Building or any part thereof in accordance with the provisions of Section 9.9, the parties agree that the covenants and agreements herein contained shall only be binding upon the transferring party in respect of a breach or acts or omissions occurring during its ownership.

9.2 Agreement to be a First Charge. The Owner agrees to cause, at its sole cost and expense, the registrable interests in land expressly agreed to be granted pursuant to this Agreement to be registered as first registered charges against the Lands, save only for any reservations, liens, charges or encumbrances:

(a) contained in any grant from Her Majesty the Queen in Right of the Province of British Columbia respecting the Lands;

(b) registered against any of the titles to the Lands at the instance of the City, whether in favour of the City or otherwise, as a condition of any rezoning or any Development Permit; and

(c) which the Director of Legal Services has determined, in her sole discretion, may rank in priority to the registrable interests in land granted pursuant to this Agreement.

9.3 Application of Residential Tenancy Act to Termination Notice. The City agrees that, in the event the Owner delivers a termination notice to a Tenant pursuant to Section 2.1(e)(vi), and such termination notice is found to be ineffective by a ruling or decision of any judicial body having jurisdiction in connection with the *Residential Tenancy Act*, the Owner shall not be in breach of its obligation to ensure that:

(a) not less than twenty-two (22%) percent of the residential floor areas that are counted in the calculation of the Floor Space Ratio of the New Building will be used only for the purpose of providing Moderate Income Rental Housing, as set out in Section 2.1(c) as a result of such termination notice being ineffective and for clarity, the Moderate Income Rental Housing Unit to which such ineffective termination notice relates shall continue to count towards the aforementioned twenty-two (22%) percent of the residential floor areas, for the remainder of the period that such Moderate Income Rental Housing Unit is rented to the applicable Tenant; and

(b) the Moderate Income Rental Housing Unit to which such ineffective termination notice relates shall not be rented, leased, licenced, used or otherwise permitted to be occupied unless it is rented, leased, licenced, used to or occupied by an Eligible Person, for the remainder of the period that such Moderate Income Rental Housing Unit is rented to the applicable Tenant.

For additional certainty, the Owner shall not have liability to the City under this Agreement (or otherwise) with respect to such termination notice being deemed ineffective, and shall not be required to perform any additional acts in connection therewith.

9.4 Enforcement. This Agreement may be enforced by mandatory and prohibitory orders of the court. In any action to enforce this Agreement if the City is entitled to court costs, it will be entitled to court costs on a solicitor and own client basis.

9.5 Severability. All the obligations and covenants contained in this Agreement are severable, so that if any one or more of the obligations or covenants are held by or declared by a court of competent jurisdiction to be void or unenforceable; the balance of the obligations and covenants will remain and be binding.

9.6 Vancouver Charter. Nothing contained or implied herein will derogate from the obligations of the Owner under any other agreement with the City or, if the City so elects, prejudice or affect the City's rights, powers, duties or obligations in the exercise of its functions pursuant to the *Vancouver Charter*, and the rights, powers, duties and obligations of the City under all public and private statutes, by-laws, orders and regulations, which may be, if the City so elects, as fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Owner and the City.

9.7 Waiver. The Owner acknowledges and agrees that no failure on the part of the City to exercise and no delay in exercising any right under this Agreement will operate as a waiver thereof nor will any single or partial exercise by the City of any right under this Agreement preclude any other or future exercise thereof or the exercise of any other right. The remedies herein provided will be cumulative and not exclusive of any other remedies provided by law and all remedies stipulated for the City herein will be deemed to be in addition to and not, except as herein expressly stated, restrictive of the remedies of the City at law or in equity.

9.8 Further Assurances. The Owner will execute such further and other documents and instruments and do such further and other acts as may be necessary to implement and carry out the provisions and intent of this Agreement including all acts necessary to ensure that this Agreement is noted on title to the Lands as a housing agreement pursuant to Section 565.2 of the *Vancouver Charter*.

9.9 Sale of Lands and New Building or Part Thereof. Prior to the sale or transfer of any legal or beneficial interest (other than the transfer of an interest by way of mortgage, where the mortgagee has first granted the Section 219 Covenant contained herein priority, in form and substance satisfactory to the City, over its mortgage), and subject always to

Sections 2.1(i) and 2.1(j) the Owner of the Lands and the New Building will cause the purchaser/ transferee to enter into an assumption agreement with the City, in form and substance satisfactory to the Director of Legal Services, pursuant to which the purchaser/transferee will agree to be bound by all of the obligations, agreements and indemnities of such Owner under this Agreement. The provisions in this Section 9.9 will apply equally to all subsequent purchasers/transferees (other than a mortgagee that has first granted the Section 219 Covenant contained herein priority, in form and substance satisfactory to the City, over its mortgage).

9.10 Owner's Representations. The Owner represents and warrants to and covenants and agrees with the City that:

(a) it has the full and complete power, authority and capacity to enter into, execute and deliver this Agreement and to bind all legal and beneficial interests in the title to the Lands with the interests in land created hereby;

(b) upon execution and delivery of this Agreement and registration thereof, the interests in land created hereby will encumber all legal and beneficial interests in the title to the Lands;

(c) this Agreement will be fully and completely binding upon the Owner in accordance with its terms and the Owner will perform all of its obligations under this Agreement in accordance with its terms; and

(d) the foregoing representations, warranties, covenants and agreement will have force and effect notwithstanding any knowledge on the part of the City whether actual or constructive concerning the status of the Owner with regard to the Lands or any other matter whatsoever.

9.11 Liability. Notwithstanding anything to the contrary contained herein, the Owner shall not be liable under any of the covenants and agreements contained herein where such liability arises by reason of an act or omission occurring after the Owner ceases to have any further interest in the Lands.

9.12 Enurement. This Agreement will enure to the benefit of and be binding upon the City and its successors and assigns, and this Agreement will enure to the benefit of and be binding upon the Owner and its successors and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement on the Forms C or D which are a part hereof.

SCHEDULE A – MODERATE INCOME RENTAL UNITS RENT ROLL

RENT ROLL - 2538 Birch Street

MIRHPP Initial Monthly Rents				
Unit #	Studio	1 Bdr	2 Bdr	3 Bdr
404			$ 1,600	
406	$ 950			
407		$ 1,200		
408		$ 1,200		
409		$ 1,200		
410			$ 1,600	
411			$ 1,600	
412			$ 1,600	
501				$ 2,000
502	$ 950			
504		$ 1,200		
505	$ 950			
507	$ 950			
508		$ 1,200		
509		$ 1,200		
510		$ 1,200		
511			$ 1,600	
512			$ 1,600	
513			$ 1,600	
601				$ 2,000
602	$ 950			
604		$ 1,200		
605	$ 950			
607	$ 950			
608		$ 1,200		
609		$ 1,200		
610		$ 1,200		
611			$ 1,600	
612			$ 1,600	
613			$ 1,600	
701				$ 2,000
707	$ 950			
708		$ 1,200		
709		$ 1,200		
710		$ 1,200		
711			$ 1,600	
712			$ 1,600	
713			$ 1,600	
714				$ 2,000
801				$ 2,000
806			$ 1,600	
807	$ 950			
808		$ 1,200		
809		$ 1,200		
810		$ 1,200		
812			$ 1,600	
813			$ 1,600	
814				$ 2,000
906		$ 1,200		
908		$ 1,200		
1002		$ 1,200		
1005		$ 1,200		
1006		$ 1,200		
1007		$ 1,200		
1102		$ 1,200		
1107		$ 1,200		
1202		$ 1,200		
1207		$ 1,200		
Total Units: 58	9	27	16	6

{01496018v2}

CONSENT AND PRIORITY INSTRUMENT

In this consent and priority instrument:

(a) "**Existing Charges**" means the Mortgage registered under number CA4977621, as modified by CA5921618, CA6792468, CA7739445, and CA8457586 and the Assignment of Rents registered under number CA4977622, as modified by CA5921619, CA6792469, CA7739446 and CA8457587;

(b) "**Existing Chargeholder**" means Computershare Trust Company of Canada, Inc. No. A5231;

(c) "**New Charges**" means the Section 219 Covenant contained in the attached Terms of Instrument – Part 2; and

(d) words capitalized in this instrument, not otherwise defined herein, have the respective meanings ascribed to them in the attached Terms of Instrument – Part 2.

For $10.00 and other good and valuable consideration, the receipt and sufficiency of which the Existing Chargeholder acknowledges, the Existing Chargeholder:

(i) consents to the Owner granting the New Charges to the City; and

(ii) agrees with the City that the New Charges charge the Lands in priority to the Existing Charges in the same manner and to the same effect as if the Owner had granted the New Charges, and they had been registered against title to the Lands, prior to the grant or registration of the Existing Charges or the advance of any money under the Existing Charges.

To witness this consent and priority instrument, the Existing Chargeholder has caused its duly authorized signatories to sign the attached General Instrument - Part 1.

END OF DOCUMENT

This is Exhibit "I" referred to in the affidavit of Raymond Kwong made before me on July 22 2026

A Commissioner for taking Affidavits within British Columbia

RICHARDS
BUELL
SUTTON
Established in 1871

Direct Line: 604.595.9917
E-mail: dnugent@rbs.ca
Our File: 32374-0524

July 15, 2026

By Email and Regular Mail

1061511 B.C. Ltd., Jameson Broadway & Birch Limited Partnership and Jameson Broadway & Birch General Partner Ltd. James Holdings Ltd., Thomas James Pappajohn, Anthony James Pappjohn, John George James Pappjohn, 4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investment Ltd., and 0993786 B.C. Ltd.
c/o Dentons Canada LLP
20th Floor - 250 Howe Street
Vancouver, BC V6C 3R8

Attention: John R. Sandrelli

Gatland Development Corp. and Graham Thom
c/o Kornfeld LLP
Suite 1100 – 505 Burrard St.
Vancouver, BC V7X 1M5

Attention: Shane Coblin

Re: **Loan (the "Loan") made pursuant to commitment Letter dated November 8, 2022 (the "Commitment Letter") issued by British Columbia Housing Management Commission (the "Lender" or "BCHMC") to 1061511 B.C. Ltd, Jameson Broadway & Birch LP and Jameson Broadway & Birch GP (collectively, the "Borrowers"), James Holdings Ltd., Gatland Development Corp., Thomas James Pappajohn, Anthony James Pappjohn, John George James Pappjohn, Graham Thom, 4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investment Ltd., and 0993786 B.C. Ltd. (collectively, the "Covenantors") in respect of Development project situated at 2538/2550 Birch Street and 1298 West Broadway, Vancouver, B.C. (the "Project"), as secured by first mortgage under registration number CB400524 on December 21, 2022 and assignment of rents registered under registration number CB400525 on December 21, 2022 (together, the "Mortgage") and other security (collectively, with the Mortgage, the "Security")**

We are legal counsel for BCHMC in relation to the above-noted matter and have been instructed by them to make the following demand on the Borrowers and Covenantors.

The Borrowers are in default of their obligations under the Loan pursuant to the Commitment Letter and the Security, including without limitation the Mortgage. As a result of such defaults, BCHMC demands immediate payment of all amounts owing under the Loan pursuant to the Commitment Letter and the Security. The Borrowers are required to pay the indebtedness in full within ten (10) days of delivery of this demand and the accompanying Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act.*

Further, pursuant to the Covenantor Agreements delivered by the Covenantors in favour of BCHMC as part of the Security, demand is also made upon each Covenantor for payment of all amounts owing

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TEL: 604.682.3664 FAX: 604.688.3830 | RBS.CA
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to BCHMC. The Covenantors are required to satisfy the indebtedness within the same ten (10) day period.

Accordingly, demand is hereby made for immediate payment of the sum of **$166,722,950.96**, being the amount due and owing as at July 15, 2026, together with all additional interest, costs, fees, charges and expenses accruing thereafter, comprised of:

(a) Principal and interest outstanding: **$165,062,453.94;**

(b) Outstanding loan commitment fee: **$1,660,497.02**; and

(c) BCHMC legal fees: Please contact our office prior to remitting payment so that we may advise regarding the amount of legal fees to be included.

Additional interest accrues at the rate of $48,015.66 per diem as at July 15, 2026, until payment in full, subject to the calculation and compounding provisions of the Loan pursuant to the Commitment Letter and Security.

Payment of the full amount due and owing under the Loan, Commitment Letter and Mortgage, is to be delivered to the offices of Richards Buell Sutton LLP and is to be made by way of delivering a bank draft or certified solicitor's trust cheque, payable to "Richards Buell Sutton LLP, In Trust", to be received in our office no later than 1:00 p.m. on July 25, 2026. Any payments received by our client from you after the date of this letter will be received as payment on account of the balances owing as set out above and shall not be construed as an agreement by our client to reinstate the Loan.

Further, payments not received by 1:00 p.m. on the day of the payout must include the applicable additional per diem interest to the date prior to the actual payment date. Payments are not accepted on Saturdays, Sundays or Statutory Holidays.

Please be advised that unless payment is received in the manner and within the time described above, our instructions are to pursue our client's legal remedies under its security to the utmost, but without notice to you.

We enclose a Section 244(1) Notice pursuant to the *Bankruptcy and Insolvency Act.*

Yours truly,

RICHARDS BUELL SUTTON LLP

Daniel D. Nugent
Law Corporation

DDN\jkg
Enclosure- s. 244 Notice under BIA

RBS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Sec. 244(1) of the Bankruptcy & Insolvency Act)

TO: **1061511 B.C. Ltd., Jameson Broadway & Birch General Partner Ltd., and Broadway & Birch Limited Partnership (the "Borrowers") and James Holdings Ltd., Gatland Development Corp., Thomas James Pappajohn, Anthony James Pappjohn, John George James Pappjohn, Graham Thom, 4354 Investments Ltd., No. 198 Cathedral Ventures Ltd., 5186 Investment Ltd., and 0993786 B.C. Ltd. (the "Covenantors") hereinafter collectively referred to as the "Insolvent Persons"**

TAKE NOTICE THAT:

A. British Columbia Housing Management Ltd. a secured creditor (the "**Lender**" and/or the "**Secured Creditor**") intends to enforce its security on the real and personal property of the Insolvent Persons described above including:

(i) First Mortgage to secure $164,227,655.00 loan granted by the Borrowers to the Lender:

Charging 2538/2550 Birch Street, Vancouver, BC and 1298 West Broadway, Vancouver, BC

Legally described as

PID: 030-417-261

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

(the "**Lands and Premises**")

(ii) All of the Borrowers' present and after acquired personal property in relation to the Lands and Premises;

B. The security that is to be enforced is in the form of:

a) A Section 219 Covenant in favour of BCHMC registered in the New Westminster Land Title Office on December 21, 2022, under registration number CB400523;

b) A Form B Mortgage granted by the Borrowers in favour of BCHMC and registered in the New Westminster Land Title Office on December 21, 2022, under registration number CB400524 charging:

PID: 030-417-261

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

Municipally known as:

2538/2550 Birch Street, Vancouver, British Columbia and 1298 West Broadway, Vancouver, British Columbia (the "**Lands and Premises**").

c) A Form C Assignment of Rents granted by the Borrowers in favour of BCHMC registered in the New Westminster Land Title Office on December 21, 2022 under registration number CB400525;

d) A Security Agreement and *Personal Property Security Act* registration recorded under base registration number 203405P in the British Columbia Personal Property Registry;

e) An Assignment of Project Agreements and related *Personal Property Security Act* financing statement registered in the British Columbia Personal Property Registry under base registration number 203419P;

f) The Assignment and Postponement Agreements and related *Personal Property Security Act* registrations granted by the Borrowers and certain Covenantors in favour of BCHMC, including registrations under base registration numbers 264427P, 264433P, 264449P, 264453P, 264457P, 264472P, 264490P, 264531P and 264539P;

g) The Covenantor Agreements, Environmental Indemnity Agreement, Cost Overrun and Completion Agreement and all other collateral security granted in favour of BCHMC; and

h) All other security, collateral security, agreements, assignments, charges, indemnities and security documents granted to BCHMC pursuant to the Commitment Letter dated November 8, 2022 and the related loan documents.

(Collectively referred to as the "**Security**")

C. A total amount of indebtedness secured by the Security and owing to BCHMC as at July 15, 2026 is **$166,722,950.96**, together with per diem interest thereafter of $48,015.66 per day.

D. The Secured Creditor will not have the right to enforce its security until after the expiry of the 10 day period after this Notice is sent unless the Insolvent Persons consent to an earlier enforcement.

Dated at Vancouver, B.C. this 15th day of July, 2026

British Columbia Housing Management Commission

By its Solicitors
Richards Buell Sutton LLP