



This is the First Affidavit of
Jeffrey Burt in this case and
was made on July 24, 2026

Court File No. 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
PARTNERSHIP LTD., AND JAMESON BROADWAY & BIRCH LIMITED
PARTNERSHIP

PETITIONERS

AFFIDAVIT OF JEFFREY BURT

I, Jeffrey Burt, of the City of Vancouver, in the Province of British Columbia, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am a Director of the Special Servicing and Loan Workouts group at CMLS Financial Ltd. ("CMLS"), a respondent in these proceedings. As such, I have personal knowledge of the truth of the matters herein, except where stated to be based upon information and belief, in which case, I verily believe the same to be true.
2. I am authorized to make this Affidavit on behalf of CMLS, Computershare Trust Company of Canada ("Computershare"), RBC Global Asset Management Inc. ("RBC GAM"), and Portage Capital Corporation ("Portage", and collectively with CMLS, Computershare, and RBC GAM, the "Portage Lenders").
3. In swearing this Affidavit, I have also reviewed the true copies of entries made in the books or records of CMLS. These books or records were part of the ordinary books or records of CMLS at the time of making the entries, and such entries were made in the usual and ordinary course of business. The books and records remain in the custody or control of CMLS.

4. I swear this affidavit in support of the Notice of Application brought by CMLS, on behalf of Computershare, to lift the stay of proceedings (the “**Stay**”) in this *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”) proceeding as it applies to James Holdings Ltd. (“**James Holdings**”).
5. The Portage Lenders are prejudiced by the Stay and seek to be able to enforce against their security in the property of James Holdings that is not subject to the CCAA proceeding.

Background

6. RBC GAM, is a corporation amalgamated pursuant to the laws of Canada. RBC GAM is the manager of certain investment funds (the “**Funds**”) which Funds invest in loans made to borrowers, being James Holdings in this case, under mortgage-backed loan agreements.
7. Portage is a corporation incorporated pursuant to the laws of British Columbia. Portage is a mortgage originator on behalf of RBC GAM, which means Portage may enter into mortgage-backed loan agreement which RBC GAM will advance funding for (a “**Mortgage Originator**”). Portage’s authority arises from a Mortgage Origination Agreement dated October 21, 2020 between RBC GAM and Portage, wherein Portage was appointed by RBC GAM to act as agent of RBC GAM in respect of sourcing and entering into loans in which RBC GAM Funds would invest in and coordinating funding processes with the assistance of the Mortgage Servicer (as defined below).
8. CMLS is a corporation incorporated under the laws of British Columbia. CMLS is both a Mortgage Originator and an administrator and servicer of the mortgages entered into that the RBC GAM Funds have an interest in (a “**Mortgage Servicer**”). CMLS’ authority arises from an Amended and Restated Mortgage Origination and Servicing Agreement dated December 1, 2020 between RBC GAM and CMLS, wherein CMLS was appointed by RBC GAM to act as agent of the Funds in respect of collecting and enforcing payments, and enforcing security relating to mortgages which RBC GAM Funds have an interest.
9. Computershare is a corporation incorporated pursuant to the laws of Canada. Computershare acts as a trustee and custodian on behalf of the Funds as the moneys advanced by RBC GAM for loans are moneys received by the Funds investors and not from RBC GAM itself. Any mortgages entered into by Portage and CMLS that are to be funded by RBC GAM will be held in the name of Computershare, as custodian for the Funds.
10. For simplicity, RBC GAM, Portage, CMLS, and Computershare shall be collectively referred to herein as the “**Portage Lenders**”.
11. James Holdings is a corporation incorporated pursuant to the laws of British Columbia on October 27, 1977. Attached hereto and marked as **Exhibit “A”** is a true copy of the BC corporate summary for James Holding.

12. No. 198 Cathedral Ventures Ltd. (“**Cathedral Ventures**”) is a corporation incorporated pursuant to the laws of British Columbia on July 15, 1997. Cathedral Ventures is a bare trustee of certain real estate for the benefit of James Holdings. Attached hereto and marked as **Exhibit “B”** is a true copy of the BC corporate summary for Cathedral Ventures.
13. 5186 Investments Ltd. (“**5186 Ltd.**”) is a corporation incorporated pursuant to the laws of British Columbia on December 17, 2002. 5186 Ltd. is a bare trustee of certain real estate for the benefit of James Holdings. Attached hereto and marked as **Exhibit “C”** is a true copy of the BC corporate summary for 5186 Ltd.
14. 4354 Investments Ltd. (“**4354 Ltd.**”, and collectively with Cathedral Ventures and 5186 Ltd., the “**Borrower Trustees**”, and together with James Holdings, the “**Borrowers**”) is a corporation incorporated pursuant to the laws of British Columbia on January 29, 2001. 4354 Ltd. is a bare trustee of certain real estate for the benefit of James Holdings. Attached hereto and marked as **Exhibit “D”** is a true copy of the BC corporate summary for 4354 Ltd.
15. 1060485 B.C. Ltd. (“**106 Ltd.**”) is a corporation incorporated pursuant to the laws of British Columbia on January 4, 2016. 106 Ltd. is a bare trustee of certain real estate for the benefit of James Holdings. Attached hereto and marked as **Exhibit “E”** is a true copy of the BC corporate summary for 106 Ltd.

The Loan

16. Pursuant to a commitment letter between Portage, as lender, the Borrowers, as borrowers, and James Holdings, Anthony Pappajohn, John Pappajohn, and Thomas Pappajohn (collectively, the “**Guarantors**”), as guarantors, dated November 5, 2021 (the “**Commitment Letter**”), as extended by an extension letter dated April 8, 2024 (the “**Extension Letter**”, and together with the Commitment Letter, the “**Loan Agreement**”), Portage agreed to advance funds to the Borrowers on terms and conditions agreed to by the Borrowers and Guarantors. Attached hereto and marked as **Exhibits “F”** and “**G**” are true copies of the Commitment Letter and the Extension Letter.
17. In accordance with the Loan Agreement, the Portage Lenders extended a \$21,500,000 credit facility to the Borrowers (the “**Loan**”). The terms of the Loan Agreement included:
 - a. term of Loan expires on January 1, 2025;
 - b. interest rate of 10% per annum for the first 24 months and then 12% thereafter;
 - c. interest-only payments and property taxes payable monthly on the first business day of each month that the loan remains unpaid; and
 - d. the Portage Lenders would be entitled to seek the appointment of a receiver over the Granville Properties upon default under the Loan Agreement.

18. The term of the Loan expired on January 1, 2025 and the Portage Lenders did not issue an extension of the Loan Agreement. The Borrowers did not pay the Portage Lenders the outstanding amount of the Loan but did continue to service the Loan in accordance with the terms of the expired Loan Agreement.

The Security

19. To secure repayment of the indebtedness owed and to be owed to the Portage Lenders in relation to the Loan Agreement, the following parties provided security including, inter alia (collectively, the “**Security**”):

- a. the Borrower Trustees provided the Portage Lenders with a collateral second mortgage in the amount of \$21,500,000, executed November 23, 2021 (the “**Granville Mortgage**”) over the following real property of the Borrowers (the “**Granville Properties**”):

- i. 2933 - 2935 Granville Street, Vancouver, B.C.
PID: 027-480-917
LOT A DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN EPP672
Legal Owner/Nominee: 5186 Ltd.
Beneficial Owner: James Holding
- ii. 3050 - 3088 Granville Street, Vancouver, B.C.
PID: 025-836-471
PARCEL C EXCEPT: PART SUBDIVIDED BY PLAN BCP23566; BLOCK 451
DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN
BCP8982
Legal Owner/Nominee: 4354 Ltd.
Beneficial Owner: James Holding
- iii. 2903 - 2915 Granville Street, Vancouver, B.C.
PID: 014-175-207
LOT 11 BLOCK 430 DISTRICT LOT 526 PLAN 1949
Legal Owner/Nominee: Cathedral Ventures
Beneficial Owner: James Holding
- iv. 1520 West 13 Ave, Vancouver, B.C.
PID: 014-174-707
LOT 10 BLOCK 430 DISTRICT LOT 526 PLAN 1949
Legal Owner/Nominee: Cathedral Ventures
Beneficial Owner: James Holding
- v. 1520 West 13 Ave, Vancouver, B.C.

PID: 014-174-685
LOT 9 BLOCK 430 DISTRICT LOT 526 PLAN 1949
Legal Owner/Nominee: Cathedral Ventures
Beneficial Owner: James Holding

- b. the Borrower Trustees provided the Portage Lenders with a second priority General Assignment of Rents and Leases dated November 30, 2021 (the “**GARL**”) in respect of the rents received in relation to the Granville Properties;
- c. James Holdings and each of the Borrower Trustees entered into a Beneficial Authorization and Charge Agreement wherein James Holdings authorized the applicable Borrower Trustee to enter into the Granville Mortgage for the applicable Granville Properties and James Holdings agreed to be bound by the Granville Mortgage;
- d. the Borrowers provided Portage with a second priority site-specific General Security Agreement, dated November 23, 2021 (the “**Granville GSA**”), wherein the Borrowers granted RBC a security interest in all of the Borrowers’ present and after acquired personal property in relation to the Granville Properties;
- e. James Holdings entered into an Interest Reserve Agreement dated November 23, 2021 with Computershare (the “**Reserve Agreement**”), wherein the amount of \$3,225,000 would be held in escrow by Computershare and used to make scheduled interest payments on the Loan as long as there were no defaults (the “**Interest Reserve Payments**”);
- f. James Holdings provided a guarantee, dated November 23, 2021 (the “**JH Guarantee**”), wherein James Holdings jointly and severally guaranteed to pay on demand all debts and liabilities owing by the Borrowers to Portage relating to the Granville Mortgage;
- g. Anthony Pappajohn provided a guarantee, dated November 23, 2021, wherein Anthony Pappajohn (“**Anthony**”) jointly and severally guaranteed to pay on demand all debts and liabilities owing by the Borrowers to Portage relating to the Granville Mortgage;
- h. John Pappajohn provided a guarantee, dated November 23, 2021, wherein John Pappajohn jointly and severally guaranteed to pay on demand all debts and liabilities owing by the Borrowers to Portage relating to the Granville Mortgage;
- i. Thomas Pappajohn provided a guarantee, dated November 23, 2021, wherein Thomas Pappajohn jointly and severally guaranteed to pay on demand all debts and liabilities owing by the Borrowers to Portage relating to the Granville Mortgage;

Attached hereto and marked as **Exhibit “H”** is a true copy of the Granville Mortgage, as **Exhibit “I”** is a true copy of the GARL, as **Exhibit “J”** is a true copy of the Granville GSA, as **Exhibit**

“K” is a true copy of the Reserve Agreement, and as **Exhibit “L”** is a true copy of the JH Guarantee.

20. The Granville GSA and Granville Mortgage grants Portage the authority to appoint a receiver and receiver manager over the Granville Properties upon the Borrowers committing an “Event of Default” under the Granville Mortgage.
21. Under the Extension Letter, the Borrowers provided the Portage Lenders with additional security, including:
 - a. James Holdings granted a Specific Assignment of Net Proceeds dated September 17, 2024 (the “**Larch Assignment**”) in respect of the net sale proceeds relating to the sale of 2538 Birch Street, Vancouver and/or 1807 Larch Street, Vancouver (the “**Larch Property**”);
 - b. 4354 Ltd. provided the Portage Lenders with a collateral second mortgage in the amount of \$21,500,000, executed September 17, 2024 (the “**4354 Mortgage**”) over the following real property of 4354 Ltd. (the “**4354 Property**”):
 - i. PH1 – 1477 West 15th Avenue, Vancouver, B.C.
PID: 026-682-672
STRATA LOT 32 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN BCS1875
Legal Owner/Nominee: 4354 Ltd.
Beneficial Owner: James Holding
 - c. 106 Ltd. provided the Portage Lenders with a collateral second mortgage in the amount of \$21,500,000, executed September 17, 2024 (the “**106 Mortgage**”) over the following real property of 106 Ltd. (the “**106 Properties**”):
 - i. PH9 – 1477 West 15th Avenue, Vancouver, B.C.
PID: 026-682-656
STRATA LOT 30 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN BCS1875
Legal Owner/Nominee: 106 Ltd.
Beneficial Owner: James Holding
 - ii. Unit 204 – 1477 West 15th Avenue, Vancouver, B.C.
PID: 026-682-460
STRATA LOT 11 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN BCS1875
Legal Owner/Nominee: 106 Ltd.
Beneficial Owner: James Holding

- d. James Holdings and each of 4354 Ltd. and 106 Ltd. entered into a Beneficial Authorization and Charge Agreement wherein James Holdings authorized 4354 Ltd. to enter into the 4354 Mortgage for the 4354 Property and 106 Ltd. to enter into the 106 Mortgage for the 106 Properties. James Holdings agreed to be bound by the 4354 Mortgage and the 106 Mortgage;
- e. 4354 Ltd. provided Portage with a second priority site-specific General Security Agreement, dated September 17, 2024 (the “**4354 GSA**”), wherein 4354 Ltd. granted RBC a security interest in all of 4354 Ltd.’s present and after acquired personal property in relation to the 4354 Property;
- f. 106 Ltd. provided Portage with a second priority site-specific General Security Agreement, dated September 17, 2024 (the “**106 GSA**”), wherein 106 Ltd. granted RBC a security interest in all of 106 Ltd.’s present and after acquired personal property in relation to the 106 Properties;

Attached hereto and marked as **Exhibits “M”** is a true copy of the Larch Assignment, as **Exhibit “N”** is a true copy of the 4354 Mortgage, as **Exhibit “O”** is a true copy of the 106 Mortgage, **Exhibit “P”** is a true copy of the 4354 GSA, and as **Exhibit “Q”** is a true copy of the 106 GSA.

Payment of the Loan

- 22. The Loan was advanced to the Borrowers on the expectation that the monthly payments would be paid from the surplus rental income generated from the Granville Properties, after payment of the obligations owing to the first mortgagee on the Granville Properties (the “**Granville Rent Surplus**”), Vancouver City Savings Credit Union (“**Van City**”), and plus the Interest Reserve Payments. The Interest Reserve Payments were exhausted on August 1, 2023.
- 23. At all times prior to the commencement of the CCAA Proceedings, the Portage Lenders believed and understood that the Loan was being serviced by the Granville Rent Surplus and the Interest Reserve Payments, and that any enforcement for recovery of the Loan would be in respect of the Granville Properties.
- 24. At no time prior to the commencement of the CCAA Proceedings were any of the Portage Lenders made aware that payments made by the Borrowers towards the Loan were sourced from any property other than the Granville Properties, including the Birch Property. The Portage Lenders are not aware of cash flows relating to other properties owned by the Borrowers.
- 25. At no time prior to the commencement CCAA Proceedings were any of the Portage Lenders made aware of the loan agreement entered into by James Holdings and 1061511 B.C. Ltd., Jameson Broadway & Birch General Partnership Ltd., and Jameson Broadway & Birch Limited Partnership (collectively, the “**Birch Companies**”), referred to as the “JHL Credit Agreement” in the First Affidavit of Thomas James Poppajohn, sworn November 24, 2025.

The Defaults and Indebtedness

26. On January 1, 2025, the Borrowers failed to pay all amounts of principal and interest outstanding under the Loan Agreement to the Portage Lenders.
27. On August 28, 2025, the Borrowers did not advance any of the net sale proceeds from the sale of the Larch Property to the Portage Lenders pursuant to the Larch Assignment. James Holdings claims to have received \$1,827,523.73 from the sale of the Larch Property as a creditor and not as a partnership distribution.
28. I have been informed by Andrew Jones (“**Mr. Jones**”), the Managing Partner at Portage, and verily believe to be true that around September 17, 2025, Mr. Jones and Anthony had discussions regarding James Holdings’ use of the net sale proceeds from the Larch Property. The proceeds were used to pay Mohel Holdings Ltd. pursuant to an Irrevocable Covenant to Pay and Direction dated August 19, 2025. Attached hereto and marked as **Exhibit “R”** is a true copy of the email sent by Anthony to Mr. Jones regarding the use of the Larch Property proceeds.
29. On October 29, 2025, James Holdings issued an irrevocable direction to pay in favour of Portage upon the sale of the Birch Property (the “**Portage Direction**”). The Portage Direction was granted by James Holdings on the condition that the Portage Lenders continue to make the Loan available. At all times, it remained the Portage Lenders’ expectation that Granville Surplus Rent would continue to be paid by the Borrowers towards the Loan. Attached hereto and marked as **Exhibit “S”** is a true copy of the Portage Direction.
30. Beginning on December 1, 2025, the Borrowers ceased making any payments toward the Loan. The Portage Lenders have not received any payments under the Loan Agreement since November 1, 2025.
31. On December 24, 2025, the Portage Lenders issued demand letters to the Borrowers and 1060485 B.C. Ltd. enclosing Notices of Intention to Enforce Security pursuant to s. 244 of the BIA. It was not known by the Portage Lenders at this time that there was a Stay that affected James Holdings. Attached hereto and marked as **Exhibit “T”** are copies of the Demand Letters.
32. By a Forbearance Agreement dated February 9, 2026, *inter alios*, CMLS on behalf of Computershare, the Borrowers, the Guarantors, and the Birch Companies agreed that Portage would forbear from enforcing the Security on certain terms and conditions. Attached hereto and marked as **Exhibit “U”** is a true copy of the Forbearance Agreement.
33. One of the most critical terms of the Forbearance Agreement for the Portage Lenders was that the Borrowers agreed that any redemption period in respect of the Granville Properties, either in a foreclosure or in receivership proceeding, would be correspondingly reduced by the duration of the Forbearance Agreement.

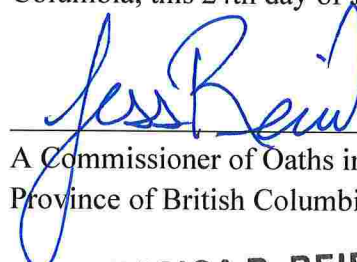
34. The Forbearance Agreement required, *inter alia*, the following before the Portage Lenders would agree to forbear from taking enforcements steps:
- a. the Birch Companies would agree to register a collateral mortgage in the amount of \$35,000,000 in favour of Portage and Argo Ventures Inc. (the “**Birch Mortgage**”) to be registered against the property municipally known as 2538 Birch Street, Vancouver (the “**Birch Property**”); and
 - b. the Birch Companies must provide an Order of the Court approving the Forbearance Agreement, the Birch Mortgage, and registration of the Birch Mortgage.
35. This Honourable Court did not approve the Forbearance Agreement or the Birch Mortgage and the Forbearance Agreement is therefore in breach. Notwithstanding this, the Forbearance Agreement expires on July 31, 2026.
36. Additionally, on July 20, 2026, the Portage Lenders became aware that Van City had registered subsequent mortgages on the Granville Properties without obtaining the consent of the Portage Lenders, contrary to the terms of the Granville Mortgage.

The Portage Lenders continue to be prejudiced

37. As of July 20, 2026, the total indebtedness of the Borrowers to the Portage Lenders pursuant to the Loan Agreement is \$23,740,728.23, with interest accruing thereafter at 12% per annum, plus accrued and accruing costs and expenses, including legal costs on a solicitor and own client, full indemnity basis (collectively, the “**Indebtedness**”). Of this amount, \$1,791,733.33 is the amount of accrued arrears since the first payment default on December 1, 2025 (the “**Arrears**”). Attached hereto and marked as **Exhibit “V”** is a true copy of my email containing the Indebtedness and Arrears amounts.
38. The Portage Lenders are being materially prejudiced by not being able to enforce against the Granville Properties while the Arrears continue to accrue by more than \$215,000 per month. Prior to the CCAA Proceedings, the monthly payments owing to the Portage Lenders were being paid by the Granville Rent Surplus and the Interest Reserve Payments but the Portage Lenders are no longer receiving any of these funds, contrary to the Security.
39. The Portage Lenders are not creditors of the Birch Companies but have been stayed from taking enforcement steps for a period of 8 months, with no end date in sight. The Portage Lenders should not continue to be prevented from enforcing against their Security while material arrears are accruing but other lenders to James Holdings continue to be paid.
40. I make this Affidavit for no improper purpose.

41. I acknowledge the solemnity of making a sworn statement and acknowledge the consequences of making an untrue statement.

SWORN before me at the City of
Vancouver, in the Province of British
Columbia, this 24th day of July, 2026.


A Commissioner of Oaths in and for the
Province of British Columbia

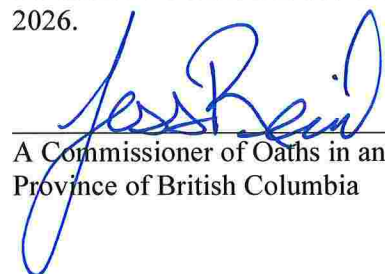
JESSICA R. REID
BARRISTER & SOLICITOR
MLT AIKINS LLP
2000 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5768


JEFFREY BURT

EXHIBIT "A"

This is Exhibit "A" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
JAMES HOLDINGS LTD.

Date and Time of Search: June 17, 2026 12:23 PM Pacific Time
Currency Date: April 20, 2026

ACTIVE

Incorporation Number: BC0167369
Name of Company: JAMES HOLDINGS LTD.
Business Number: 102572039 BC0001
Recognition Date: Incorporated on October 27, 1977
Last Annual Report Filed: October 27, 2025

In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
PAPPAJOHN, ANTHONY JAMES

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
PAPPAJOHN, THOMAS JAMES

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
PAPPAJOHN, JOHN GEORGE JAMES

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

OFFICER INFORMATION AS AT October 27, 2025

Last Name, First Name, Middle Name:
Pappajohn, Anthony James

Office(s) Held: (President)

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
Pappajohn, Thomas James

Office(s) Held: (Secretary)

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
Pappajohn, John George James

Office(s) Held: (Treasurer)

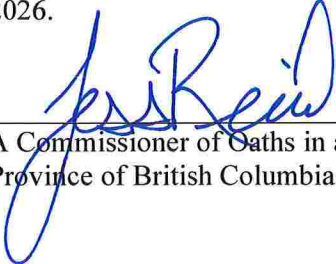
Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

EXHIBIT "B"

This is Exhibit "B" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
NO. 198 CATHEDRAL VENTURES LTD.

Date and Time of Search: June 17, 2026 12:19 PM Pacific Time
Currency Date: April 20, 2026

ACTIVE

Incorporation Number:	BC0546758	
Name of Company:	NO. 198 CATHEDRAL VENTURES LTD.	
Business Number:	884500844 BC0001	
Recognition Date:	Incorporated on July 15, 1997	In Liquidation: No
Last Annual Report Filed:	July 15, 2025	Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA	Delivery Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA
--	---

RECORDS OFFICE INFORMATION

Mailing Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA	Delivery Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA
--	---

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
PAPPAJOHN, THOMAS JAMES

Mailing Address: 104 - 1525 WEST 8TH AVENUE VANCOUVER BC V6J 1T5 CANADA	Delivery Address: 104 - 1525 WEST 8TH AVENUE VANCOUVER BC V6J 1T5 CANADA
---	--

Last Name, First Name, Middle Name:
PAPPAJOHN, JOHN GEORGE JAMES

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
PAPPAJOHN, ANTHONY JAMES

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

OFFICER INFORMATION AS AT July 15, 2025

Last Name, First Name, Middle Name:
Pappajohn, Thomas James

Office(s) Held: (Secretary)

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:

104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
Pappajohn, Anthony James

Office(s) Held: (President)

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:

104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
Pappajohn, John George James

Office(s) Held: (Treasurer)

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

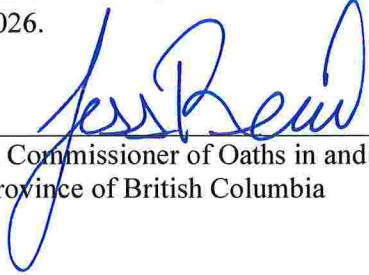
Delivery Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

EXHIBIT "C"

This is Exhibit "C" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia

**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For

5186 INVESTMENTS LTD.**Date and Time of Search:** June 17, 2026 12:22 PM Pacific Time**Currency Date:** April 20, 2026

ACTIVE

Incorporation Number: BC0660305**Name of Company:** 5186 INVESTMENTS LTD.**Business Number:** 863338828 BC0001**Recognition Date:** Incorporated on December 17, 2002**In Liquidation:** No**Last Annual Report Filed:** December 17, 2025**Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

PAPPAJOHN, John George James

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:

PAPPAJOHN, ANTHONY JAMES

Mailing Address:104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Last Name, First Name, Middle Name:**

PAPPAJOHN, THOMAS JAMES

Mailing Address:104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**OFFICER INFORMATION AS AT December 17, 2025****Last Name, First Name, Middle Name:**

Pappajohn, Thomas James

Office(s) Held: (Secretary)**Mailing Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Last Name, First Name, Middle Name:**

Pappajohn, Anthony James

Office(s) Held: (President)**Mailing Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Last Name, First Name, Middle Name:**

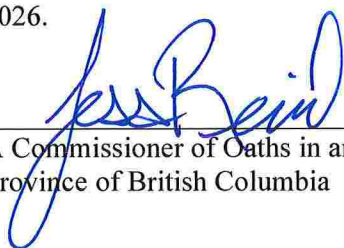
Pappajohn, John George James

Office(s) Held: (Treasurer)**Mailing Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

EXHIBIT "D"

This is Exhibit "D" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
4354 INVESTMENTS LTD.

Date and Time of Search: July 02, 2026 10:17 AM Pacific Time
Currency Date: May 12, 2026

ACTIVE

Incorporation Number:	BC0621513	
Name of Company:	4354 INVESTMENTS LTD.	
Business Number:	895899110 BC0001	
Recognition Date:	Incorporated on January 29, 2001	In Liquidation: No
Last Annual Report Filed:	January 29, 2026	Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA	Delivery Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA
--	---

RECORDS OFFICE INFORMATION

Mailing Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA	Delivery Address: 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA
--	---

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
PAPPAJOHN, ANTHONY JAMES

Mailing Address: 104 - 1525 WEST 8TH AVENUE VANCOUVER BC V6J 1T5 CANADA	Delivery Address: 104 - 1525 WEST 8TH AVENUE VANCOUVER BC V6J 1T5 CANADA
---	--

Last Name, First Name, Middle Name:
PAPPAJOHN, THOMAS JAMES

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
PAPPAJOHN, JOHN GEORGE J.

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

OFFICER INFORMATION AS AT January 29, 2026

Last Name, First Name, Middle Name:
Pappajohn, John George James

Office(s) Held: (Treasurer)

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
Pappajohn, Thomas James

Office(s) Held: (Secretary)

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:
Pappajohn, Anthony James

Office(s) Held: (President)

Mailing Address:
104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:
104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

EXHIBIT "E"

This is Exhibit "E" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
1060485 B.C. LTD.

Date and Time of Search: July 02, 2026 10:19 AM Pacific Time

Currency Date: May 12, 2026

ACTIVE

Incorporation Number: BC1060485

Name of Company: 1060485 B.C. LTD.

Business Number: 790488498 BC0001

Recognition Date and Time: Incorporated on January 04, 2016 02:32 PM Pacific Time **In Liquidation:** No

Last Annual Report Filed: January 04, 2026 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:

20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Pappajohn, John George James

Mailing Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Delivery Address:

104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

Last Name, First Name, Middle Name:

Pappajohn, Anthony James

Mailing Address:104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Last Name, First Name, Middle Name:**

Pappajohn, Thomas James

Mailing Address:104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

OFFICER INFORMATION AS AT January 04, 2026**Last Name, First Name, Middle Name:**

Pappajohn, Anthony James

Office(s) Held: (President)**Mailing Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Last Name, First Name, Middle Name:**

Pappajohn, Thomas James

Office(s) Held: (Secretary)**Mailing Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 -1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Last Name, First Name, Middle Name:**

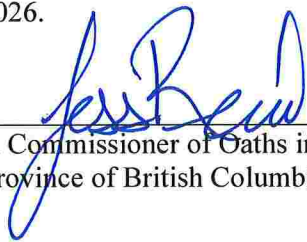
Pappajohn, John George James

Office(s) Held: (Treasurer)**Mailing Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA**Delivery Address:**104 - 1525 WEST 8TH AVENUE
VANCOUVER BC V6J 1T5
CANADA

EXHIBIT "F"

This is Exhibit "F" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia



Portage Capital Corporation
Doing Business as PCC Capital Corporation
25 Montgomery Avenue, Suite 204
Toronto, Ontario M4R 0A1
T (416) 431-7321
portagecapital.ca

November 5, 2021

James Holdings Ltd.
c/o Graham A. Thom
Gatland Capital Corporation
1040 West Georgia Street, Suite 760
Vancouver, BC V6E 4H1

Dear Sirs/Mesdames:

Re: Blanket Second Mortgage Financing: 2903-2915 Granville Street & 1520 West 13th Avenue, 2933-2935 Granville Street and 3050-3088 Granville Street, Vancouver, B.C.

The terms for a second mortgage loan from Portage Capital Corporation or its assignee(s) and/or investors (the "Lender", "we" or "us") are outlined in this commitment letter (the "Commitment") and are subject to the terms and conditions set forth in this Commitment and to the Lender's standard due diligence procedures.

1. **PURPOSE**

To provide financing in the amount of \$21,500,000.00 (the "Loan") secured by a second mortgage over the Property (as defined below). The purpose of the Loan is to repay the existing second mortgages registered against the Property, provide closing costs and an interest reserve for the Loan, and provide an equity take-out to the Borrower. The Loan will be subordinate only to two (2) existing first mortgages on the Properties of no more than \$23,500,000.00 as outlined herein (the "First Mortgages"). The Property and facts are to be as represented by you to the Lender. Material discrepancy or inaccuracy in any written information, statements or representations made or furnished to us by or on behalf of you shall entitle the Lender to cancel this Commitment.

2. **BORROWER**

4354 Investments Ltd., 5186 Investments Ltd. and No. 198 Cathedral Ventures Ltd. each as bare trustee for the beneficial owner James Holdings Ltd. (the "Borrower" or "you")

The Borrower covenants and agrees to satisfy all the terms, conditions and requirements herein contained before any advances are made. If the Borrower comprises more than one person, the liability of the Borrower to make payment under the Mortgage and other Security and perform all other obligations hereunder shall be joint and several.

3. **GUARANTOR**

James Holdings Ltd., Anthony Pappajohn, John Pappajohn and Thomas Pappajohn (Collectively, the "Guarantor")

The Guarantor covenants to satisfy all the terms, conditions and requirements herein contained before any advances are made. If the Guarantor comprises more than one person, the liability of the Guarantor to make payment under its guarantee and other security and perform all other obligations hereunder shall be joint and several.

4. **LENDER**

On closing, this Commitment will be assigned by the Lender to Computershare Trust Company of Canada ("Computershare"). All loan documents will be drafted in favour of Computershare. Upon completion of this Loan transaction, the Loan will be serviced by a servicer appointed by the Lender (the "Servicer"), and the Borrower will be directed to make all payments under the Loan documents and to deal with the Servicer on all matters of administration until further directed in writing by the Servicer.

5. **MUNICIPAL ADDRESS AND DESCRIPTION OF PROPERTY**

- i) **2903 – 2915 Granville Street & 1520 West 13th Avenue, Vancouver, BC:** are two separate buildings with one being a 6,480 SF single tenant single storey plus basement retail building. The second building includes two levels plus basement with eight residential units on the upper floor and two retail units on the main floor totalling 7,848 SF, one of which includes a basement storage space. All residential units are occupied, and the retail units are fully occupied by West Elm, Williams Sonoma, and Stable House Bistro.
- ii) **2933 – 2935 Granville Street, Vancouver, BC:** is a single tenant 10,683 SF retail building with an extensive basement storage area for inventory and is currently occupied by Pottery Barn Kids.
- iii) **3050 – 3088 Granville Street, Vancouver, BC:** is a mixed-use 12,842 SF residential/retail building which is fully occupied by four retail tenants, Prospera Credit Union, Igloobaby Fashions, Small Victory Café, and Lavan Trading Inc.

(Collectively, the "Property" or "Properties")

6. **LEGAL DESCRIPTION**

- i) **PID: 014-175-207.** Lot 11, Block 430, District Lot 526 Plan 1949 New Westminster District & **PID: 014-174-685** Lot 9 Block 430 Plan VAP1949 District Lot 526 NWD & **PID: 014-174-707** Lot 10 Block 430, Plan VAP1949 District Lot 526 New Westminster Land District.
- ii) **PID: 027-480-917.** Lot A Plan EPP672 District Lot 526 New Westminster District Group 1.
- iii) **PID: 025-836-471.** Block 451 Plan BCP8982 District Lot 526 New Westminster District Parcel C Group 1, Except Plan BCP23566.

To be confirmed by Lender's solicitor.

7. **TYPE OF LOAN**

Blanket Second-ranking mortgage on the Property subordinate only to two (2) existing First Mortgages in the amount of no more than \$23,500,000.00 which is in favour of Van City with an interest rate of 2.95% and an amortization period of 25 years (the "First Mortgages").

8. **PRINCIPAL AMOUNT**

\$21,500,000.00

9. **TERM, INTEREST RATE & FEES**

The term of the Loan (the "Term") will be twenty-five (25) months after the Interest Adjustment Date.

The interest rate for the first twenty-four months of the Term will be 10.0% per annum, increasing to 12% thereafter, in each case calculated and compounded monthly and payable monthly, not in advance.

A commitment fee of \$300,000.00 will be due on closing and will be deducted from the Loan proceeds at the time the Loan is advanced.

10. **MONTHLY PAYMENTS**

Interest from the Funding Date to the Interest Adjustment will be paid from the Loan advance.

Thereafter, interest only payments shall be calculated, and payable monthly on the first business day of each and every month (each, a "Payment Date") that the Loan remains unpaid. The initial payment shall be due and payable on the first day of the first month following the Interest Adjustment Date.

11. **FUNDING DATE AND COMMITMENT EXPIRY DATE**

The Loan must be advanced on or before December 3, 2021 (the "Commitment Expiry Date" or the "Funding Date").

12. **INTEREST ADJUSTMENT DATE**

The interest adjustment date (the "Interest Adjustment Date") shall be the first day of the month following the Funding Date, unless the Funding Date is the first day of a calendar month, in which case the Interest Adjustment Date is the Funding Date.

13. **AMORTIZATION**

Interest Only

14. **INTEREST RESERVE**

The Lender will escrow \$3,225,000.00 from the Loan Advance into a Lender controlled reserve account as a depleting interest reserve (the "Interest Reserve"). The Interest Reserve will be utilized to fund the Loan's scheduled interest payments for the first eighteen (18) months of the Loan Term. If at any time during the Loan the Interest Reserve is fully depleted, the Borrower shall continue to make payments as required by the Loan with funds obtained from its own resources.

15. **PREPAYMENT**

Provided the Loan is not in default and the Lender has earned a minimum of eighteen (18) months interest payments on the Loan, then the Loan shall be open to prepayment during the Term of the Loan, in whole or in part, subject to thirty (30) days written notice to the Lender.

16. **SUBORDINATE FINANCING**

No subordinate financing will be permitted on the Property without the written consent of the Lender.

17. **MORTGAGE SECURITY**

The security for the Loan (the "Security") shall include but not be limited to:

- a) A valid second priority blanket mortgage registered for the Principal Amount over the Property (the "Mortgage") subordinate only to the First Mortgages. The Mortgage shall contain a provision that the Lender shall have the right, in the event of default, that continues beyond a reasonable cure period, to, among other things, (i) appoint a receiver and manager of the Property and (ii) replace the manager of the Property at a fee equal to 5% of the gross revenue generated from the Property;
- b) A valid second priority general assignment of rents and leases over the Property;
- c) A valid second priority site-specific security agreement over all chattels, equipment and other personal property relating to the Property;
- d) A second priority assignment of any permits and/or governmental regulatory licenses and approvals related to the Property and where allowed under the terms of those permits and licenses;
- e) A valid pledge of the ownership shares of the Borrower;
- f) A guarantee from the Guarantor;
- g) Title insurance in favour of the Lender;
- h) An environmental indemnity from the Borrower and Guarantor in favour of the Lender;
- i) An indemnity for fraud, misrepresentation and other standard recourse carveouts from the Borrower and Guarantor in favour of the Lender;
- j) A beneficial owner direction and acknowledgement, if applicable; and
- k) Such other security as may be reasonably deemed necessary by the Lender's solicitors.

All Security documentation shall be on Lender's standard forms, including default provisions and limitations on the right of the Borrower to demolish or make material changes to the Property without the Lender's consent, subject to reasonable comments from Borrower's counsel.

18. **DISBURSEMENTS OF FUNDS**

The advance of funds under the Loan is subject to satisfaction of the following conditions, or receipt and approval by the Lender of the following, as applicable (in addition to all other conditions set out in this Commitment, including Schedule "B"):

- a. The Loan will be advanced upon title proving acceptable to the Lender and the Lender's solicitor, upon registration of the Security as required and upon receipt from the Lender's solicitor of a satisfactory report on registration of the Security and confirmation from the Lender's solicitor of no adverse filings concerning the Borrower (or beneficial owner, if applicable) in any ministry, department or agency of government which, in the opinion of the Lender's solicitors, could affect the priority of the Security, and upon fulfillment of all other terms and conditions of this Commitment.
- b. All liens, mortgages, prior claims, and other rights on title other than permitted encumbrances reasonably agreed to by the Lender will be required to be discharged prior to any advance of the Loan or at the time the Loan is funded on solicitor undertaking satisfactory to the Lender's solicitor, acting reasonably.
- c. Receipt and approval by the Lender and its solicitor of the ownership structure of the Borrower, beneficial owner (if applicable) and Guarantor (collectively, the "Obligors"), including all shareholders and beneficial owners. The Borrower shall provide a complete and accurate

organizational chart detailing ownership of each entity through to an individual/person and which includes the full legal name of each entity and ownership percentages. The Borrower shall provide copies of its articles of incorporation or other organizational documents and all amendments thereto and the full names of all officers, directors, and shareholders, including the number and class of shares.

- d. The most recent quarterly and annual financial statements for the Borrower and Guarantor, which are to include, as applicable, a net worth statement with a detailed list of all assets and liabilities, in-place Property net operating income and debt service obligations.
- e. The Lender must have received T1 General tax returns as well as notices of assessments for the Borrower and Guarantor.
- f. The Borrower consents to allow the Lender to conduct credit bureau reports for the Borrower and Guarantor. Credit bureau reports to be reviewed by and satisfactory to the Lender.
- g. A copy of a current dated and certified rent roll for the Property.
- h. Signed copies of all leases and amendments for tenants occupying the Property together with current dated estoppel certificates for all tenants. The Borrower will use commercially reasonable efforts to obtain estoppel certificates for each all of the tenants but will be required to provide estoppel certificates for West Elm, Small Victory Café and Prospera Credit Union.
- i. Operating statements for the Property for the last two completed fiscal years (confirming taxes, utilities, insurance, repairs/maintenance, and any other operating expenses relating to the Property).
- j. A copy of the 2020/2021 proforma operating budget for the Property.
- k. Accounts receivable report for all tenants of the Property.
- l. Receipt by the Lender of property tax bills for the current and prior calendar years and confirmation via a tax certificate prior to closing that all taxes are paid in full.
- m. Receipt by the Lender, evidence of insurance in form and substance satisfactory to the Lender. The Borrower will be responsible for the initial cost of the Lender's insurance consultant's review of the Borrower insurance as well as an on-going monitoring fee of \$250.00. The insurance review fee and insurance monitoring fee will be deducted from the advance of funds under the Loan.
- n. A new AACI appraisal report for the Property supporting a minimum as-is value of \$65,000,000 in aggregate including a valid transmittal letter addressed to Portage Capital Corporation stating that these reports can be relied upon for mortgage financing purposes.
- o. Current Phase I (and Phase II if applicable) environmental report for the Property. The Lender will require a satisfactory transmittal letter addressed to Portage Capital Corporation stating that these reports can be relied upon for mortgage financing purposes.

- p. A new satisfactory Building Condition Report for the Property. The Lender will require a satisfactory transmittal letter addressed to Portage Capital Corporation stating that these reports can be relied upon for mortgage financing purposes.
- q. The Loan is subject to a site inspection by the Lender. A site inspection fee of \$2,500.00 will be deducted from the advance on closing.
- r. The Loan will contain a provision that will require a renewal of the First Mortgages upon maturity at market terms. Failure by the Borrower to renew the First Mortgages as deemed acceptable by the Lender, acting reasonably, will result in an event of default of the Loan.
- s. Confirmation that there are no liens or certificates of pending litigation registered against the Property.
- t. Lender review and approval of the First Mortgages loan documentation. Written confirmation to be provided by the first mortgagee confirming a balance of no more than \$23,500,000.00. The existing first mortgage lender shall consent to the Loan and a priority and subordination agreement shall be executed by all parties in form and content acceptable to the Lender in its sole discretion.
- u. The documentation for the Loan shall include a provision that any event of default on the first mortgage loan that continues beyond any applicable cure period shall constitute a default on the Loan.
- v. The Loan shall be conditional upon the approval of the Loan by the Lender, such approval to be at its sole discretion.
- w. An executed copy of this Commitment in a form acceptable to the Lender.
- x. Review and approval by the Lender of any claims against, litigation relating to, fire code violations in respect of, or damage or destruction to, the Property.
- y. Completion and registration (as applicable) of all Security documentation by an independent counsel retained by the Lender and to the satisfaction of the Lender.
- z. All third-party costs incurred by the Lender, including for any and all due diligence reports forming part of the prefunding conditions and all legal fees and expenses, shall be paid by the Borrower.
- aa. The Lender is under no obligation to fund this Loan beyond the Commitment Expiry Date.

19. **TAXES**

All outstanding taxes, assessments, and other sums, charged or levied against the Property shall be paid by the Borrower prior to or at the time that advances of the Loan are made, and the Lender shall be at liberty to deduct such amounts from any advances made. In addition to the monthly Loan payments, taxes will be paid on a monthly basis in installments as estimated by the Lender at the commencement of repayment of the Loan and from time to time during the Term so that the Lender will have an amount sufficient to pay the estimated amount of taxes as taxes become due. Any debit balance in the tax account will be subject to payment on demand.

When not in default, the Lender may choose to allow the Borrower to make property tax payments directly to the appropriate municipality provided that the Borrower furnishes the Lender with proof of payment immediately after any property tax payments have been made.

20. **INSURANCE**

The Borrower shall show arrangements for insurance, including all risk insurance coverage, and keep insured the Property and all insurable property from time to time forming part of the assets secured by the Security on the terms and conditions outlined in Schedule "A".

21. **GOOD FAITH DEPOSIT**

(a) In consideration of the issuance of this Commitment, the Lender requires a deposit (the "Good Faith Deposit") of \$75,000.00. The Good Faith Deposit is to be retained without interest by the Lender to ensure payment on account of the Lender's damages in the event of non-performance by the Borrower of any terms or conditions contained in this Commitment. The Good Faith Deposit will be applied against the Commitment Fee upon the advance of the Loan net of the expenses incurred by the Lender.

(b) The Good Faith Deposit will be forfeited to the Lender as liquidated damages and not as a penalty in each of the following circumstances:

- (i) if, because of the Borrower's failure, refusal, or inability for any reason whatsoever to comply with any terms or conditions in this Commitment, the Security Documents and/or any other instrument entered into in connection herewith by the Commitment Expiry Date; or
- (ii) if, for any reason, the Borrower does not accept all or a portion of the proceeds of the Loan when the Lender makes them available; or
- (iii) if the Borrower enters into a loan commitment with another Lender respecting the same Property.

Notwithstanding the forfeiture of the Good Faith Deposit, the Borrower will remain liable to reimburse the Lender and/or its investor(s) for any reasonable due diligence costs and legal expenses whether or not the Loan is proceeded with. The Lender's rights respect to the Good Faith Deposit is enforceable by the Lender shall survive the termination of and are independent of the existence of this Commitment.

22. **COMMITMENT EXPIRY**

In the event that the Loan is not advanced by the Commitment Expiry Date then, at the Lender's sole option, this Commitment letter will be null and void and/or the Loan will be closed out at the then disbursed Loan amount.

23. **CONFIDENTIALITY CLAUSE**

The Borrower acknowledges and agrees that the terms and conditions recited herein are confidential between the Borrower and the Lender. The Borrower agrees not to disclose the information contained

herein to a third party without the expressed written consent of the Lender, excepting the Borrower's legal counsel, professional advisors, and consultants.

24. **STANDARD CLAUSES**

All terms and conditions of Schedules "A", "B" and "C" attached hereto form part of this Commitment letter.

The Lender's commitment to make this Loan will not become effective unless you acknowledge acceptance hereof and agree with all the terms and conditions by signing a copy of this Commitment accepting the terms and conditions and returning it to us prior to 4:30PM EST on November 8, 2021, failing which, this offer may be considered null and void at the Lender's option.

We thank you for this opportunity to provide this Loan and look forward to continuing our relationship in the future.

Sincerely,

DocuSigned by:

C571CCB8EB28487...

Paul Jones
Portage Capital Corporation

DocuSigned by:

0533D4DEB351497

Andrew Jones
Portage Capital Corporation

The foregoing commitment and all the terms and conditions thereof are hereby accepted by us this 5th day of November, 2021.

BORROWER**4354 Investments Ltd.**

Per: _____

Name: Anthony Pappajohn

Title: _____

BORROWER**5186 Investments Ltd.**

Per: _____

Name: Anthony Pappajohn

Title: _____

BORROWER**No. 198 Cathedral Ventures Ltd.**

Per: _____

Name: Anthony Pappajohn

Title: _____

GUARANTOR**James Holdings Ltd.**

Per: _____

Name: Anthony Pappajohn

Title: _____

GUARANTORName: Anthony Pappajohn**GUARANTOR**Name: John Pappajohn**GUARANTOR**Name: Thomas Pappajohn

SCHEDULE "A"

All insurance policies must be forwarded to our insurance consultants, Proincon, 287 Tache Avenue, Winnipeg, MB R2H 2A1 Attn: Wayne Fast Phone (204) 953-6222 Fax 204-953-6220 wfast@proincon.ca, for their review and comments upon the acceptance of this Commitment. The Lender's insurance consultants will review the insurance policies, the cost of which shall be for the account of the Borrower and will be deducted from the initial advance of the funds under the Loan.

The Borrower shall place and keep in force throughout the Term of the Loan the insurance coverage required by the Mortgage, including, without limitation, the insurance coverage set out below, in respect of the Property. All such insurance coverage shall be placed and kept in force with a company or companies satisfactory to the Lender and the Lender shall receive the original policies of insurance signed by the insurer or insurers, which policies are to be in form and content satisfactory to the Lender. Where, under the insurance policies described below, loss is payable to the Lender, such insurance policies shall show the loss payable to Computershare Trust Company of Canada, In Trust, as second mortgagee.

Evidence of insurance satisfactory to the Lender and/or its insurance consultant shall be provided prior to the advance of the Loan.

Permanent Coverage

- i) Property Insurance in an amount not less than one hundred per cent (100%) of the replacement cost and providing coverage by way of an "All Risks" policy of insurance, including earthquake and flood, together with a replacement cost endorsement with the "same site" provisions removed.
- ii) Fire and extended coverage and malicious damage, including leakage from fire protection equipment on a stated amount replacement cost basis with second loss payable to the Lender by way of an approved mortgage clause. Permission should be granted for the improvements to be completed and to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy.
- iii) Comprehensive broad form boiler insurance including unfired pressure vessels insurance and air-conditioning equipment, if any, including repair and replacement and including Use and Occupancy coverage, for an amount satisfactory to the Lender with second loss payable to the Lender by way of a Boiler and Machinery Insurance Association mortgage clause.
- iv) Comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of \$5,000,000.00 per occurrence, written on an inclusive basis.
- v) Rental insurance coverage sufficient to cover 100% of the gross annual rentals from the Property for a period of twelve (12) months, based on the greater of actual or projected rentals.

All cancellation and alteration clauses in the above-referenced policies, including those contained in the mortgage clause insurance endorsement, are to provide for at least thirty (30) days prior notice to the Lender of such cancellation. The Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

SCHEDULE "B"**ADDITIONAL STANDARD CONDITIONS**

- 1) **SALE OF PROPERTY:**

Any change of ownership (beneficial or otherwise) or control of the Borrower or beneficial owner (if applicable), or any change of ownership (beneficial or otherwise), control, transfer or sale of the Property, or part thereof, without the Lender's prior written consent, which shall not be unreasonably withheld, shall at the discretion of the Lender, constitute a default under this Loan and the Loan shall become immediately due and payable. The Lender may require as one of the terms for giving consent that the purchaser shall execute an assumption agreement in favour of the Lender. In the event that the Lender does not approve the purchaser and/or the purchaser does not execute an assumption agreement, the outstanding balance of the Loan, at the option of the Lender will become due and payable on the closing date of the sale or other applicable transaction.
- 2) **LAND USE CLASSIFICATION / ZONING:**

To the extent required for the Lender to obtain satisfactory title Insurance coverage, we shall require evidence that the Property is classified or zoned for its current use.
- 3) **COMPLIANCE:**

It is understood that it is a condition of the initial advance of the Loan that the Property complies with all Planning Act provisions and governmental and regulatory authorities and there shall be no other work orders or notices of deficiencies whatsoever against the Property.
- 4) **REAL PROPERTY REPORT:**

To the extent required for the Lender to obtain satisfactory title Insurance coverage or if otherwise required by the Lender or its solicitor, a survey/real property report prepared by a registered land surveyor approved by the Lender with respect to the Property is to be furnished to the Lender if available.

Such report is to be satisfactory to the Lender and, without limiting the generality of the foregoing, is to show:

 - (a) the boundaries and dimensions of the land(s);
 - (b) the location of the building(s) and any other improvements on the land(s);
 - (c) the names and municipal block numbers of adjacent streets;
 - (d) location of all registered easements, rights-of-way, etc.
- 5) **SOLICITORS:**

The law firm to be appointed by the Lender shall be used to draw the Security documentation and any other documents related to this transaction and to disburse advances, and all investigations and registrations shall be to the satisfaction of our solicitor prior to any advance. All legal costs of our solicitors related to this transaction shall be payable by you and may be deducted from the Loan proceeds and shall be paid by you directly to our solicitors in the event this transaction does not proceed to an initial funding under the Mortgage.

The Lender will require that the Borrower use a firm of solicitors for independent legal advice, such firm to be completely separate from that chosen by the Lender.

Notwithstanding the generality of the foregoing, our solicitors shall be furnished with such affidavits, financial statements, estoppel certificates for commercial tenants, acknowledgements, directions, and other information in regard to the Property, indicating full compliance with all the representations and conditions as provided herein and as either the Lender and/or its solicitors shall request.

6) SOLICITOR'S
OPINION:

The Lender shall be provided with an opinion letter from a satisfactory solicitor from the appropriate jurisdiction acting for the Obligors stating that all Security documentation has been duly authorized, executed and delivered by the respective Obligors, that all of the Security is validly binding on the respective Obligors, that the said Security does not breach any other agreements or security instruments to which the Obligors are parties. The opinion letter shall be in such form and contain such other terms as may be required by the Lender or its solicitors.

7) DEFAULT ON
ABANDONMENT:

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

8) BORROWER'S
REPRESENTATIONS:

If, at any time before the final advance of funds, the Lender determines that there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to the Lender by the Borrower concerning the Property or any party's financial condition and responsibility, then the Lender shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by you within thirty (30) days of written notification from the Lender, be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be forthwith due and payable.

9) MATERIAL
CHANGE:

It is a condition for the disbursement of funds that, in the opinion of the Lender, the financial position of the Obligors and the Property, and the Obligors' representations and warranties, shall not have suffered any adverse change; nor shall there be any actions, suits, or pending proceedings of which any Obligor has knowledge; and that no event shall have occurred which materially and adversely affects the value of the Property or any part thereof, or the financial position of any of the Obligors or their shareholders or partners.

10) REPORTING:

The Lender is to be supplied within **60** days of each fiscal quarter and **90** days from the end of the fiscal year of the Borrower and Guarantor (if applicable) with unaudited and/or management prepared financial statements for the Borrower and Guarantor (if applicable) as well as Property-specific operating statements and personal net worth statements (audited in the event of default). The statements are to be prepared by a recognized firm of accountants and will include a balance sheet, a detailed statement of income and expenditures, and supporting notes and schedules. On the acceptance of this Commitment, the Borrower shall immediately supply to the Lender the latest financial statements and all interim financial statements made as of that date. From time to time, the Lender may request any additional information from the Borrower relating to the Property and/or the financial position or affairs of the Obligors.

11) NON-MERGER:

The Obligors' obligations as contained in this Commitment (and to the extent that those obligations are not repeated in the Mortgage and other Security) shall survive the execution and registration of the Mortgage and other Security documentation and all advances of funds under the Mortgage, and the Borrower agrees that those obligations shall not be deemed to be merged in the execution and registration of the Mortgage and other Security. All terms and conditions of the Mortgage and other Security documentation shall be deemed to be incorporated in and form part of this Commitment, except to the extent provided for in this Commitment. In the event of conflict, the terms of Commitment shall prevail.

12) WAIVER:

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

13) MORTGAGE
REGISTRATION:

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

14) INTERPRETATION
OF CONTRACT:

This agreement shall be interpreted in accordance with the laws of Ontario and shall be treated in all respects as an Ontario contract.

15) ASSIGNMENT OF
COMMITMENT:

The Borrower shall not assign, transfer, or otherwise deal or dispose of its rights hereunder without the prior written approval of the Lender.

16) NOTICE:

Any notice shall be sufficiently given if served personally, or if mailed by prepaid registered post addressed to the Lender at Computershare Trust Company of Canada c/o CMLS Financial Ltd. Suite 2110 - 1066 West Hastings Street Vancouver, BC V6E 3X2 Attention: Servicing Department, with a copy by email

to Portage Capital Corporation at servicing@portagecapital.ca, and to any Obligor at the address indicated in this Commitment and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed, upon the second postal date after it was mailed. Either party may designate in writing a substitute address for that set forth above, and thereafter notice shall be directed to such substituted address. In the event of a postal strike, or in the event of interruption of mail service then all notices must be delivered to the address set out, or such other address as may have been designated.

17) ENVIRONMENTAL
MATTERS:

The Loan will contain a warranty and representation, in form satisfactory to the Lender, that , to the knowledge of the Borrowers, the Property and its existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation of the Property (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:

- a) the Property has never been used as a landfill site or to store Hazardous Substances either above or below ground, in storage tanks or otherwise;
- b) all Hazardous Substances used in connection with the business conducted at the Property have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- c) no Hazardous Substances have been released into the environment or deposited, discharged, placed, or disposed of at, on or near the Property as a result of the conduct of business on the Property; and
- d) no notices of any violation of any matters referred to above relating to the Property or its use have been received by the Borrower and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings, or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the property nor is there any basis for such law suits, claims, proceedings, or investigations being instituted or filed.

For the purposes of this Commitment, a "Hazardous Substance" includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials, and Hazardous Substances as defined in or pursuant to the Environmental Management Act or any applicable Environmental Law.

It shall be an event of default under the Loan if any of the foregoing representations and warranties shall be false or misleading as at the time given.

- 18) **SUCCESSORS AND ASSIGNS:** This Commitment shall, subject to the provisions herein, enure to the benefit of, and be binding upon the Lender, the Obligors and their respective successors, administrators, benefactors, heirs and permitted assigns.
- 19) **CONDITIONS:** All conditions to the obligation of the Lender to make advances of the Loan are imposed solely and exclusively for the benefit of the Lender and any or all of such conditions may be waived in whole or in part by the Lender at any time in its sole discretion if it deems it advisable to do so. This right is not to be unreasonably exercised by the Lender.
- No single advance, either singularly or collectively, shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further advances.
- 20) **ACKNOWLEDGEMENT:** The Borrower acknowledges and agrees that the Lender may have entered into this Commitment to provide mortgage origination and/or administration services on behalf of an investor and not on its behalf. If applicable, any requirement to advance funds or to perform any obligation under this Commitment or any of the Security documents required hereunder shall be strictly those of the investor and not of the Lender and the Borrower hereby releases the Lender from any alleged breach which may occur hereunder or thereunder.
- The Borrower hereby acknowledges that the Lender, acting as agent on behalf of an investor client, and any assignee or party to whom this Loan is syndicated is acting as a lender only and the Lender has not presented the commercial viability of the Property, nor the cash flow therefrom, nor any other representation, whether verbal or written. The Borrower further acknowledges that it has made its own independent analysis of the Property and is satisfied with same.
- 21) **AMENDMENTS TO COMMITMENT:** This Commitment shall supersede any and all prior dealing, whether written or oral, as between the parties hereto and relating to this Loan. No term or requirement of this Commitment or any Security documents may be waived or varied orally or by any course of conduct of any office, employee, or agent of the Lender. Any amendments to this Commitment or any Security document must be in writing and signed by a duly authorized officer of the Lender.
- 22) **TIME OF ESSENCE:** Time shall be of the essence in all respects in this Commitment.
- 23) **GENDER/NUMBER:** It is hereby agreed, wherever the singular and the masculine are used throughout this Commitment, the same shall be construed as meaning the plural, or the feminine or neuter where the context or the parties so require.
- 24) **TITLE INSURANCE:** The Borrower shall obtain title insurance for the Property in favour of the Lender in a form and policy, and from a title insurer, satisfactory to the Lender.
- 25) **OTHER:** In the event of any default, that continues beyond the reasonable cure period, the Lender shall be entitled to a fee for each and every incident of default on account of administration and costs incurred: (a) Late payment - \$500.00; (b)

dishonored cheque or other payment - \$1,000.00; (c) any legal proceeding instituted - \$5,000.00, in each case plus all legal fees and disbursements other costs incurred.

26) IDENTIFICATION:

Each Borrower will be required to produce identification acceptable to the Lender and the Lender's solicitor at the time the mortgage documentation is signed, and prior to any funds being advanced, for the purpose of compliance with the provisions of the *Proceeds Of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and regulations thereunder. Such identification shall include at least two documents, with at least one document including photo ID, together with a solicitor's confirmation that the identity of all persons signing as or on behalf of the Borrower have been identified as the proper persons to sign. The Lender is to be provided with copies (front and back) of any identification documents together with a solicitor's certification that the copies are true copies of the original documents.

27) INSOLVENCY:

In the event one or more of the principals of an Obligor become insolvent or file for bankruptcy then at the option of the Lender the Mortgage will become due and payable.

28) ASSIGNMENT, SALE
OR SYNDICATION:

This Loan may be assigned by the Lender without the consent of the Obligors. The Loan terms, representations, warranties, and covenants herein contained shall enure to the benefit of each assignee of the Lender. The Lender shall have the right to assign, sell, syndicate, grant participations in or transfer all or any portion of this Loan, and as part of any such transaction the Lender is hereby authorized to provide the prospective participants in such transactions all personal information relevant to this Loan (including credit and default information) of the Obligors and the Property received by the Lender. This information will be held in strict confidence between the Lender and any prospective participant in this Loan.

Schedule "C"

(Please complete the below section)

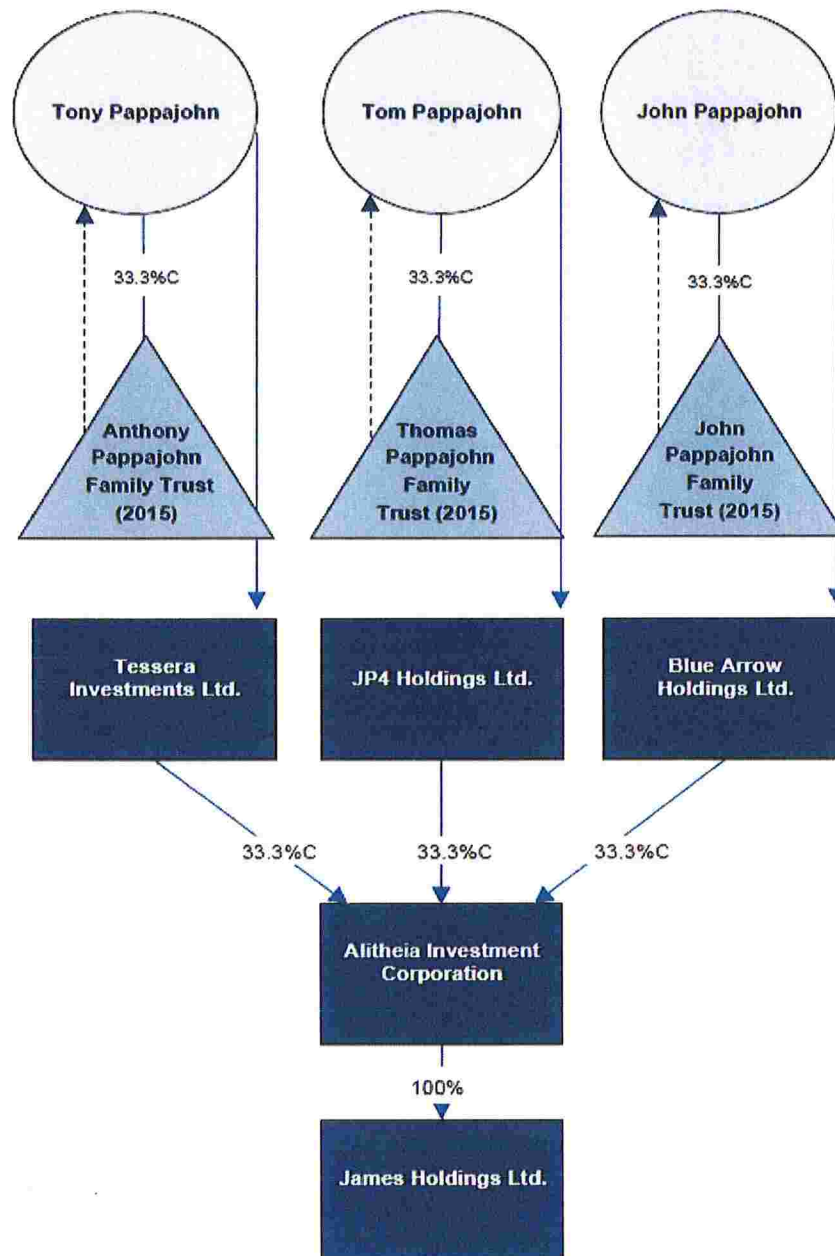
Borrower's Legal Counsel:Firm Name: **Dentons Canada LLP**Solicitor's Name: **Mr. Wilfred Chan**Address: **20th Floor, 250 Howe Street, Vancouver BC V6C 3R8**Phone: **604 622 5189 - Direct line**Email Address: **wilfred.chan@dentons.com****Insurance Company:**Firm Name: **BFL Canada Insurance Services Inc.**Contact Person: **Monika Leukefeld**Address: **Suite 200 - 1177 West Hastings Street, Vancouver BC V6E 2K3**Phone: **604 678 5434**Email Address: **mleukefeld@bflcanada.ca**

Organizational Chart of the Obligors

James Holdings Ltd.

Organizational Chart

October 2021



Certified by : _____

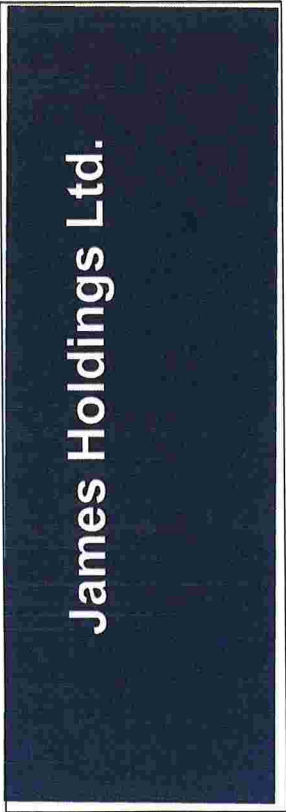
Name: _____


John Pappajohn

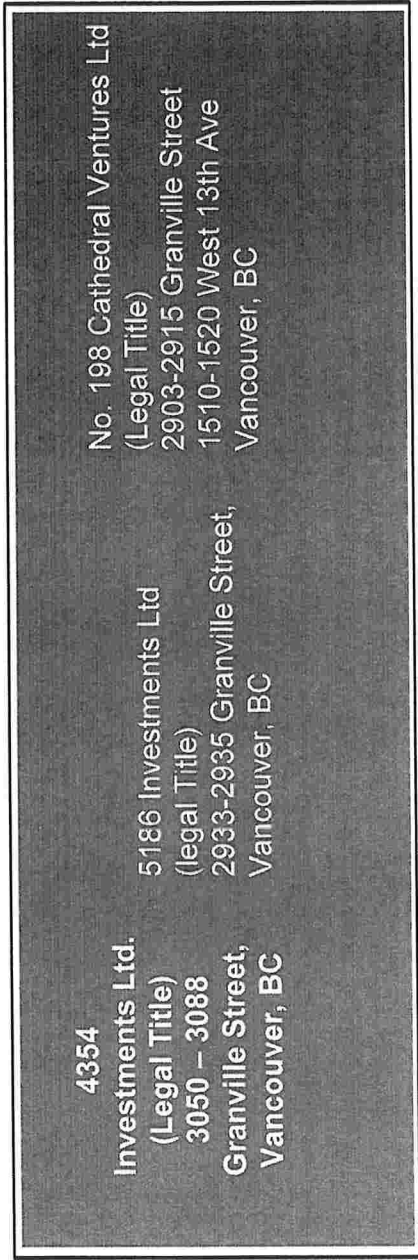
Date: _____

Oct. 8/21

James Holdings Ltd. Org Chart October 2021
Granville Street Properties:
3050-3088 Granville Street; 2933-2935 Granville Street;
2903-2915 Granville Street; & 1510-1520 West 13th Ave,
Vancouver BC



100% ↓

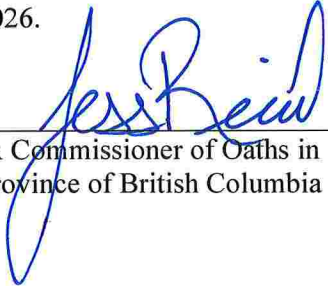


Certified by: John Pappajohn
Name: John Pappajohn
Date: Oct. 8/21

EXHIBIT "G"

This is Exhibit "G" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia



Portage Capital Corporation
Doing Business as PCC Capital Corporation
25 Montgomery Avenue, Suite 204
Toronto, Ontario M4R 0A1
T (416) 431-7321
portagecapital.ca

April 8, 2024

4354 Investments Ltd.
104 – 1525 West 8th Avenue,
Vancouver, BC V6J 1T5

Dear Sirs/Mesdames:

Re: Blanket Second Mortgage Extension: 2903-2915 Granville Street & 1520 West 13th Avenue, 2933-2935 Granville Street and 3050-3088 Granville Street, Vancouver, B.C.

This letter is written further to the accepted commitment letter dated November 5, 2021, issued by Portage Capital Corporation (the "Lender") to 4354 Investments Ltd., 5186 Investments Ltd. and No. 198 Cathedral Ventures Ltd., each as bare trustee for the beneficial owner James Holdings Ltd., in respect of the mortgage financing on the security of the above-mentioned property (the "Commitment").

The Lender has approved an extension of the Term for a period of eleven (11) months from February 1, 2024, to January 1, 2025 (the "Extension Term").

Extension Terms and Conditions:

1. The loan is open to prepayment during the Extension Term, in whole or in part, subject to thirty (30) days notice to the Lender.
2. The Interest Rate during the Extension Term will be 12.0% per annum, calculated and compounded monthly and payable monthly, not in advance.
3. The fee for the extension will be 0.50% (\$107,500.00), the fee will be payable and collected upon the renewal of the Loan.
4. Collateral Second Mortgage will be required on the following property (collectively "Collateral Property"):
 - a. PH1 – 1477 West 15th Avenue, Vancouver, BC – held by 4354 Investments Ltd.
 - b. PH9 – 1477 West 15th Avenue, Vancouver, BC – held by 1060485 BC Ltd.
 - c. Unit 204 – 1477 West 15th Avenue, Vancouver, BC – held by 1060485 BC Ltd.
5. James Holdings Ltd. shall provide consent from the existing first lender for each of the Collateral Property, allowing the Lender to secure the Collateral Property as Collateral Second Mortgages.
6. James Holdings Ltd. shall provide a specific assignment to the Lender of net proceeds generated in respect of any sale, financing or otherwise of 2538 Birch Street, Vancouver, BC or 1807 Larch Street, Vancouver, BC as follows:
 - a. 100% of the first \$10,000,000.00 less any proceeds used to repay the Vancity first mortgages which rank senior to the Loan – such repayment to Vancity be to a maximum of \$3,000,000.00; and
 - b. 50% of the balance of any proceeds.
 - c. Any cash proceeds will be used to repay the Loan.

7. Modification of Security Documentation:

- a. An Agreement Amending Charge, amending the terms and conditions as outlined in this Extension Letter.
- b. Collateral Second Mortgages for all the Collateral Property.
- c. The Agreement Amending Charge and Collateral Second Mortgages shall include a provision that any event of default on the first mortgages shall constitute a default on the Loan.
- d. Confirmation of Guarantee and Security.
- e. PPSA Financing Change Statement.
- f. Such other Security documentation as may be reasonably deemed necessary by the Lender's solicitor.
- g. All legal fees for this modification shall be paid by the Borrower.

This letter will also serve as your authorization to continue with your Pre-Authorized Payment Plan for the subject Loan.

All other terms and conditions of the original Loan, as it may have been subsequently renewed, amended, extended, or modified and all security collateral thereto will remain in full force and effect.

The Lender's commitment to make this Extension Term will not become effective unless you acknowledge acceptance hereof and agree with all the terms and conditions by signing a copy of this letter accepting the terms and conditions and returning it to us prior to 4:30 PM EST on April 8, 2024, failing which, this offer may be considered null and void at the Lender's option.

Sincerely,

DocuSigned by:


CF19C08F935487...

Paul Jones

Portage Capital Corporation

DocuSigned by:


053304DEB351487...

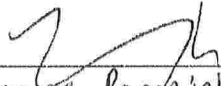
Andrew Jones

Portage Capital Corporation

The above terms and conditions thereof are hereby accepted by us this 24 day of April 2024.

BORROWER

4354 Investments Ltd.

Per: 
Name: Thomas Pappajohn
Title: SECRETARY

1060485 BC Ltd.

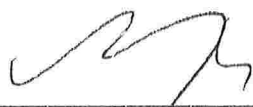
Per: 
Name: Anthony Pappajohn
Title: PRESIDENT

5186 Investments Ltd.

Per: 
Name: Thomas Pappajohn
Title: SECRETARY

Per: _____
Name: _____
Title: _____

No. 198 Cathedral Ventures Ltd.

Per: 
Name: Thomas Pappajohn
Title: SECRETARY

Per: _____
Name: _____
Title: _____

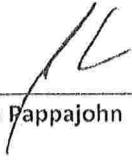
GUARANTOR

James Holdings Ltd.

Per: 
Name: Anthony Pappajohn
Title: PRESIDENT

Per: _____
Name: _____
Title: _____


Name: Anthony Pappajohn


Name: John Pappajohn

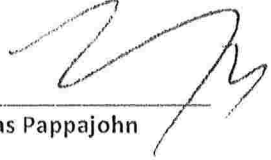
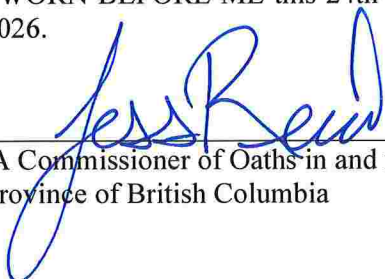

Name: Thomas Pappajohn

EXHIBIT "H"

This is Exhibit "H" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia



1. Application

CASSELS BROCK & BLACKWELL LLP
SUITE 2200 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
604.691.6100

2. Description of Land

PID/Plan Number	Legal Description
014-174-685	LOT 9 BLOCK 430 DISTRICT LOT 526 PLAN 1949
014-174-707	LOT 10 BLOCK 430 DISTRICT LOT 526 PLAN 1949
014-175-207	LOT 11 BLOCK 430 DISTRICT LOT 526 PLAN 1949
027-480-917	LOT A DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP672
025-836-471	PARCEL C EXCEPT: PART SUBDIVIDED BY PLAN BCP23566; BLOCK 451 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP8982

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

NO. 198 CATHEDRAL VENTURES LTD. AS TO PIDS: 014-174-685, 014-174-707 AND 014-175-207 670 - 1665 WEST BROADWAY VANCOUVER BC V6J 5A4	BC0546758
5186 INVESTMENTS LTD. AS TO PID: 027-480-917 670 - 1665 WEST BROADWAY VANCOUVER BC V6J 1X1	BC0660305
4354 INVESTMENTS LTD. AS TO PID: 025-836-471 670 - 1665 WEST BROADWAY VANCOUVER BC V6J 1X1	BC0621513

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

COMPUTERSHARE TRUST COMPANY OF CANADA C/O CMLS FINANCIAL LTD. 2110 - 1066 WEST HASTINGS STREET VANCOUVER BC V6X 3X2	A0052313
---	----------

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$21,500,000.00	SEE EXPRESS MORTGAGE TERMS	JANUARY 1, 2022
Interest Calculation Period	Payment Dates	First Payment Date
MONTHLY	1ST DAY OF EACH MONTH	FEBRUARY 1, 2022



Amount of each periodic payment SEE EXPRESS MORTGAGE TERMS	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum	Last Payment Date FEBRUARY 1, 2024
Assignment of Rents which the applicant wants registered? No	Place of payment POSTAL ADDRESS IN ITEM 4	Balance Due Date FEBRUARY 1, 2024

6. Mortgage contains floating charge on land?
No

7. Mortgage secures a current or running account?
No

8. Interest Mortgaged
Fee Simple

9. Mortgage Terms
Part 2 of this mortgage consists of:
(c) Express Mortgage Terms (annexed to this mortgage as Part 2)

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

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

Witnessing Officer Signature

Execution Date

Borrower Signature(s)

WILFRED CHAN
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

Telephone (604) 687-4460
(as to all signatures)

YYY-MM-DD

2021-11-23

NO. 198 CATHEDRAL VENTURES LTD.
By their Authorized Signatory

Anthony Pappajohn, President



5186 INVESTMENTS LTD.
By their Authorized Signatory

Anthony Pappajohn, President

4354 INVESTMENTS LTD.
By their Authorized Signatory

Anthony Pappajohn, President

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.

**Shauna Kathleen
Haynes Towriss
R9HWBI**

Digitally signed by
Shauna Kathleen Haynes
Towriss R9HWBI
Date: 2021-12-03
12:12:15 -08:00

EXPRESS MORTGAGE TERMS – PART 2

Mortgage No. 50769

ARTICLE 1
INTERPRETATION

Section 1.01 In this Mortgage, unless there is something in the subject matter or text inconsistent therewith,

- (a) **"Additional Security"** means the security constituted by Section 2.02.
- (b) **"Building"** means, the mixed use and residential and retail buildings located on the Lands, together with all other buildings, structures, facilities, fixtures and improvements located from time to time in, on and upon the Lands, including any and all alterations, reconstruction, additions, expansions, repairs and replacements effected during the term of this Mortgage, and all fixed machinery, plant, equipment, apparatus and fittings and other fixtures incorporated, or now or hereafter erected or located therein or thereon (including all machines, motors, pumps, tanks, elevators, boilers, furnaces and air-conditioning units, other than fixtures removable by tenants thereof pursuant to the Leases).
- (c) **"Chattels"** means the goods and chattels of the Mortgagor referred to in Subsection 2.02(b).
- (d) **"Commitment"** means the letter of commitment issued by Portage Capital Corporation to the Mortgagor dated November 5, 2021, and as amended in writing from time to time.
- (e) **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have corresponding meanings.
- (f) **"Costs"** includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the administration and enforcement of the Loan Documents, protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of the Mortgagee under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a full indemnity basis.
- (g) **"Counsel"** means any barrister or solicitor or firm of barristers and solicitors retained by the Mortgagee.

- (h) **"Default"** means any event, act or condition which, with the giving of notice and/or lapse of time and/or a determination being made under the relevant provisions, would constitute an Event of Default.
- (i) **"Distribution"** means (i) any payment, declaration of dividend or other distribution, whether in cash or property (but expressly excluding any distribution by way of the payment of dividends by the issuance of equity securities of an issuer), to any holder of shares or units of any class of the Mortgagor, (ii) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares or units of the Mortgagor, or of any options, warrants or other rights to acquire any of such shares, or (iii) any loan made by the Mortgagor to any of its shareholders, unitholders or other non-arm's length parties.
- (j) **"Event of Default"** has the meaning ascribed thereto in Section 6.01 or elsewhere in this Mortgage.
- (k) **"Final Interest Rate"** has the meaning ascribed thereto in Section 2.04.
- (l) **"Governmental Body"** means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing and **"Governmental Bodies"** means any one or more of the foregoing collectively.
- (m) **"Indebtedness"** means the aggregate of:
 - (i) the Principal Sum, interest thereon at the applicable Interest Rate and all other obligations and liabilities of any kind whatsoever of the Mortgagor to the Mortgagee under or relating to the Loan Documents;
 - (ii) all Costs; and
 - (iii) any other amount, cost, charge, expense and interest otherwise due and payable to the Mortgagee hereunder or secured by this Mortgage.
- (n) **"Interest Adjustment Date"** means January 1, 2022.
- (o) **"Initial Interest Rate"** has the meaning ascribed thereto in Section 2.04.
- (p) **"Interest Rate"** means the Initial Interest Rate or the Final Interest Rate, as the context requires.
- (q) **"Land Registry Office"** means the Vancouver Land Title Office.
- (r) **"Lands"** means the lands and premises known municipally as Vancouver, British Columbia and more particularly described in the Mortgage to which this Schedule is attached.

- (s) **"Leases"** means all and any present and future leases and agreements to lease of the whole or any portion of the Lands or of the whole or any part of the Building and all and any present or future licences whereby the Mortgagor (or any authorized representative of the Mortgagor) gives any other person the right to use or occupy the whole or any part of the Mortgaged Premises, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into, but does not include registered easements or rights in the nature of an easement; and "Lease" means any one of them.
- (t) **"Lien"** means any mortgage, charge, pledge, hypothec, assignment, lien, preference, priority or other security interest or encumbrance of any kind or nature whatsoever with respect to the Mortgaged Premises.
- (u) **"Loan Documents"** means, collectively, the Commitment, this Mortgage and all other documents, security agreements, instruments, guarantees, indemnities, agreements, certificates, undertakings and opinions now or hereafter given or entered into as evidence of or as security for the Indebtedness.
- (v) **"Maturity Date"** has the meaning ascribed thereto in Section 2.04.
- (w) **"this Mortgage", "this Mortgage", "these presents", "hereto", "herein", "hereof", "hereby", "hereunder"**, and any similar expressions refer to this Mortgage and not to any particular Article, Section or other portion hereof, and includes any and every instrument supplemental or ancillary hereto or in implementation hereof.
- (x) **"Mortgaged Premises"** means all right, title and interest of the Mortgagor in the Lands, the Buildings, the Chattels and the Additional Security together with all additional real and personal property over which the Mortgagee is now or hereafter granted security in respect of the obligations hereby secured.
- (y) **"Mortgagee"** means Computershare Trust Company of Canada c/o CMLS Financial Ltd., its successors and assigns.
- (z) **"Mortgagor"** means, No. 198 Cathedral Ventures Ltd., 4354 Investments Ltd. and 5186 Investments Ltd.
- (aa) **"Municipality"** means the City of Vancouver.
- (bb) **"Permitted Encumbrances"** means:
 - (i) all current Leases and future Leases entered into in accordance with Article 9 hereof;
 - (ii) reservations, limitations, provisos and conditions expressed in any original grants from the Crown and statutory exceptions to title;

- (iii) any registered subdivision, development and site plan agreements with the Municipality revealed by the registered title, to the extent that same are complied with;
 - (iv) restrictions, easements and rights in the nature of easements revealed by the registered title, to the extent that same are complied with;
 - (v) title defects or irregularities or encroachments which are of a minor nature and which individually or in the aggregate will not (A) materially detract from the value of the Mortgaged Premises, or (B) materially impair the existing uses of the Mortgaged Premises or the Mortgagee's rights and remedies under the Loan Documents; and
 - (vi) such other encumbrances as may be consented to in writing by the Mortgagee.
- (cc) **"Person"** means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a government agency.
- (dd) **"Principal Sum"** means the amount of principal money outstanding from time to time and secured by this Mortgage.
- (ee) **"Replacement Cost"** means the cost of repairing, replacing or reinstating any item of property with materials of like kind and quality on the same or a similar site, including municipal by-laws extension if applicable and without deduction for physical, accounting or other depreciation.
- (ff) **"Taxes"** means all taxes, rates and assessments, municipal, local, parliamentary or otherwise, which now are or may hereafter be imposed, charged or levied upon the Mortgaged Premises.

Section 1.02 The headings of all the Articles and Sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Mortgage.

Section 1.03 Whenever in this Mortgage a particular Article, Section or other portion thereof is referred to, unless otherwise indicated, such reference pertains to an Article, Section or portion thereof contained herein.

Section 1.04 Whenever there is more than one Person constituting the Mortgagor hereunder, they shall each be liable jointly and severally for all the Mortgagor's obligations hereunder and a default by one shall be deemed to be a default by all.

Section 1.05 All dollar amounts expressed herein are expressed as being lawful money of Canada.

Section 1.06

- (a) This Mortgage and the rights and obligations of the parties hereto shall be interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

- (b) Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.
- (c) This Mortgage is made pursuant to the *Land Transfer Form Act* of the Province of British Columbia. To the extent that this Mortgage contains any of the forms or words contained in Column I of Section 6 of the Act, the same shall have the same effect and be construed as if the form of words contained in Column II of Schedule 6 of that Act were fully set forth in this Mortgage. Despite that this Mortgage is declared to be made in pursuance of the *Land Transfer Form Act*, it is expressly understood and agreed by the Mortgagor that the provisions of the form of words numbered 15 in Schedule 6 in the *Land Transfer Form Act* shall have no force and effect in respect of this Mortgage or any of the monies hereby secured, whether for interest or principal or upon any other account whatsoever and the provisions relating to a default under this Mortgage by the Mortgagor shall be as set out in this Mortgage and the Mortgagor shall not be relieved from the consequences of default by payment of the monies of which default of payment has been made and costs and charges related thereto.
- (d) The Doctrine of Consolidation shall apply to this mortgage despite Section 27(3) of the *Property Law Act* or any similar statutory provision in force from time to time.

Section 1.07 This Mortgage shall be construed with all changes in number and gender required by the circumstances.

ARTICLE 2 **SECURITY**

Section 2.01 In consideration of the advance of the Principal Sum and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor does hereby mortgage unto the Mortgagee, its successors and assigns forever, as security for the due payment of the Indebtedness and performance and observance of all covenants, agreements and conditions to be performed or observed by the Mortgagor under the Loan Documents, all of the right, title and interest of the Mortgagor in and to the Mortgaged Premises.

Section 2.02 Upon and subject to the terms, conditions and provisions contained in Article 9 and Section 11.02, and for the consideration recited in Section 2.01, as additional security for the due payment of the Indebtedness and performance and observance of all covenants, agreements and conditions in the Loan Documents on the part of the Mortgagor to be performed or observed, the Mortgagor does hereby assign, transfer and set over unto the Mortgagee:

- (a) (i) any income derived from any tenancy, use or occupation of the Mortgaged Premises and any rents and other sums payable to the Mortgagor pursuant to the terms of any Leases;

- (ii) all benefits, advantages and powers to be derived from any and all Leases, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and all other moneys payable thereunder and otherwise to enforce the rights of the landlord thereunder in the name of the Mortgagor;
- (iii) the benefit of any guarantees of and indemnities with respect to any Leases and the performance of any and all the obligations of any tenant thereunder;
- (iv) the benefit of all insurance indemnities pertaining to the Leases including, without limitation, those covering rents and other income derived thereunder; and
- (v) all bank accounts maintained in respect of the Mortgagor and/or the Mortgaged Premises and the moneys deposited therein from time to time.

provided, however that, until the Mortgagee is in possession of the Mortgaged Premises, the Mortgagor hereby indemnifies and saves harmless the Mortgagee from and against any and all loss, costs, damages, liabilities, expenses, claims or causes of action whatsoever arising from, or out of, or in relation to, the Leases; and

- (b) all the right, title and interest of the Mortgagor in and to the goods and chattels of the Mortgagor located in, on and upon the Mortgaged Premises together with any and all replacements, additions, substitutions and improvements thereto, including the full benefit and advantage derived therefrom,

TO HAVE AND TO HOLD the Mortgaged Premises and the Mortgage hereunder and all rights hereby conferred unto the Mortgagee forever and for the uses and purposes and with the powers and authorities herein expressed but subject nevertheless to the terms and conditions herein set forth.

Section 2.03 The Principal Sum advanced by the Mortgagee and which is secured by this Mortgage is TWENTY ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$21,500,000.00) and the rate of interest Mortgageable upon the Principal Sum owing from time to time or at any time to the Mortgagee by the Mortgagor is as set forth in Section 2.04(a), calculated monthly, not in advance, as well after as before maturity of this Mortgage, and as well after as before default and as well after as before judgment, with interest on overdue interest at the same rate, calculated and compounded in the same manner, until paid.

Section 2.04 Provided always and these presents are upon the express condition that if:

- (a) the Mortgagor shall pay or cause to be paid unto the Mortgagee, without any deduction or abatement whatsoever, the full Principal Sum or such portion of such Principal Sum as shall have been advanced hereunder, with interest thereon in the manner and on the days and times as follows:
 - (i) interest only at the rate of 10.0% per annum (the "Initial Interest Rate") on such portion of the Principal Sum as may from time to time be outstanding (calculated monthly from and including the respective date of

the advance(s) to and excluding the date of payment) due and payable on demand but not later than on the Interest Adjustment Date;

- (ii) thereafter, interest only at the Initial Interest Rate on such portion of the Principal Sum as may from time to time be outstanding (calculated monthly from and including the Interest Adjustment Date or the previous interest payment date to and excluding the date of payment) on the first business day of each and every month in each and every year from and including the first business day of the first month immediately following the Interest Adjustment Date to and including December 1, 2023; and
- (iii) thereafter, interest only at the rate of 12.0% per annum (the "**Final Interest Rate**") on such portion of the Principal Sum as may be outstanding (calculated monthly from and including December 1, 2023 to and excluding the Maturity Date) on February 1, 2024 and the Principal Sum together with interest thereon as aforesaid shall become due and be paid on February 1, 2024 (the "**Maturity Date**");
- (b) the Mortgagor shall also pay or cause to be paid all such other sums as the Mortgagee shall be entitled to receive hereunder and, for purposes of this Mortgage, such sums shall be added to the Principal Sum and treated as principal; and
- (c) the Mortgagor shall observe and perform all of the covenants and agreements and satisfy all of the conditions herein contained,

All payments to the Mortgagee must be made in lawful money of Canada at the address of the Mortgagee, as set forth in Section 14.01 hereof, as the same may be amended from time to time by the Mortgagee in accordance with the provisions hereof. It is expressly understood that the terms of this Mortgage shall not be extended or renewed except as expressly set out in writing and the acceptance by the Mortgagee of one or more monthly instalments of principal and interest after the due date thereof or of any partial payment applicable to the outstanding Principal Sum, interest or otherwise hereunder, shall in no way be deemed or interpreted as consent by the Mortgagee to any extension or renewal of the term hereof.

Section 2.05 Upon the advance of the Principal Sum to the Mortgagor, an interest reserve in the amount of \$3,225,000.00 (the "**Interest Reserve**") will be deducted from the amount of the initial advance of the Principal Sum, placed in a Mortgagee controlled escrow account, and utilized to make the scheduled monthly interest payments as required hereunder for the first eighteen (18) months of the loan, until the interest reserve is depleted.

If at any time during the term of this Mortgage, the Interest Reserve is fully depleted, the Mortgagor shall continue to make interest payments as required hereunder with funds obtained from its own resources.

The Mortgagor acknowledges that the Interest Reserve has been fully advanced and shall bear interest from and after the date of the initial advance at the Interest Rate. The Interest Reserve is hereby pledged by the Mortgagor to the Mortgagee as security for the Principal Sum. If there is an Event of Default, the Mortgagee shall utilize and apply all or any part of the Interest Reserve toward the payment of principal, interest, costs or other monies owing to the Mortgagee by the Mortgagor under the Loan Documents, in the Mortgagee's sole

discretion. All interest earned on the Interest Reserve shall be for the benefit of the Mortgagee and the Mortgagee shall not be required separately account for these amounts to the Mortgagor.

Section 2.06 The Mortgagor shall have the right to prepay this Mortgage, in whole or in part, provided that (i) no Default or Event of Default has occurred and is continuing, (ii) the Mortgagor has earned a minimum of eighteen (18) months' interest on the Principal Sum and (iii) the Borrower provides the Mortgagee with no less than thirty (30) days' prior written notice of the intended prepayment.

Section 2.07 The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage shall bind the Mortgagee to advance the Principal Sum, and that the advance of the Principal Sum, or any part thereof, from time to time, shall be in the full discretion of the Mortgagee; but nevertheless the lien or Mortgage hereby created will take effect forthwith upon the execution of these presents by the Mortgagor, and in any event whether any part of the Principal Sum shall or shall not be advanced, the costs and expenses on a fully indemnity basis of the examination of the title and the preparation of this Mortgage and related security documentation, and the valuation and inspection charges in respect thereof, shall be a charge upon the Mortgaged Premises, and in default of payment shall constitute an Event of Default herein.

Section 2.08 If the Mortgagor shall fail to perform any covenant on its part herein contained, the Mortgagee may, in its discretion, but need not, perform such covenant capable of being performed by it and, if such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, but shall be under no obligation to do so; and all such payments shall be at once payable by the Mortgagor and shall bear interest at the applicable Interest Rate and shall be secured hereby, but no such performance or payment shall be deemed to relieve the Mortgagor from any Event of Default hereunder.

Section 2.09 The Mortgagor hereby indemnifies and saves harmless the Mortgagee from all liabilities, obligations, claims, demands, losses, damages, actions, proceedings, costs and expenses arising from:

- (a) environmental contamination of the Mortgaged Premises or any non-compliance with Environmental Laws or regulations or non-compliance with any provisions of the environmental provisions contained in this Mortgage or in any of the other security for the Indebtedness;
- (b) any misapplication of rents, cash flow, security deposits and insurance proceeds from or pertaining to the Mortgaged Premises or pursuant to the Additional Security;
- (c) any fraud or material misrepresentation that the Mortgagor has made in connection with the Loan Documents, willful neglect by the Mortgagor of its obligations under this Mortgage or the Additional Security or any intentional misconduct by the Mortgagor relating to the Mortgaged Premises and Additional Security;
- (d) any claims, actions or proceedings brought forward by any third party in connection with the Mortgaged Premises;

- (e) failure on the Mortgagor's part, or its agents, to adequately maintain, and insure the Mortgaged Premises, its structures and mechanical systems; and/or
- (f) any claims, actions or proceedings brought forward by a third party in connection with the *Wage Earner Protection Program Act* and corresponding amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* pursuant to Bill C-55 (2005) and Bill C-12 (2007), as amended.

The foregoing indemnities shall be unlimited as to amount notwithstanding any other limitation of liability set out in this Mortgage or in the Commitment and shall survive repayment of the Indebtedness, but only with respect to any claims and expenses existing or relating to the period of time prior to such termination.

ARTICLE 3 **COVENANTS BY MORTGAGOR**

Section 3.01 The Mortgagor covenants and agrees with the Mortgagee:

- (a) that it shall pay or cause to be paid to the Mortgagee the Indebtedness when due and in the manner applicable thereto;
- (b) that it, at the time of the execution and delivery hereof, is lawfully seized of a good and marketable title to the Mortgaged Premises and all appurtenances thereto and of, on and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos or conditions except the Permitted Encumbrances or as may be disclosed to the Mortgagee in writing;
- (c) that it has good right, full power and lawful authority to mortgage the Mortgaged Premises to the Mortgagee in the manner provided in Sections 2.01 and 2.02, and according to the true intent and meaning of this Mortgage;
- (d) that from and after the occurrence of an Event of Default, then subject to the provisions of Article 7, the Mortgagee shall be lawfully entitled to peaceably and quietly enter into, have, hold, use, occupy, possess and enjoy the Mortgaged Premises with their appurtenances (other than any appurtenances owned by someone other than the Mortgagor, or removable by tenants, or subtenants thereof, under the Leases) without hindrance, interruption or denial by the Mortgagor or any other Person or Persons whomsoever, subject to Permitted Encumbrances;
- (e) that it will repair or cause to be repaired and will keep or cause to be kept in good order and repair the Mortgaged Premises from time to time to the standard as would be done by a prudent owner of similar property in the circumstances, and will at all reasonable times, subject to the provisions of the Leases and the rights of the tenants pursuant thereto, allow the Mortgagee or its duly authorized representatives access to the same in order to view the state and condition thereof;
- (f) that it will forthwith and from time to time execute and do all such assurances, contracts and things (including instruments supplemental or ancillary hereto) as in the opinion of Counsel, acting reasonably, are necessary for validly giving to

the Mortgagee the mortgage hereby intended to be created and all such assurances shall be in such form as shall be reasonably required for such purpose;

- (g) that it will not remove or destroy or permit to be removed or destroyed any of the plant, machinery and equipment which are the property of the Mortgagor and are located on the Mortgaged Premises without the prior written approval of the Mortgagee, such approval not to be unreasonably withheld or delayed; provided that nothing herein shall prevent the removal of any such property from one part of the Mortgaged Premises to another or the temporary removal of any such property for purposes of repair and provided further that the Mortgagor may remove, dismantle, sell, exchange or otherwise dispose of any plant, machinery or equipment which has become obsolete, worn out, unserviceable or unnecessary for use in the conduct of the business on the Mortgaged Premises if such plant, machinery or equipment is replaced by plant, machinery or equipment of at least equal value;
- (h) that it will not permit waste to be committed or suffered on the Mortgaged Premises and it will not remove or attempt to remove the Building, or any part thereof, from the Mortgaged Premises and will refrain from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Mortgaged Premises and that the Mortgaged Premises will be operated at all times in accordance, in all material respects, with all applicable laws and ordinances, whether municipal, county, provincial or federal, including the compliance in all material respects with any legislation and regulation in respect of the accommodation of handicapped persons and environmental protection;
- (i) that it will perform all of its obligations under the Permitted Encumbrances including, without limitation, the Leases as would a prudent and careful owner;
- (j) that it will use commercially reasonable efforts to have any default on the part of a tenant, or sub-tenant thereof, under its Lease cured as promptly as possible in accordance with prudent real estate management practice;
- (k) save and except for any construction or renovation plans disclosed by the Mortgagor to the Mortgagee prior to the date of this Mortgage, that it will not undertake or permit any material change, expansion, alteration or demolition of the Building, or access thereto, other than tenant related changes, expansion or alteration pursuant to and as permitted under any Lease, without the prior written approval of the Mortgagee, which approval shall not be unreasonably withheld; and that, in connection with any such material change, expansion or alteration of the Building, it shall comply in all respects with the provisions of the *Builders Lien Act*, S.B.C. 1997, c.45 and shall vacate or discharge forthwith any construction lien filed against all or any part of the Mortgaged Premises, and the Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld;
- (l) that it will pay, or cause to be paid, as and when the same become due and payable, all Taxes, liens, charges, encumbrances or claims which are, or may

become, charges or claims against the Additional Security or the Mortgaged Premises, or any part thereof;

- (m) that it will provide, or cause to be provided, from time to time and at all times in, on or upon the Mortgaged Premises sufficient parking to cover all requirements of any governmental regulation or by-law, together with such additional parking spaces as may be required in any Leases or agreements to which the Mortgagor is bound;
- (n) that it will at all times self-manage or maintain professional property management for the Mortgaged Premises acceptable to the Mortgagee and any change in the management of the Mortgaged Premises shall be subject to the approval of the Mortgagee. It is agreed by the Mortgagor that if at any time the Mortgagee becomes dissatisfied with the current or future professional property management of the Mortgaged Premises and if the reasons for such dissatisfaction are not remedied within thirty (30) days of receipt of notice by the Mortgagor from the Mortgagee detailing the reasons for its dissatisfaction, then the Mortgagor shall, at the request of the Mortgagee, change the professional property management within a further thirty (30) days, to such other professional property management as is acceptable to the Mortgagee, and its failure to do so shall constitute an Event of Default. The Mortgagor also agrees that upon the occurrence of an Event of Default that is continuing, the Mortgagee shall have the right to replace the manager of the Mortgaged Premises at a fee equal to 5% of the gross revenue generated from the Mortgaged Premises;
- (o) that the Principal Sum is not intended to be utilized for the purposes of securing financing of any improvements whatsoever with regard to the Mortgaged Premises, nor for the purposes of repaying any financing, charge or otherwise, which was utilized or intended for the financing of an improvement with regard to the Mortgaged Premises;
- (p) that it shall maintain the Mortgaged Premises in full compliance with the provisions of all applicable fire legislation, codes by-laws, regulations, and Governmental Body requirements and any directives or orders thereunder;
- (q) that in connection with the covenants of the Mortgagor hereunder, and subject to the rights of tenants under the Leases, the Mortgagor agrees to permit reasonable access to the Mortgaged Premises by the Mortgagee and its agents and employees from time to time, upon reasonable notice, and the Mortgagor agrees to make available from time to time, upon reasonable notice, all of the Mortgagor's records and books of account in connection with the Mortgaged Premises. Upon request, the Mortgagor shall deliver to the Mortgagee copies of all plans, specifications and drawings including as-built plans and working drawings and other specifications relating to any improvements forming part of the Mortgaged Premises and all architectural, structural, electrical and mechanical drawings, plans and specifications;
- (r) that the Mortgagor has not done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except

as the records of the land registry office disclose and except for Permitted Encumbrances; and shall keep the Lands free from all encumbrances except as may be permitted by the Mortgagee and except for Permitted Encumbrances;

- (s) that the Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee;
- (t) that the Mortgagor will not at any time prior to the discharge of this Mortgage become a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (u) that it will not make Distributions at any time that a Default or Event of Default has occurred and is continuing;
- (v) that it will not consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding up or dissolution of the Mortgagor in each case without the prior written consent of the Mortgagee;
- (w) that it will not make any material change to the nature of the business activities of the Mortgagor without the prior written consent of the Mortgagee; and
- (x) that from and after the occurrence of an Event of Default, and if it shall fail to cure any such Event of Default, it will require the repayment of any and all loans made during the term of this Mortgage by it to any of its shareholders or other non-arm's length parties.

Section 3.02

- (a) The Mortgagor covenants and agrees with the Mortgagee that any sale, conveyance, transfer or disposition of the legal and/or beneficial ownership or control of the Mortgaged Premises to a purchaser or transferee ("**Transferee**") who has not been previously consented to in writing by the Mortgagee, shall immediately constitute an Event of Default hereunder.
- (b) The Mortgagor covenants and agrees with the Mortgagee that it will not, without the Mortgagee's prior written consent, which shall not be unreasonably withheld, permit a change of Control of the Mortgagor. The Mortgagor covenants and agrees with the Mortgagee that in the event that it breaches the foregoing covenant, it shall immediately constitute an Event of Default hereunder.
- (c) The Mortgagee may require a Transferee to enter into an assumption agreement agreeing to assume this Mortgage and any amendments hereto, and any collateral agreements, and to pay the Indebtedness at the times and in the manner required and to observe, perform, keep and be liable under and be bound by every covenant, condition and obligation herein and any amendments hereto, and any collateral agreements, to be performed by the Mortgagor thereunder (including this obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of this Mortgage and any amendments

hereto, and any collateral agreements as though the same had been originally made, executed and delivered by such Transferee as Mortgagor.

- (d) In the event that the Mortgagee does not approve the Transferee and/or the Transferee does not execute an assumption agreement, the Mortgagee may declare the Indebtedness to be due and payable and the same shall forthwith become due and payable to the Mortgagee on the closing date of the sale or other applicable transaction and the Mortgagor shall and will pay forthwith to the Mortgagee the Indebtedness in such circumstances.
- (e) Acceptance by the Mortgagee of payments by any Transferee shall not be deemed to be approval or acceptance of such Transferee. It is understood further that no sale or consent to sale or assumption of this Mortgage by a Transferee shall in any way release or otherwise affect the personal covenants or obligations of the Mortgagor herein named or any other Person liable for the payment of all sums secured hereby.

Section 3.03 The Mortgagor covenants and agrees with the Mortgagee that it will not create or assume or purport or attempt to create or assume any mortgage, lien, charge, encumbrance or other security on the Mortgaged Premises or any part thereof, or on the Additional Security, other than the Permitted Encumbrances and/or any purchase money security interest on specific equipment or other fixed assets to secure the payment of the purchase price of such equipment or other fixed assets, and any extensions, renewals or replacements thereof, without the prior written consent of the Mortgagee, and any breach of this covenant shall constitute an Event of Default hereunder.

Section 3.04

- (a) The Mortgagor represents and warrants, to the knowledge of the Mortgagor after reasonable due enquiry, that, except as set out in any environmental reports provided to the Mortgagee, the Mortgaged Premises and their existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance and operation of the Mortgaged Premises (collectively, the “**Environmental Laws**”) and, without limiting the generality of the foregoing:
 - (i) the Mortgaged Premises have never been used as a land fill site or to store Hazardous Substances (as hereinafter defined) either above or below ground, in storage tanks or otherwise;
 - (ii) all Hazardous Substances used in connection with the business conducted at the Mortgaged Premises have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental laws;
 - (iii) no Hazardous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Mortgaged Premises as a result of the conduct of business on the Mortgaged Premises; and

- (iv) no notices of any violation of any matters referred to above relating to the Mortgaged Premises or their use have been received by the Mortgagor and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Mortgaged Premises nor is there any basis for such law suits being instituted or filed.
- (b) It shall be an Event of Default under this Mortgage if the foregoing representations and warranties shall be false or misleading.
- (c) For the purposes herein, a "Hazardous Substance" includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the *Environmental Management Act*, S.B.C., 2003, c-53 or any applicable Environmental Law.
- (d) The Mortgagor shall, at its sole cost and expense, prevent the imposition of any lien against the Mortgaged Premises for the cleanup of any Hazardous Substance, and shall comply and cause (i) all tenants under any Lease and (ii) any other Person on or occupying the Mortgaged Premises to comply with all Environmental Laws.
- (e) The Mortgagor shall immediately advise the Mortgagee in writing of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Environmental Laws; (ii) all claims made or threatened by any third party against the Mortgagor or the Mortgaged Premises relating to damage, contribution, cost recovery compensation, loss or injury; and (iii) the Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Premises that could cause the Mortgaged Premises, or any part thereof, to be subject to any restriction on the ownership, occupancy, transferability, or use of the Mortgaged Premises under any Environmental Laws.
- (f) The Mortgagor shall promptly take any and all necessary remedial action in response to the presence, storage, use, disposal, transportation or discharge of any Hazardous Substance on, under or about the Mortgaged Premises; provided, however, that the Mortgagor shall not, without the Mortgagee's prior written consent, take any remedial action in response to the presence of any Hazardous Substance on, under, or about the Mortgaged Premises, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits or actions, contemplated or threatened pursuant to any Environmental Laws or in connection with any third party relating to environmental matters, if such remedial action, settlement, consent or compromise might, in the Mortgagee's sole determination, impair the value of the Mortgagee's security hereunder; the Mortgagee's prior consent shall not, however, be necessary in the event that the presence of Hazardous Substance on, under, or about the Mortgaged Premises either:

- (i) poses an immediate threat to the health, safety or welfare of any individual; or
 - (ii) is required to be responded to by any applicable Environmental Laws.
- (g) In the event the Mortgagor undertakes any remedial action with respect to any Hazardous Substance on, under or about the Mortgaged Premises, the Mortgagor shall immediately notify the Mortgagee of any such remedial action, and shall conduct and complete such remedial action:
 - (i) in compliance with all applicable Environmental Laws;
 - (ii) to the satisfaction of the Mortgagee acting reasonably; and
 - (iii) in accordance with the orders and directives of all federal, provincial and local governmental authorities.
- (h) It shall constitute an Event of Default hereunder if any Hazardous Substance is found in or upon the Mortgaged Premises and the Mortgagor fails to implement immediate measures reasonably satisfactory to the Mortgagee for the removal/treatment of any Hazardous Substances.
- (i) The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, Mortgages, orders, directives, undertakings, Costs, legal fees and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them with respect to or as a direct result of:
 - (i) a breach of any of the representations, warranties or covenants hereinbefore set out in this Section 3.04;
 - (ii) the presence of any Hazardous Substance in, on, under or about the Lands;
 - (iii) the breach of any Environmental Laws; and/or
 - (iv) the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

The amount of any such loss shall bear interest from the time it occurs at the Interest Rate and shall be a charge on the Mortgaged Premises. The indemnity provided for in this Section 3.04(i) shall survive repayment of the Indebtedness and the discharge of this Mortgage.

- (j) With reasonable prior written notice and subject to the rights of tenants under the Leases, the Mortgagee shall have the right to inspect the Mortgaged Premises.

Section 3.05 THE MORTGAGOR covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by the Commitment, the Mortgagor shall deliver or cause to be delivered to the Mortgagee the following:

- (a) Within 60 days after the end of each fiscal quarter of the Mortgagor and Guarantor, and within 90 days after the end of each fiscal year of the Mortgagor and Guarantor, a balance sheet, income statement and an annual operating statement in respect of the Lands for the immediately preceding fiscal quarter or fiscal year, as the case may be, setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Mortgaged Premises including recoverable and non-recoverable operating expenses, a statement of change in financial position and such other information, supporting schedules and explanations in respect of the same as may be reasonably required by the Mortgagee, together with an up-to-date rent roll for the Mortgaged Premises;
- (b) Within 60 days after the end of each fiscal quarter of the Mortgagor and Guarantor, and within 90 days after the end of each fiscal year of the Mortgagor and Guarantor, the annual or quarterly (as the case may be) financial statements of the Mortgagor and Guarantor detailing a complete list of assets and liabilities satisfactory to the Mortgagee. The statements are to be prepared by a recognized firm of accountants and will include a balance sheet, a detailed statement of income and expenditures, and supporting notes and schedules; and
- (c) at the request of the Mortgagee at any time during the term of this Mortgage, updated financial statements, property level operating statements and rent rolls.

All such operating and financial statements shall be prepared at the expense of the Mortgagor and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, acting reasonably, and shall be submitted in audited form if so required by the Mortgagee in the event of a default occurring pursuant to this Mortgage, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Mortgagor if so requested by the Mortgagee.

Section 3.06 The Mortgagor covenants with the Mortgagee to provide such additional security, information, documentation and assurances as may be reasonably required from time to time by the Mortgagee prior to the repayment of all amounts secured by this Mortgage, to determine and to establish and preserve, in all respects the priority of this Mortgage and all advances made hereunder of any rights of lien claimants pursuant to the provisions of the *Builders Lien Act*, S.B.C., 1997, c-45 as amended and/or restated from time to time, hereinafter referred to in this Section 3.06 as the "**Lien Act**".

- (a) At the time of each advance there shall have been full and complete compliance with all requirements of the Lien Act. The Mortgagor agrees that the Mortgagee shall be entitled to withhold from any advance, or pay into court as an advance, such amounts as the Mortgagee considers advisable to protect its interests from subordination under the provisions of the Lien Act, and to secure the priority of the Mortgage over any actual or potential construction liens. Nothing in this Mortgage shall be construed to make the Mortgagee an "owner" as defined by

the Lien Act, nor shall there be, or be deemed to be, any obligation by the Mortgagee to retain any holdback or otherwise or to maintain on the Mortgagor's behalf any holdback which may be required to be made by the owner or payer. Any such obligation shall remain solely the Mortgagor's obligation. The Mortgagor hereby covenants and agrees to comply in all respects with the provisions of the Lien Act.

- (b) The Mortgagor covenants and agrees that all improvements to the Mortgaged Premises shall comply in all respects with the provisions of the Lien Act and if a builders lien is filed against all or part of the Mortgaged Premises, then within ten (10) business days after receipt of notice thereof, the Mortgagor shall have the lien vacated or discharged. If the Mortgagor fails to do so, then in addition to its other rights provided herein, the Mortgagee shall be entitled to pay into court a sum sufficient to obtain an order vacating such lien or to purchase a financial guarantee bond in the form prescribed under the Lien Act. All costs, mortgages and expenses incurred by the Mortgagee in connection with such payment into court or in connection with the purchase of a financial guarantee bond or in connection with any legal proceedings described below, together with interest thereon at the Interest Rate, shall be added to the Indebtedness and secured by the Mortgage and shall be payable forthwith by the Mortgagor to the Mortgagee. If any person that performs work, labour or services or that provides materials to or for the Mortgaged Premises, names the Mortgagee as a party to any legal proceedings which it takes to enforce a construction lien or trust claim, then the Mortgagor agrees to reimburse the Mortgagee for, and indemnify the Mortgagee against any and all legal expenses (on a solicitor and his own client basis) incurred by the Mortgagee in such legal proceedings.
- (c) The Mortgagee shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this Section or in making any payment to preserve, protect or secure the Mortgaged Premises.

Section 3.07 Notwithstanding the execution of the Mortgage or any advance of funds by the Mortgagee pursuant to the Commitment, the Mortgagee reserves the right to require additional security instruments, assurances and support documents that Counsel may reasonably from time to time deem necessary or advisable.

ARTICLE 4 **TAXES AND UTILITIES**

Section 4.01 It is mutually agreed between the parties hereto that the Mortgagor will pay or cause to be paid, promptly as they fall due, all Taxes and will, no later than 30 days after the date when each instalment thereof becomes due and payable, provide the Mortgagee with evidence reasonably satisfactory to it of payment thereof. Notwithstanding the foregoing, if required by the Commitment:

- (a) the Mortgagor shall remit to the Mortgagee monthly instalments for Taxes in an amount determined from time to time by the Mortgagee to be sufficient to allow the Mortgagee to accumulate in a reserve fund all amounts necessary for the full payment of all Taxes affecting the Mortgaged Premises on the date such Taxes become due. The sums thereby accumulated shall be secured hereby and held by the Mortgagee without interest to the Mortgagor;

- (b) the Mortgagee reserves the right to adjust, from time to time the estimated monthly tax amount based on the taxes actually levied against the Mortgaged Premises. The Mortgagor shall transmit to the Mortgagee all tax bills and other notices relative to the imposition of Taxes on the Mortgaged Premises forthwith after receipt thereof by it;
- (c) any debit balance from time to time in the reserve fund shall be subject to payment on demand and, until paid, shall bear interest at the Interest Rate and shall together with such interest be secured hereby;
- (d) the amount, if any, by which the aggregate of the Taxes which have been paid by the Mortgagee exceed at any time and from time to time the aggregate of all payments which have been made by the Mortgagor to the Mortgagee pursuant to this covenant, shall be payable by the Mortgagor on demand at any time and from time to time;
- (e) when making advances from time to time of any money secured by this Mortgage, the Mortgagee may, and is hereby directed to deduct and pay out of any such advances any amount that shall have become due and payable with respect to Taxes;
- (f) the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;
- (g) if the Taxes actually Mortgaged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor shall pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee shall be secured as an additional principal sum under this Mortgage and shall bear interest at the Interest Rate until repaid by the Mortgagor;
- (h) in no event shall the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option the Mortgagee may repay such amount to the Mortgagor without any interest; and
- (i) in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor shall deliver to the Mortgagee within thirty (30) days following the due date for each installment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current installment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee shall be entitled to Mortgage a servicing fee for each written inquiry directed to

such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

Section 4.02 THE MORTGAGOR covenants that it will pay all utility and fuel Mortgages related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Mortgaged Premises to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued except for reasons outside of the Mortgagor's reasonable control, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith.

ARTICLE 5 **INSURANCE**

Section 5.01

- (a) The Mortgagor will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policy. The Mortgagor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is stipulated in the Commitment or as reasonably required by the Mortgagee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Mortgagee acting reasonably. All such policies shall provide for loss payable to the Mortgagee and contain such additional clauses and provisions as is stipulated in the Commitment or as the Mortgagee may reasonably require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one (1) year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Mortgagee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Mortgagee may provide therefor and Mortgage the premium paid therefor and interest thereon at the aforesaid rate to the Mortgagor and any amounts so paid by the Mortgagee shall be payable forthwith to the Mortgagee and shall also be a charge upon the Lands and secured by this Mortgage. It is further agreed that the Mortgagee may, acting reasonably, at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it.
- (b) In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee shall be entitled to a servicing fee for each written inquiry which the Mortgagee shall make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

- (c) In the event of any loss or damage, the Mortgagor shall forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, other than liability insurance, the Mortgagee may, acting reasonably, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event, which approval shall not be unreasonably withheld.
- (d) The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and upon the payout of these insurance monies by any of the insurance providers may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee shall not be bound to accept the said monies in payment of any principal not yet due.

Section 5.02 In addition to the insurance which the Mortgagor is required to maintain pursuant to Section 5.01, the Mortgagee shall be entitled to require coverage from time to time with respect to the Mortgaged Premises for such other risks and perils and in such form or forms of insurance as may be reasonable and prudent at such time for similar properties.

Section 5.03

- (a) The Mortgagor shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining all insurance required to be maintained and affected under Section 5.01.
- (b) Every policy of insurance shall be effected on such terms and with such insurer as may be approved by the Mortgagee acting reasonably and shall have attached thereto the Insurance Bureau of Canada mortgage clause 3000 and a mortgage clause providing that such policies may not be cancelled except after thirty (30) days' notice to the Mortgagee or such lesser notice as may be reasonably acceptable to the Mortgagee. In addition, there shall be attached to each policy of insurance maintained in pursuance of the provisions hereof a specific endorsement providing that the insurer shall provide to the Mortgagee thirty (30) days' prior written notice of cancellation, and/or non-renewal.
- (c) In the event of failure on the part of the Mortgagor to maintain or cause to be maintained any insurance required by Section 5.01, the Mortgagee may effect such insurance and the Mortgagor covenants to repay to the Mortgagee all of the premiums paid by the Mortgagee, the amount thereof to be added to the Indebtedness, to bear interest at the Interest Rate from the time of payment by the Mortgagee and to be payable on demand.
- (d) The Mortgagor shall deposit with the Mortgagee (whether or not a request has been made) either, at the Mortgagee's sole option, certified copies of all policies

of insurance or true certificates of all such policies signed by the insurers, setting forth with reasonable particularity the terms of all policies of insurance which are required to be maintained hereunder and evidencing compliance with the provisions of Sections 5.01. The Mortgagor shall maintain the original copies of all such policies at the Mortgagor's address according to Section 14.01 and the Mortgagee or its authorized representative shall be entitled during normal business hours to have access thereto for the purpose of reviewing such policies and making extracts therefrom or copies thereof. The Mortgagor shall provide to the Mortgagee, on each anniversary of the date of registration of this Mortgage, satisfactory evidence of the general liability insurance coverages.

ARTICLE 6

EVENTS OF DEFAULT

Section 6.01 In this Mortgage, "Event of Default" means each and every one of the following events:

- (a) if the Mortgagor defaults in payment of the Indebtedness, or any portion thereof, when the same becomes due and, with the exception of the Principal Sum or any portion of the Principal Sum due on the Maturity Date, such default continues for three (3) business days from the date such payment became due; or
- (b) if the Mortgagor defaults in the payment of Taxes (save and except when the validity thereof is, in good faith, contested by the Mortgagor and it has given security for payment thereof in full) and any such default continues either for a period of three (3) business days or such other reasonable amount of time agreed to between the parties or for such shorter period as would at any time, if continued, render the Mortgaged Premises, or any portion thereof, liable to forfeiture; or
- (c) if the Mortgagor shall default in observing or performing any covenant contained in Article 5 of this Mortgage and, after notice in writing has been given by the Mortgagee to the Mortgagor specifying in reasonable detail such default and requiring the Mortgagor to rectify same, the Mortgagor fails to rectify such default within a period of ten (10) days; or
- (d) if the Mortgagor shall become insolvent or bankrupt or a trustee in bankruptcy shall be appointed in respect of the Mortgagor or if the Mortgagor shall do any act or any other Person shall do any act to dissolve or facilitate the dissolution process in respect of the Mortgagor or if the Mortgagor shall make a general assignment for the benefit of creditors or shall go into liquidation, either voluntarily or under an order of a court of competent jurisdiction, or otherwise acknowledge insolvency unless, in the case of either an involuntary appointment of a trustee in bankruptcy, a liquidation order or an act to facilitate an involuntary or a voluntary dissolution, the Mortgagor is contesting such appointment, order or act, in good faith, and such appointment, order or act is quashed or set aside within a period of 30 days; or
- (e) if at any time prior to the repayment of all amounts secured by this Mortgage the Mortgaged Premises shall fail to comply with all applicable building, zoning and other municipal by-laws, statutory requirements and regulations (save and except

any such non-compliance which is, in good faith, contested by the Mortgagor with the Municipality or other body having jurisdiction until the final disposition thereof against the Mortgagor), and if, after notice in writing of any such non-compliance has been given by the Mortgagee to the Mortgagor specifying in reasonable detail such default and requiring the Mortgagor to put an end to the same, the Mortgagor fails to make good such default within a reasonable period of time; provided, however, that a legal non-conforming use shall be deemed to be in compliance with applicable building, zoning and other municipal by-laws, statutory requirements and regulations; or

- (f) if the Mortgagor or a representative of the Mortgagor attempts or applies to re-zone the Lands or any part thereof without the prior written approval of the Mortgagee, which approval shall not be unreasonably withheld or delayed, provided that such re-zoning shall not impact on the value of the Mortgaged Premises as determined by the Mortgagee, acting reasonably; or
- (g) if the Mortgagor mortgages or otherwise encumbers the Mortgaged Premises or any part thereof or interest therein or permits any lien, Mortgage or encumbrance thereon in breach of Section 3.03 hereof; or
- (h) if the Mortgaged Premises are transferred or sold in breach of Section 3.02 hereof or if there has been any breach of the covenants set out therein; or
- (i) if any of the representations or warranties contained in any written information, statements or representations at any time made or furnished to the Mortgagee by the Mortgagor concerning the Mortgaged Premises or any party's financial condition and responsibility are incorrect or inaccurate in any material respect; or
- (j) if the Mortgagor fails to observe or perform its obligations contained in any of the Permitted Encumbrances registered against the title to the Mortgaged Premises beyond any applicable cure period; or
- (k) if the Mortgagor fails to carry out or observe any other covenant or condition herein contained on its part to be observed and performed and, after notice in writing has been given by the Mortgagee to the Mortgagor specifying in reasonable detail such default and requiring the Mortgagor to put an end to the same, the Mortgagor fails to make good such default within a period of fifteen (15) days or such other longer period of time as may be required to remedy such default as approved by the Mortgagee, acting reasonably; or
- (l) if there is a material adverse change in the position and condition, financial or otherwise, of the Mortgagor, the Mortgaged Premises or the Mortgagor's title to the Mortgaged Premises as determined by the Mortgagee, acting reasonably, which could materially impair the ability of the Mortgagor to fully perform its obligations under the Mortgage or Additional Security in a timely manner or could materially impair the ability of the Mortgagee to enforce its rights and remedies under the Mortgage or Additional Security; or
- (m) if any subsequent encumbrance is approved pursuant to Section 3.03 hereof, then if any event of default shall occur in respect of any subsequent encumbrance or any loan documents relating thereto, which is not cured within

the time period, if any, provided therein for the curing thereof, such default shall be deemed an Event of Default under this Mortgage, and shall entitle the Mortgagee hereunder, at its option, to exercise any or all of its default remedies hereunder immediately upon notice to the Mortgagor, without any additional curative periods applicable hereunder beyond those applicable in the loan documents pertaining to the said subsequent encumbrance;

- (n) if any event of default shall occur in respect of any prior mortgage or any loan documents relating thereto, which is not cured within the time period, if any, provided therein for the curing thereof, such default shall be deemed an Event of Default under this Mortgage, and shall entitle the Mortgagee hereunder, at its option, to exercise any or all of its default remedies hereunder immediately upon notice to the Mortgagor, without any additional curative periods applicable hereunder beyond those applicable in the mortgage or any loan documents pertaining to the said subsequent encumbrance; or
- (o) if the Mortgaged Premises are abandoned for a period in excess of fifteen (15) consecutive days and the Mortgagor fails to rectify same within ten (10) days after notice from the Mortgagee, or such other reasonable amount of time agreed to between the parties.

Section 6.02

- (a) If and so long as the Mortgagor defaults in the payment, at the time or times herein provided for the payment thereof, of any sum of money due and payable to the Mortgagee under any provision hereof, the Mortgagor will, so long as the amount so in default or any part thereof remains in default, pay to the Mortgagee, in addition to any and all other sums of money payable hereunder, compound interest on the amount so in default or on so much thereof as may from time to time remain unpaid, computed from the time of such default at the applicable Interest Rate and to become due and be paid on demand, and any interest which is payable under or by virtue of this Section 6.02 shall be secured hereby and shall be a Mortgage upon the Mortgaged Premises until paid.
- (b) AND the Mortgagee shall have the right at its sole option to capitalize any interest owing from time to time and to add same to the principal amount secured hereby and to treat it as part thereof and Mortgage interest thereon. Such capitalized interest and interest thereon shall at all times be secured under the security granted by the Mortgagor to the Mortgagee pursuant to this Mortgage in first priority in the same manner as accrued interest. The Mortgagee at its sole option shall have the right to treat such capitalized interest as principal or accrued interest.

ARTICLE 7 **REMEDIES IN CASE OF DEFAULT**

Section 7.01 The Mortgagor hereby covenants and agrees with the Mortgagee that upon the occurrence of an Event of Default which is continuing the Mortgagee may, in its discretion and in addition to any remedy set forth or invoked pursuant to Section 7.03 hereof, declare the Indebtedness to be due and payable and the same shall forthwith become immediately due and

payable to the Mortgagee on demand and the Mortgagor shall and will pay forthwith to the Mortgagee on demand the Indebtedness.

Section 7.02 The Mortgagee may in writing at any time or times waive an Event of Default after the occurrence thereof upon such terms and conditions as it shall prescribe; provided, however, that any such waiver shall apply only to the particular Event of Default waived and shall not operate as a waiver of any other or future Event of Default.

Section 7.03 Upon the occurrence of an Event of Default which is continuing the Mortgagee may, in its discretion:

- (a) take possession of all or any parts of the Mortgaged Premises with power to exclude the Mortgagor and its agents and servants therefrom; complete and/or preserve and maintain the Mortgaged Premises and make such replacements thereto and additions thereto as the Mortgagee shall deem judicious; receive the rents, incomes and profits thereof of any kind whatsoever and pay therefrom all expenses of maintaining, preserving, protecting and operating the Mortgaged Premises and all Mortgages against the Mortgaged Premises ranking in priority to this Mortgage or payment of which may be necessary to preserve or protect the Mortgaged Premises, and pay out the remainder of the money so received, and not required for any of the purposes provided for in this Section 7.03, in accordance with the provisions of Section 8.01; in accordance with prudent real estate practice, lease any vacant space in the Mortgaged Premises and renew from time to time any or all of the Leases; and enjoy and exercise all powers necessary to the performance of all functions provided for in this Subsection 7.03(a), including, but not in limitation thereof, the power to purchase on credit, borrow money, advance its own moneys at such rates of interest as shall be reasonable and to enter into contracts and undertake obligations for the foregoing purposes upon the security hereof; provided that the Mortgagee shall, upon all Events of Default being made good, or waived as herein provided, restore the Mortgaged Premises to the Mortgagor subject to the Mortgage created by this Mortgage as if no Event of Default had occurred; and/or
- (b) take all such steps as the Mortgagee may consider necessary or desirable for the purposes of completing the Mortgaged Premises and/or any improvements or additions thereto as the Mortgagee may determine and for such purposes to enter into all such contracts and undertake all such obligations as the Mortgagee may determine, and to give security therefor upon the Mortgaged Premises; provided that the Mortgagee shall not be under any obligation to complete any construction of the Building and/or any additions or improvements thereto; and/or
- (c) apply to a Court of competent jurisdiction for the appointment of a receiver or receiver and manager to take possession of all or such part of parts of the Mortgaged Premises as the Mortgagee shall designate, with such duties, powers and obligations as the Court making the appointment shall confer; and/or
- (d) with or without entry into possession of the Mortgaged Premises or any part thereof, by writing duly executed by the Mortgagee, appoint a receiver, which term shall include a receiver and manager, of the Mortgaged Premises or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another

in his stead and upon the appointment of any such receiver or receivers from time to time the following provisions shall apply:

- (i) every such receiver shall, to the extent permitted by law, be the agent or attorney of the Mortgagor for the collection of all rents falling due in respect of the Mortgaged Premises or any part thereof whether in respect of any tenancies created in priority to this Mortgage or subsequent thereto;
- (ii) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
- (iii) the Mortgagee may from time to time by such writing fix the reasonable remuneration of every such receiver who shall be entitled to deduct the same out of the receipts from the Mortgaged Premises or the proceeds thereof, such fee currently being equal to 5% of the gross income generated by the Mortgaged Premises;
- (iv) every such receiver shall, so far as concerns the responsibility of his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee;
- (v) the appointment of every such receiver by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the Mortgaged Premises or any part thereof;
- (vi) every such receiver shall from time to time have the power to rent, in accordance with prudent real estate practice, any portion of the Mortgaged Premises for such term and subject to such provisions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any Lease of any such premises in the name of and on behalf of the Mortgagor and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in the premises;
- (vii) every such receiver shall, in accordance with prudent real estate practice, have full power to manage, operate, amend, repair, alter, complete or extend the Mortgaged Premises or any part thereof in the name of the Mortgagor for the purpose of securing the payment of the Indebtedness;
- (viii) no such receiver shall be liable to the Mortgagor to account for moneys other than cash received by it in respect of the Mortgaged Premises or any part thereof and every such receiver shall apply such cash so received to pay in the following order:
 - (A) its reasonable remuneration as aforesaid;

- (B) all expenses properly made or incurred by it in connection with the management, operations, amendment, repair, alteration or extension of the Mortgaged Premises or any part thereof;
 - (C) money which may from time to time be or become charged upon the Mortgaged Premises in priority to this Mortgage, and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the Mortgaged Premises or any part thereof;
 - (D) all interest due or falling due, other moneys (if any) on account of reasonable and proper expenditures made or incurred by or for the Mortgagee and the Indebtedness, or the balance thereof, secured by this Mortgage; and
 - (E) thereafter any surplus remaining in the hands of every such receiver to the Mortgagor or its assigns; and
- (ix) the Mortgagee may at any time and from time to time terminate any such receivership by notice in writing, duly executed by the Mortgagee, to the Mortgagor and to any such receiver; and/or
- (e) subject to the provisions of any applicable legislation, with or without taking possession, sell all or part of the Mortgaged Premises either as a whole or in separate parcels, at public auction or by public tender, at such time and places, subject to adjournment from time to time by the Mortgagee, on such reasonable terms and conditions as to upset or reserve bid or price and as to payment as the Mortgagee shall appoint; and if there is no purchase at such sale or tender, the Mortgagee may sell at private sale without further notice; and/or
 - (f) realize all or any part or parts of the security hereby constituted by any other means of any nature or kind whatsoever that a Court of competent jurisdiction shall approve as being just and expedient in the circumstances having regard to the nature of the operations carried on in the Mortgaged Premises, including any other action, suit, remedy or proceeding authorized or permitted by this Mortgage or by law or in equity, and not necessarily limited to those means of realization which the Court is given jurisdiction to approve by statute; and/or
 - (g) with or without taking possession, take any action or proceedings to enforce the performance of any covenant contained in any of the Leases; and/or
 - (h) take any action or proceedings to enforce payment of the Indebtedness and other moneys secured hereunder or performance of any other covenant contained herein, or to enforce the security hereby constituted, and to bring to sale the Mortgaged Premises or any part or parts thereof under a judgment or decree of a Court or Courts of competent jurisdiction or by the enforcement of any other legal remedy which the Mortgagee shall deem most effectual to protect and enforce any of its rights hereunder.

Section 7.04 No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall

be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute as modified herein. Without limiting the generality of the foregoing, the taking of judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the right of the Mortgagee to interest.

Section 7.05 Save and except as to claims at law or in equity to an accounting, the Mortgagee shall not, nor shall any receiver or receiver and manager appointed by it (except in the case of gross negligence or willful misconduct), be responsible or liable, otherwise than as a trustee, for any debts contracted by it, for damages to persons or property, or for salaries or non-fulfillment of contracts during any period wherein the Mortgagee or such receiver or receiver and manager shall manage the Mortgaged Premises or any part thereof upon or after entry, as herein provided, and the Mortgagee shall not be bound to do, observe or perform or to see to the observance or performance by the Mortgagor of any of the obligations herein imposed upon the Mortgagor, nor in any other way to supervise or interfere with the conduct of the Mortgagor's operation of the Mortgaged Premises unless and until the occurrence of an Event of Default which is continuing and the Mortgagee exercises any remedy provided in this Article 7 or otherwise.

Section 7.06 In the event of any sale in accordance with the provisions of this Article 7, whether by the Mortgagee or under judicial proceedings, the Mortgagor agrees that it will execute and deliver to the purchaser on demand any instrument or assurance reasonably necessary to confirm to the purchaser the title of the property so sold, and, in the case of any such sale, the Mortgagee is hereby irrevocably authorized by the Mortgagor to execute on its behalf any such confirmatory instrument or assurance.

Section 7.07 No person dealing with the Mortgagee or its agents shall be concerned to inquire whether the powers which the Mortgagee or such agents are purporting to exercise have become exercisable, or whether any money remains due upon the security of this Mortgage, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Mortgagee with the Mortgaged Premises or to see to the application of any money paid to the Mortgagee; and in the absence of fraud on the part of such person, such dealings shall be deemed, insofar as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

Section 7.08 It is hereby agreed that the Mortgagee may pay the amount of any encumbrance, lien, claim or charge now or hereafter existing, arising or claimed upon or against the Mortgaged Premises having priority, or purporting to have priority, over the Mortgage, including any Taxes, and may pay all costs, charges and expenses including all fees and expenses of Counsel, whether or not any action or any proceeding is taken, which may be incurred in taking, recovering, protecting and keeping possession of the Mortgaged Premises and/or collecting any overdue interest, principal, insurance premiums or any other moneys whatsoever payable by the Mortgagor hereunder and all costs incurred in preserving the priority of the Mortgagee hereunder and in defending all claims against that priority, including all amounts, costs, charges and expenses incurred by the Mortgagee as a consequence of the Mortgagor's default hereunder, and all such amount, costs, Mortgages and expenses so paid shall be added to the debt hereby secured and be a Mortgage on the Mortgaged Premises and shall bear interest at the Interest Rate and shall be payable forthwith by the Mortgagor to the Mortgagee. In the event of the Mortgagee paying the amount of any such encumbrance, lien, Taxes, claim or charge, either out of the moneys advanced under the Mortgage or otherwise, it shall be entitled and subrogated to all the rights, equities and securities of the Person so paid, without the necessity

of a formal assignment, and the Mortgagee is hereby authorized to retain any discharge thereof, without registration, if it thinks proper to do so.

Section 7.09 In the event that, in addition to the Lands mortgaged hereby, the Mortgagee holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Mortgagee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Mortgagee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Mortgagee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Mortgagor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Mortgagee with respect to any and all such security shall be at an end.

Section 7.10 The taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

Section 7.11 It is not the intention of this Mortgage to violate any provisions of the *Interest Act* (Canada), the *Criminal Code* (Canada) (the "**Code**") or any other statute dealing with permitted rates of interest in the Province of British Columbia or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Code) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) stipulated under the said legislation. In the event that it is determined at any time that, by virtue of the Commitment, this Mortgage or any other document given as security for the Indebtedness, the payments of interest required to be made by the Mortgagor exceed the "criminal rate", then the Mortgagor shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to the Commitment, this Mortgage or such other security documents, and any excess interest paid to the Mortgagee shall be refunded to the Mortgagor and the provisions of this Mortgage shall in all respects be deemed to be amended accordingly.

ARTICLE 8

APPLICATION OF MONEYS

Section 8.01 Except as herein otherwise expressly provided, the moneys arising from the possession by the Mortgagee of the Mortgaged Premises, or any Additional Security thereto, or from any sale or realization of the whole or any part of the Mortgaged Premises (except by foreclosure), or any Additional Security thereto, pursuant to any proceedings based upon an Event of Default hereunder, whether under any sale by the Mortgagee or by judicial proceedings or otherwise, shall be applied in the first place to pay or reimburse to the Mortgagee the costs, charges, expenses and advances of the Mortgagee incurred in taking, recovering and keeping possession of the Mortgaged Premises or any Additional Security thereto, or generally in any other proceedings taken hereunder in connection with or to realize upon the security hereof, with interest thereon as herein provided, and all Taxes, rent and all other charges ranking in priority to the security of this Mortgage, and the residue of the said moneys shall be applied first in or towards payment of the accrued and unpaid interest upon overdue interest, and thereafter in or towards payment of the other Indebtedness, unless the Mortgagee directs payments be

made in accordance with any other order of priority, or without priority as between principal and interest, in which case such moneys shall be applied in accordance with such direction, and the surplus (if any) of such moneys shall be paid to the Mortgagor or its assigns.

ARTICLE 9 **LEASES**

Section 9.01 The Chargor agrees that it will not enter into any new Lease or modify any existing Lease to result in any such Lease being on other than market terms (including, without limitation, as to market rental rates) and shall not otherwise enter into, amend, renew, terminate, consent to sublease or assignment or accept a surrender of any Lease in a manner inconsistent with a prudent landlord of a similar property in a similar location.

Section 9.02 The Mortgagor covenants and agrees with the Mortgagee that it will not at any time prior to the repayment of all amounts secured by this Mortgage assign, pledge or hypothecate any of the Leases or the rents and revenues due or to become due thereunder, or any portions thereof without the prior written consent of the Mortgagee.

Section 9.03 For the consideration recited in Section 2.01 and as further security for the repayment of the Indebtedness and for the performance of the covenants herein contained the Mortgagor shall, from time to time and at any time, at the request of the Mortgagee, execute and deliver to the Mortgagee a specific assignment of any of the Leases in such form and on such terms as may be reasonably required by the Mortgagee.

Section 9.04 The Mortgagor shall, within 90 days following the fiscal year-end of each Mortgagor, furnish to the Mortgagee an up-to-date rent roll for the applicable Mortgaged Premises, copies of all new Leases and a statement certified by an officer of the Mortgagor indicating whether or not the Leases are in good standing as of the end of such Lease year or, if not, the particulars of any default.

ARTICLE 10 **EXPROPRIATION**

Section 10.01 It shall be an Event of Default hereunder if (a) the whole of the Mortgaged Premises; or (b) any part of the Mortgaged Premises such that the balance is rendered commercially unusable, is expropriated, condemned or otherwise taken by any Governmental Body or other expropriating authority or sold in lieu of or in reasonable anticipation of any such proceedings, and, furthermore, all proceeds of any such expropriation or sale will, at the sole option of the Mortgagee, be paid to the Mortgagee in priority to the claims of any other Person but subject to the Permitted Encumbrances and will, at the Mortgagee's sole option, be applied against any or all amounts secured hereby in such order of priority as the Mortgagee will in its sole discretion determine. Further and without limiting any of the foregoing, in the event that any portion of the Mortgaged Premises shall be purchased, acquired by agreement, or otherwise taken for any public work whatsoever pursuant to any applicable legislation or regulation, then, and in such event but subject to the Permitted Encumbrances any and all consideration or compensation whatsoever payable to the Mortgagor or anyone claiming an interest under or through the Mortgagor shall be payable to and shall be paid to the Mortgagee accordingly, and further any such compensation paid to or to the order of or received by the Mortgagor shall be and be deemed to be held in trust for the Mortgagee.

ARTICLE 11
GENERAL

Section 11.01 It is covenanted and agreed by and between the Mortgagor and the Mortgagee that the Mortgagee may in its discretion at all times release any part or parts of the Mortgaged Premises or any Additional Security or any other security either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Mortgaged Premises or any Additional Security or any Person from this Mortgage or from any of the covenants herein contained, it being expressly agreed that each and every portion into which the Mortgaged Premises is or may hereafter be divided does and shall stay Mortgaged with the Indebtedness and no Person shall have the right to require the Indebtedness to be apportioned and the Mortgagee shall not be accountable to the Mortgagor for the value thereof or for any moneys except those actually received by the Mortgagee.

Section 11.02 It is hereby further expressly declared and agreed by and between the Mortgagor and the Mortgagee that until the occurrence of an Event of Default and while same is continuing, the Mortgagor shall peaceably and quietly have, hold, use, occupy, possess and enjoy the Mortgaged Premises and the subject matter of the Additional Security and manage and operate the same and receive and take the rents, revenues and other profits thereof for its own use and benefit without hindrance, interruption or denial of or by the Mortgagee or by any other Person or Persons whomsoever claiming by, from or under the Mortgagee.

Section 11.03 Nothing in this Mortgage shall be deemed in any way or for any purpose to constitute the Mortgagor and Mortgagee as partners or joint venturers in the conduct of business or otherwise.

Section 11.04 The Mortgagor acknowledges receipt of a true copy of this Mortgage.

Section 11.05 The Mortgagee shall, at the written request and expense of the Mortgagor, cancel and discharge this Mortgage and execute and deliver to the Mortgagor such instruments as shall be requisite to discharge this Mortgage and to release or reconvey to the Mortgagor any property subject to the lien hereof and to settle and discharge to the Mortgagor any Additional Security given with respect to this Mortgage relating to the Leases or otherwise, provided that the Mortgagor shall have first paid to the Mortgagee the full Indebtedness and also all other moneys payable hereunder by the Mortgagor.

Section 11.06 The Mortgagee shall not be bound to do, observe or perform or to see to the observance or performance by the Mortgagor of any of the obligations herein imposed upon the Mortgagor, nor in any other way to supervise or interfere with the conduct of the Mortgagor's operations of the Mortgaged Premises.

Section 11.07 No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealing by the Mortgagee with the owner of the Mortgaged Premises, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of all sums secured hereby.

Section 11.08 The Mortgagor shall be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee shall be entitled to a reasonable servicing fee for each such statement.

Section 11.09 There shall not be deemed to be any merger of this Mortgage nor of the rights and interests of the Mortgagee hereunder with the freehold or leasehold estates in the Lands nor with the reversion and rights and interests under any Lease by reason of the fact that the same Person may own or acquire, directly or indirectly, two or more of such estates, rights or interests.

Section 11.10 The obtaining of a judgment or judgments on any covenant herein contained shall not operate as a merger of such covenant or affect the Mortgagee's right to interest at the interest rate as herein provided.

Section 11.11 Any payment received after 1:00 p.m. PST time on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Mortgagee shall be entitled to interest on the amount due to it, to and including the date on which the payment is deemed by this provision to have been received.

Section 11.12 If any covenant or condition in this Mortgage contained shall be void for any reason, it shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance.

Section 11.13 In the event that the Mortgagee, in addition to the Mortgaged Premises secured hereunder, holds any further additional security (including the Additional Security) on account of the indebtedness secured herein, it is agreed that no single or partial exercise by the Mortgagee of any of the remedies specified in Article 7 hereof or under any of such additional securities shall preclude any other and further exercise of any other right, power or remedy pursuant to this Mortgage or pursuant to any of such additional securities. The Mortgagee shall at all times have the right to proceed against all or any portion of the Mortgaged Premises or such additional security in such order and in such manner as it shall in its discretion deem fit without waiving any rights which the Mortgagee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect any other powers or remedies which the Mortgagee may have pursuant to this Mortgage, any such additional security, or in law or in equity.

Section 11.14 In the event that the Mortgagee is at any time or from time to time prior to the repayment of all amounts secured by this Mortgage required to make a payment to defeat or honour the priority of a lien claimant, any such payment or payments, and the out-of-pocket expenses of the Mortgagee, including legal fees on a solicitor and his own client basis, shall be at once payable by the Mortgagor and shall bear interest at the Interest Rate and shall be secured hereby.

Section 11.15 If and whenever the Mortgagee reasonably requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor shall execute such an acknowledgement in such form as may be reasonably required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor shall do so forthwith upon request and without cost to the Mortgagee and shall return such acknowledgement duly executed within five (5) business days of such request.

ARTICLE 12
NON-MERGER

Section 12.01 The Mortgagor and the Mortgagee hereby agree that the execution and registration of this Mortgage and the collateral and other security granted to secure the Indebtedness by the Mortgagee to the Mortgagor made pursuant to the terms of the Commitment or the advance of any monies under this Mortgage shall not cause the Commitment to merge, but rather the Commitment shall survive and all the terms therein shall be binding after all advances under this Mortgage have been made. Any default under the Commitment not remedied within the time or times set out in Article 6 hereof or otherwise provided in this Mortgage shall constitute a default under the Mortgage and shall entitle the Mortgagee, at the Mortgagee's option, to exercise all of its rights and remedies contained in this Mortgage. To the extent that they are not inconsistent with the terms hereof, the terms, covenants and conditions set forth and contained in the Commitment shall be deemed to be terms and conditions of this Mortgage as fully and effectively as if the same were herein set forth and contained. In the event the terms of this Mortgage contradict the terms of the Commitment, the terms of the Commitment shall prevail.

ARTICLE 13
SUBSEQUENT INTERESTS

Section 13.01 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable hereunder, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of the Mortgage, and notwithstanding the giving of time for the payment of the Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

Section 13.02 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

ARTICLE 14
NOTICE

Section 14.01 Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Mortgage shall (unless otherwise required by law) be given or made in writing and may be served personally upon any executive officer of the party for whom it is intended, sent by electronic mail or mailed by prepaid registered mail in Canada:

- (a) in the case of the Mortgagor, addressed to:

670 – 1665 West Broadway
Vancouver, BC V6J 1X1

E-mail: _____
Attention: _____

- (b) in the case of the Mortgagee, addressed to:

Computershare Trust Company of Canada
c/o CMLS Financial Ltd.
Suite 2110 – 1066 West Hastings Street
Vancouver, BC V6E 3X2

Attention: Servicing Department

With a copy to:

Portage Capital Nominee Corp.
25 Montgomery Avenue, Suite 204
Toronto, ON M4R 0A1

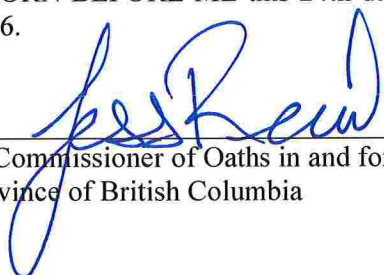
Email: servicing@portagecapital.ca
Attention: Mortgage Administration

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

EXHIBIT "I"

This is Exhibit "I" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia



1. Application

**CASSELS BROCK & BLACKWELL LLP
SUITE 2200 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
604.691.6100**

2. Description of Land

PID/Plan Number	Legal Description
014-174-685	LOT 9 BLOCK 430 DISTRICT LOT 526 PLAN 1949 NO. 198 CATHEDRAL VENTURES LTD. (BC0546758)
014-174-707	LOT 10 BLOCK 430 DISTRICT LOT 526 PLAN 1949 NO. 198 CATHEDRAL VENTURES LTD. (BC0546758)
014-175-207	LOT 11 BLOCK 430 DISTRICT LOT 526 PLAN 1949 NO. 198 CATHEDRAL VENTURES LTD. (BC0546758)
027-480-917	LOT A DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP672 5186 INVESTMENTS LTD. (BC0660305)
025-836-471	PARCEL C EXCEPT: PART SUBDIVIDED BY PLAN BCP23566; BLOCK 451 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP8982 4354 INVESTMENTS LTD. (BC0621513)

3. Nature of Interest

Type	Number	Additional Information
ASSIGNMENT OF RENTS		

4. Terms

Part 2 of this instrument consists of:

(b) Express Charge Terms Annexed as Part 2

5. Transferor(s)

NO. 198 CATHEDRAL VENTURES LTD., NO.BC0546758
5186 INVESTMENTS LTD., NO.BC0660305
4354 INVESTMENTS LTD., NO.BC0621513

6. Transferee(s)

COMPUTERSHARE TRUST COMPANY OF CANADA A0052313
C/O CMLS FINANCIAL LTD.
2110 - 1066 WEST HASTINGS STREET
VANCOUVER BC V6E 3X2

7. Additional or Modified Terms

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.

Witnessing Officer Signature

Execution Date

Transferor Signature(s)

WILFRED CHAN
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

Telephone (604) 687-4460
(as to all signatures)

YYYY-MM-DD

2021-11-23

NO. 198 CATHEDRAL VENTURES LTD.
By their Authorized Signatory

Anthony Pappajohn, President

5186 INVESTMENTS LTD.
By their Authorized Signatory

Anthony Pappajohn, President

4354 INVESTMENTS LTD.
By their Authorized Signatory

Anthony Pappajohn, President

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.

**Shauna Kathleen
Haynes Towriss
R9HWBI**

Digitally signed by
**Shauna Kathleen Haynes
Towriss R9HWBI**
Date: 2021-12-03
12:12:36 -08:00

TERMS OF INSTRUMENT – PART 2

GENERAL ASSIGNMENT OF RENTS AND LEASES

This agreement and assignment is made as of November 30, 2021

BETWEEN:

NO. 198 CATHEDRAL VENTURES LTD., 4354 INVESTMENTS LTD. and 5186 INVESTMENTS LTD.
(collectively, the “**Assignor**”)

of the first part,

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA
(the “**Assignee**”)

of the second part.

Whereas the Assignor is the owner of the Lands (as described in Schedule “A” attached to this agreement and assignment) subject to the Mortgage and has agreed to enter into this agreement and assignment with the Assignee as collateral security for the due payment of the Mortgage.

Now, therefore, the Assignor hereby covenants, agrees and declares as follows:

1. In this agreement and assignment, unless there is something in the subject matter or context inconsistent therewith,

- (a) “**Commitment**” has the meaning given to it in the Mortgage;
- (b) “**Event of Default**” has the meaning given to it in the Mortgage;
- (c) “**Lands**” means each of the lands and premises described in Schedule “A” attached to this agreement and assignment;
- (d) “**Leases**” includes without limitation:
 - (i) every existing and future lease of and agreement to lease of the whole or any portion of the Lands and any and all extensions and renewals thereof;
 - (ii) every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence and any and all extensions and renewals thereof;

- (iii) every existing and future indemnity or guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
- (iv) every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands;
- (e) **"Mortgage"** means the mortgage of the Lands from the Assignor to the Assignee; and
- (f) **"Rents"** means all rents and other monies now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees, indemnitors and guarantors, under or in respect of the Leases.

2. The Assignor hereby assigns to the Assignee, its successors and assigns (as security for the principal, interest, and other amounts secured by the Mortgage and until the monies due under and by virtue of the Mortgage have been fully paid and satisfied) the interest of the Assignor in and to the Leases and Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment of the Rents and performance of the obligations of the tenants, users, occupiers, licensees, indemnitors and guarantors under the Leases in the name of the Assignor or the owner from time to time of the Lands.

3. The Assignor hereby covenants and agrees that except as set out in the Commitment or the Mortgage:

- (a) none of the Rents has been or will be paid more than one month in advance (except, if so provided in the lease or agreement, for payment of rent for the last month of the term);
- (b) except as disclosed to the Assignee in any estoppel certificate or related reports, there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto;
- (c) the Assignor will observe and perform all of the Assignor's obligations under each of the Leases; and
- (d) it will not enter into any new Lease or modify any existing Lease to result in any such Lease being on other than market terms (including, without limitation, as to market rental rates) and shall not otherwise enter into, amend, renew, terminate, consent to sublease or assignment or accept a surrender of any Lease in a manner inconsistent with a prudent landlord of a similar property in a similar location.

4. Subject to the provisions of paragraph 3(a) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases unless and until an Event of Default has occurred and is continuing. Upon the occurrence and continuance of an Event of Default, the Assignee shall, at its option, give notice to the tenant, user, occupier, licensee, indemnitor or guarantor thereunder requiring payment to the Assignee.

5. Nothing contained herein or in any statute shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this agreement and assignment or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses and other proper deductions.

6. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this agreement and assignment and whenever in the future any lease, agreement, licence, indemnity or guarantee with respect to the Lands is made, the Assignor will forthwith advise the Assignee of the terms thereof and, if requested by the Assignee, give the Assignee a specific assignment of the Rents thereunder in form satisfactory to the Assignee.

7. The Assignor further agrees that the Assignor will not lease or agree to lease any part of the Lands except in accordance with prudent business standards.

8. It is understood and agreed that this agreement and assignment is being taken as collateral security only for the due payment of any sum due under the Mortgage; and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents; and that following registration of a discharge of the Mortgage this agreement and assignment shall be of no further force or effect.

9. Any demand, notice or other communication to be given in connection with this agreement and assignment must be given in accordance with the Mortgage.

10. This agreement and assignment and everything herein contained shall extend to, bind and enure to the benefit of the respective successors and assigns of each of the parties hereto.

11. To the extent that there is any conflict or inconsistency between this agreement and assignment and the Charge, the provisions of the Charge shall prevail. Notwithstanding the foregoing, in the event that this agreement and assignment contains remedies which are in addition to the remedies set forth in the Charge, the existence of such remedies shall not constitute a conflict with the terms of this agreement and assignment.

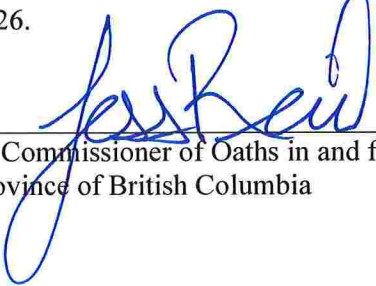
12. This agreement and assignment will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

The Assignor has executed this agreement and assignment by properly authorized officers as of the date first above written.

EXHIBIT "J"

This is Exhibit "J" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of November 23, 2021

BETWEEN:

NO. 198 CATHEDRAL VENTURES LTD., 5186 INVESTMENTS LTD., 4354 INVESTMENTS LTD. and JAMES HOLDINGS LTD.
(collectively, the "Debtor")

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA
(the "Secured Party")

WHEREAS the Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral to the Secured Party in order to secure the performance of its Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Interpretation

In this Agreement, all capitalized terms not otherwise defined shall have the meaning ascribed thereto in the Mortgage, and unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this agreement and all amendments made hereto by written agreement between the Secured Party and the Debtor.

"Collateral" has the meaning set out in Section 2.01.

"Event of Default" has the meaning set out in the Mortgage.

"Mortgage" means the mortgage of the Property given by the Debtor to the Secured Party, as the same may be amended from time to time.

"Obligations" means all obligations and liabilities of any kind whatsoever of the Debtor to the Secured Party in connection with or relating to the Mortgage.

"Property" means the lands and premises known municipally as Vancouver, British Columbia and legally described as more particularly set out in Schedule "A" attached hereto.

The terms "accessions", "account", "chattel paper", "document of title", "goods", "instrument", "intangible", "inventory", "investment property", "money", "proceeds", and "security" whenever used herein have the meanings given to those terms in the *Personal Property*

Security Act (British Columbia), as now enacted or as the same may from time to time be amended, re-enacted or replaced (the "**PPSA**").

1.02 **Sections and Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2 - GRANT OF SECURITY INTEREST

2.01 **Security Interest**

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Secured Party, the Debtor hereby grants to the Secured Party a security interest in, assigns to the Secured Party and mortgages and charges as and by way of a fixed and specific mortgage and charge to the Secured Party, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all personal property of the Debtor which arises from, pertains to, is located on, or is used in the operation and maintenance of, the Property and any proceeds therefrom (collectively, the "**Collateral**"). Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (a) **Receivables**: all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Debtor, including all rents, revenues, income, insurance proceeds, expropriation proceeds, other proceeds and other monies to which the Debtor may from time to time be entitled from all sources which pertain to or are derived from the Property or any part thereof (collectively, the "**Receivables**");
- (b) **Inventory**: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the businesses of the Debtor (collectively, the "**Inventory**");

- 3 -

- (c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "**Equipment**");
- (d) Chattel Paper: all chattel paper;
- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "**Securities**");
- (g) Intangibles: all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Contractual Rights: all agreements, licenses, franchises, permits, consents, policies, approvals, development agreements, building contracts, performance bonds, purchase orders, plans, rights to carry on business and plans and specifications presently owned and hereafter acquired by the Debtor in respect of or in any way relating to the Property or any part thereof;
- (i) Investment Property: all investment property;
- (j) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (k) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.01 and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (l) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and
- (m) Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

provided that the said assignment and mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound.

- 4 -

2.02 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby will attach when it signs this Agreement and it has any rights in the Collateral.

2.03 Exception for Contractual Rights

The security interest granted hereby does not and will not extend to, and the Collateral will not include any agreement, right, franchise, licence or permit (the "contractual rights") to which the Debtor is a party, or of which the Debtor has the benefit, to the extent that the creation of the security interest herein would constitute a breach of the terms of or permit any person to terminate the contractual rights or would require a consent to its assignment or transfer by way of security, but the Debtor must hold its interests therein in trust for the Secured Party and will assign such contractual rights to the Secured Party forthwith upon obtaining the consent of the other party thereto. The Debtor agrees that it will, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the security interest.

ARTICLE 3 - COVENANTS OF THE DEBTOR**3.01 Covenants**

The Debtor covenants with the Secured Party that it will:

- (a) maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (b) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, will keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests, except for Permitted Encumbrances, and those hereafter approved in writing by the Secured Party prior to their creation or assumption;
- (c) not continue into another jurisdiction, change its registered office and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in any schedule hereto, without prior written notice to the Secured Party;
- (d) from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party will be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party will have access to all premises occupied by the Debtor or where the Collateral may be found;
- (e) not change its name, or, if the Debtor is a corporation, not amalgamate with any other corporation, without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective; and

- 5 -

- (f) pay to the Secured Party forthwith upon demand all costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses will be added to and form part of the Obligations.

ARTICLE 4 - DEALING WITH COLLATERAL

4.01 Dealing with Collateral by the Debtor

The Debtor must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default occurs, deal with any personal property that is Collateral in the ordinary course of its business or as otherwise permitted in the Mortgage, but all proceeds of any dealings with such Collateral will continue to be subject to the security interest, assignment and mortgage and charge granted hereby.

4.02 Rights and Duties of the Secured Party

(1) The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Secured Party and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

ARTICLE 5 - DEFAULT AND REMEDIES

5.01 Events of Default

The Debtor will be in default under this Agreement upon the occurrence of an Event of Default.

5.02 Remedies

(1) On or after the occurrence of an Event of Default which is continuing, any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable and, in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- 6 -

- (a) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section 5.02 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 5.02 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;
- (b) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (c) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (d) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (e) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (f) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;
- (g) the Secured Party may accept the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
- (h) the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement;
- (i) the Secured Party, may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (j) the Secured Party may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Secured Party deems reasonable, will be added to and form part of the Obligations; and

- 7 -

- (k) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Obligations.

(2) The Secured Party may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder.

(3) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

(4) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party sees fit. If there is any surplus remaining, the Secured Party may pay it to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining must be paid to the Debtor. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party forthwith on demand.

ARTICLE 6 - GENERAL

6.01 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

6.02 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

6.03 Assignment

The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement except in accordance with the Mortgage.

- 8 -

6.04 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

6.05 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in accordance with the terms of the Mortgage.

6.06 Additional Continuing Security

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until payment of the Obligations in full.

6.07 Further Assurances

The Debtor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, schedules, further assignments, documents, acts, matters and things as may be requested by the Secured Party for the purpose of giving full effect to this Agreement, to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby, or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

6.08 Power of Attorney

The Debtor hereby irrevocably constitutes and appoints any officer for the time being of the Secured Party its true and lawful attorney, with full power of substitution, following the occurrence of an Event of Default which is continuing, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

6.09 Discharge

The Debtor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

[Signature Page Follows]

6.10 **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 therein.

6.11 **Executed Copy**

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date written above.

NO. 198 CATHEDRAL VENTURES LTD.

Per: _____
Name: Anthony Pappajohn
Title: President

I have authority to bind the above.

5186 INVESTMENTS LTD.

Per: _____
Name: Anthony Pappajohn
Title: President

I have authority to bind the above.

4354 INVESTMENTS LTD.

Per: _____
Name: Anthony Pappajohn
Title: President

I have authority to bind the above.

- 10 -

JAMES HOLDINGS LTD.

Per: _____

Name: Anthony Rappajohn

Title: President

I have authority to bind the above.

- 11 -

Schedule "A"
Legal Descriptions of Property

PID: 014-174-685

Lot 9 Block 430 District Lot 526 Plan 1949

PID: 014-174-707

Lot 10 Block 430 District Lot 526 Plan 1949

PID: 014-175-207

Lot 11 Block 430 District Lot 526 Plan 1949

PID: 025-836-471

Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

PID: 027-480-917

Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

EXHIBIT "K"

This is Exhibit "K" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia

INTEREST RESERVE AGREEMENT

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd. (collectively, the "**Borrower**"), to be secured by a second charge in favour of the Lender (the "**Mortgage**") of the lands and premises municipally and legally described in Schedule "A" (the "**Property**") pursuant to a commitment letter entered into by Portage Capital Corporation and the Borrower dated November 5, 2021, as assigned by Portage Capital Corporation to the Lender, and as the same may be amended, modified, supplemented, extended, and/or renewed from time to time (the "**Commitment Letter**")

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby authorizes the establishment of the following reserve which will be held by the Lender in accordance with the Commitment Letter:

1. Upon the funding of the loan contemplated by the Commitment Letter (the "**Loan**"), the Borrower hereby acknowledges that the Lender will advance the sum of THREE MILLION TWO HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$3,225,000.00) and such sum shall be escrowed into a Lender controlled reserve account (the "**Interest Reserve**"). Provided that no event of default exists under the Commitment Letter or any of the documents securing the Loan (the "**Loan Documents**"), the Interest Reserve shall be used by the Lender to make the scheduled interest payments on the Loan until it is depleted.
2. The Borrower agrees that the Lender has no obligation to pay the Borrower, and the Borrower is not entitled to, any interest on any amount of monies held from time to time by the Lender on account of the Interest Reserve.
3. If the Interest Reserve is depleted, the Borrower shall continue to make payments as required by the Loan with funds obtained from its own resources.
4. If the Borrower wishes to extend the Term of the Loan then the Borrower shall be required to replenish the Interest Reserve from its own resources 60 days prior to the maturity of the Initial Term in an amount which will cover the estimated debt service shortfall for the Extension Term as determined by the Lender. For clarity, the amount the Borrower shall be required to replenish will be equal to the lesser of: 12 times the monthly debt-service shortfall on the anniversary date of the loan (calculated from the Interest Adjustment Date), and the annual debt service shortfall based on the remaining Term of the Loan, as determined by the Lender.
5. The Borrower, for valuable consideration, hereby assigns, transfers, hypothecates and grants to the Lender a present and continuing security interest in the Interest Reserve, all money, securities, instruments and other investment property from time to time held in the Interest Reserve, all claims, judgments and choses in action relating to or arising from the interest Reserve, all replacements of or substitutions for any of the foregoing and all proceeds of any of the foregoing in any form derived directly or indirectly from any dealing with any of the foregoing or that indemnifies or compensates for the loss of or damage to any of the foregoing (collectively, "**the premises hereby assigned**").

- 2 -

6. This Agreement is continuing collateral security to the Lender, without impairment or novation of any other existing or future security, and shall operate as general security for all indebtedness and other liability of the Borrower to the Lender so long as the Borrower shall remain indebted or otherwise liable to the Lender under the Commitment (collectively, the "**Obligations**"); but the Borrower shall be entitled at any time, upon the repayment in full and discharge of all Obligations, to the cancellation hereof.
7. Upon the occurrence of an Event of Default (as defined in the Mortgage) which is continuing, any or all security granted hereby will, at the option of the Lender, become immediately enforceable and, in addition to any right or remedy provided by law, the Lender will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:
 - (a) withdraw any or all of the funds then remaining in the Interest Reserve and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery (including, but not limited to all legal costs of the Lender on the basis of a solicitor and client), to the Indebtedness or any other obligations of the Borrower under the other Loan Documents in such manner as the Lender shall deem appropriate in its sole discretion;
 - (b) transfer any part of the premises hereby assigned into the name of the Lender or its nominee;
 - (c) from time to time realize upon, collect, sell, transfer, assign, give options to purchase or otherwise dispose of and deliver any premises hereby assigned in such manner as may seem advisable to the Lender;
 - (d) the Lender may take such steps as it considers desirable to maintain, preserve or protect the premises hereby assigned; and
 - (e) the Lender may enforce any rights of the Borrower in respect of the premises hereby assigned by any manner permitted by law.
8. The Lender will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the premises hereby assigned and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the premises hereby assigned or for the purpose of preserving any rights of the Lender, the Borrower or any other persons, in respect of the premises hereby assigned.
9. The Lender may apply any proceeds of realization of the premises hereby assigned to payment of expenses in connection with the preservation and realization of the premises hereby assigned as above described and the Lender may apply any balance of such proceeds to payment of the Obligations in such order as the Lender sees fit. If there is any surplus remaining, the Lender may pay it to any person having a claim thereto in priority to the Borrower of whom the Lender has knowledge and any balance remaining must be paid to the Borrower.
10. In the holding of the premises hereby assigned, the Lender and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place.
11. The Lender shall not be bound to collect, dispose of, realize or enforce any of the premises hereby assigned and shall not be liable or responsible for any loss or damage which may

- 3 -

accrue in consequence of the actions of any officer, servant, agent, solicitor, counsel or other attorney or substitute employed by it in the collection, disposition, realization or enforcement thereof unless such loss or damage arises out of the misconduct, dishonesty or gross negligence of the Lender or those for whom it is responsible.

12. The Borrower shall execute all such further assignments and other documents and shall do all such further acts and things as may be required by the Lender from time to time acting reasonably for more effectually vesting the premises hereby assigned in the Lender or its appointee or for the collection, disposition, realization or enforcement thereof, and upon the occurrence of an Event of Default which is continuing, the Lender is hereby irrevocably constituted the true and lawful attorney of the Borrower, with full power of substitution, to execute in the name of the Borrower any assignment or other document for the said purposes.
13. The Borrower shall from time to time forthwith upon the request of the Lender furnish to the Lender in writing all information requested relating to the premises hereby assigned.
14. In the event of any conflict for inconsistency between the terms and provisions of this Agreement and the terms and provisions of the Commitment, the terms and provisions of the Commitment shall prevail.
15. In this Agreement, unless a capitalized term has been defined herein or unless the context otherwise specifies or requires, the capitalized terms used herein shall have the respective meanings ascribed thereto in the Commitment.
16. 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 therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Borrower has executed this Agreement, this 23rd day of November, 2021.

NO. 198 CATHEDRAL VENTURES LTD.

Per: _____
Name: Anthony Pappajohn
Title: President

I have authority to bind the Corporation

5186 INVESTMENTS LTD.

Per: _____
Name: Anthony Pappajohn
Title: President

I have authority to bind the Corporation

4354 INVESTMENTS LTD.

Per: _____
Name: Anthony Pappajohn
Title: President

I have authority to bind the Corporation

Schedule "A"

Municipal Address: 2903 – 2915 Granville Street, and 1520 West 13th Avenue, Vancouver, British Columbia

Legal Description:

PID: 014-174-685
Lot 9 Block 430 District Lot 526 Plan 1949

PID: 014-174-707
Lot 10 Block 430 District Lot 526 Plan 1949

PID: 014-175-207
Lot 11 Block 430 District Lot 526 Plan 1949

Municipal Address: 2933 – 2935 Granville Street, Vancouver, British Columbia

Legal Description:

PID: 027-480-917
Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

Municipal Address: 3050 – 3088 Granville Street, Vancouver, British Columbia

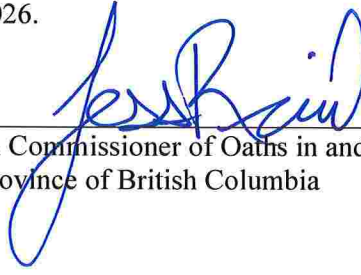
Legal Description:

PID: 025-836-471
Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

EXHIBIT "L"

This is Exhibit "L" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

GUARANTEE

This Guarantee is made as of November 23, 2021.

WHEREAS the undersigned **JAMES HOLDINGS LTD.** (hereinafter referred to as the "**Guarantor**"), has agreed to provide **COMPUTERSHARE TRUST COMPANY OF CANADA** (the "**Lender**") with a guarantee of the Obligations (as hereinafter defined) of No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd., (collectively, the "**Borrower**");

AND WHEREAS the Guarantor has agreed that if the guarantee is not enforceable, the Guarantor will indemnify the Lender or be liable as primary obligor;

NOW THEREFORE THIS GUARANTEE WITNESSES that in consideration of the premises and the covenants and agreements herein contained, the sum of \$1.00 now paid by the Lender to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants with the Lender as follows:

GUARANTEE

1.01 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees payment of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender under, and the performance of obligations pursuant to, the mortgage (the "**Mortgage**") of the lands and premises known municipally as Vancouver, BC and legally described as more particularly set out in Schedule "A" attached hereto, in the original principal amount of \$21,500,000.00 (hereinafter collectively referred to as the "**Obligations**").

Notwithstanding any other provision of this Guarantee, the Guarantor shall be jointly and severally liable with Anthony James Pappajohn, John George James Pappajohn and Thomas James Pappajohn for all Obligations, including all other security collateral thereto and all obligations included in the Commitment Letter issued by the Portage Capital Corporation on November 5, 2021 (as same may be amended from time to time).

1.02 Indemnity

If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under Section 1.01 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to pay or perform such Obligations.

1.03 Primary Obligation

If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under Section 1.01 or the Lender is not indemnified under Section 1.02, in each

case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be recoverable from the Guarantor as primary obligor.

1.04 Obligations Absolute

The liability of the Guarantor hereunder will be absolute and unconditional and will not be affected by:

- (a) any lack of validity or enforceability of any agreement between the Borrower and the Lender;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any other person or the amalgamation of or any change in the status, function, control or ownership of the Borrower, the Guarantor, the Lender or any other person;
- (d) any lack or limitation of power, incapacity or disability on the part of the Borrower or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Borrower in its obligations to the Lender; or
- (e) any other law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of any or all of the Obligations.

DEALINGS WITH OBLIGOR AND OTHERS

1.05 No Release

The liability of the Guarantor hereunder will not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor including any loss of or in respect of any security received by the Lender from the Borrower or others. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Lender may:

- (a) discontinue, reduce, increase or otherwise vary the credit of the Borrower in any manner whatsoever;
- (b) make any change in the time, manner or place of payment under, or in any other term of, any agreement between the Borrower and the Lender whether or not the Borrower carries out any of its obligations under any such agreement;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;

- (d) take or abstain from taking or enforcing securities or collateral from the Borrower or from perfecting securities or collateral of the Borrower;
- (e) accept compromises from the Borrower;
- (f) apply all money at any time received from the Borrower or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; and
- (g) otherwise deal with the Borrower and all other persons and securities as the Lender may see fit.

1.06 No Exhaustion of Remedies

The Lender will not be bound or obligated to exhaust its recourse against the Borrower or other persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder.

1.07 Prima Facie Evidence

Absent manifest error, any account settled or stated in writing by or between the Lender and the Borrower will be *prima facie* evidence that the balance or amount thereof appearing due to the Lender is so due.

1.08 No Set-off

In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender.

DEMAND

1.09 Demand

Upon the occurrence of an Event of Default (as defined in the Mortgage) that has not been either cured or waived in accordance with the provisions of the Mortgage, the Lender will be entitled to make demand upon the Guarantor for payment of all Obligations.

1.10 Interest

The Guarantor will pay interest to the Lender at the Interest Rate stipulated in the Mortgage on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor.

ASSIGNMENT, POSTPONEMENT AND SUBROGATION

1.11 Assignment and Postponement

All debts and liabilities, present and future, of the Borrower to the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by the

Guarantor in respect thereof will be held in trust for the Lender and forthwith upon receipt will be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full.

1.12 Subrogation

The Guarantor will not be entitled to subrogation until (i) the Guarantor performs or makes payment to the Lender of all amounts owing by the Guarantor to the Lender under this Guarantee and (ii) the Obligations are performed and paid in full. Thereafter, the Lender will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

GENERAL

1.13 Binding Effect of the Guarantee

This Guarantee will be binding upon the heirs, executors, administrators and successors of the Guarantor and will enure to the benefit of the Lender and its successors and assigns.

1.14 Entire Agreement

This Guarantee constitutes the entire agreement between the Guarantor and the Lender with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Lender will not be bound by any representations or promises made by the Borrower to the Guarantor and possession of this Guarantee by the Lender will be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this Guarantee will be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

1.15 Amendments and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

1.16 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and

the remaining part of such provision and all other provisions hereof will continue in full force and effect.

1.17 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and may be given by delivery or by facsimile, addressed to the recipient as follows:

To the Guarantor:

670 - 1655 West Broadway
Vancouver, BC V6J 1X1

Email: _____

To the Lender:

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

with a copy to

25 Montgomery Avenue, Suite 204
Toronto, ON M4R 0A1

Email: servicing@portagecapital.ca
Attention: Mortgage Administration

or such other address, individual or facsimile number as may be designated by notice given by any party to the other. Any demand, notice or other communication given by delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile, on the day of transmittal thereof if given on a Business Day (as defined in the Mortgage) or on the next Business Day if given by facsimile on a day that is not a Business Day.

1.18 Discharge

The Guarantor will not be discharged from any of its obligations hereunder except by a release or discharge signed in writing by the Lender.

1.19 Governing Law

This Guarantee will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

1.20 Headings

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Guarantee. The terms, "hereof", "hereunder", and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

1.21 Extended Meanings

In this Guarantee words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

1.22 Executed Copy

The Guarantor acknowledges receipt of a fully executed copy of this Guarantee.

IN WITNESS WHEREOF the Guarantor has signed, sealed and delivered this Guarantee.

GUARANTOR:

JAMES HOLDINGS LTD.

Per: 
Name: Anthony Pappajohn
Title: President

I have authority to bind the Corporation.

SCHEDULE "A"
Legal Descriptions of Property

PID: 014-174-685
Lot 9 Block 430 District Lot 526 Plan 1949

PID: 014-174-707
Lot 10 Block 430 District Lot 526 Plan 1949

PID: 014-175-207
Lot 11 Block 430 District Lot 526 Plan 1949

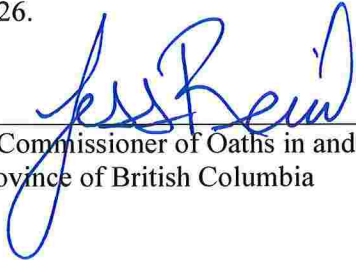
PID: 025-836-471
Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

PID: 027-480-917
Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

EXHIBIT "M"

This is Exhibit "M" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia

SPECIFIC ASSIGNMENT OF NET PROCEEDS

TO: PORTAGE CAPITAL CORPORATION

(the "**Lender**")

RE: \$21,500,000 loan (the "**Loan**") made by the Lender to 5186 Investments Ltd., 4354 Investments Ltd. and No. 198 Cathedral Ventures Ltd. (collectively, the "**Borrower**") and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony Pappajohn, John Pappajohn and Thomas Pappajohn (collectively with James Holdings, the "**Guarantors**"), and secured in part by a mortgage registered against certain real property, pursuant to a commitment letter dated as of November 5, 2021 (the "**Original Commitment Letter**");

AND RE: Renewal of the Loan pursuant to renewal letter dated April 8, 2024 (together with the Original Commitment Letter, the "**Loan Agreement**"), pursuant to which James Holdings has agreed to cause a mortgage or mortgages to be granted over certain additional real property, including the real property described in paragraph 1(a) below.

DATE: September 17th, 2024

WHEREAS:

- A. The Borrower and James Holdings are indebted to the Lender in respect of the Loan, as further set out in the Loan Agreement (the "**Indebtedness**");
- B. Jameson Larch & 2nd Limited Partnership ("**Larch LP**") is the beneficial owner of the real property located at or near 1807 Larch Street, Vancouver, B.C. and legally described as PID: 031-060-498 Lot 1 Block 220A Plan EPP100017 District Lot 526 Group 1 New Westminster Land District (as such lands may be consolidated, subdivided or stratified from time to time, or any part thereof, the "**Larch Property**");
- C. Jameson Broadway & Birch Limited Partnership ("**Birch LP**") is the beneficial owner of the real property located at or near 2538 Birch Street, Vancouver, B.C. and legally described PID: 030-417-261 Lot 1 Block 353 Plan EPP81033 District Lot 526 Group 1 New Westminster Land District (as such lands may be consolidated, subdivided or stratified from time to time, or any part thereof, the "**Birch Property**");
- D. James Holdings holds a 75% limited partnership interest in each of Larch LP and Birch LP; and
- E. In consideration of the Lender renewing the Loan, and as security for James Holdings' obligations as a Guarantor in respect of the Loan, James Holdings has agreed to pay to the Lender certain proceeds that it may receive as distributions from Birch LP and Larch LP in respect of any sale, transfer or financing (or renewal, extension, increase or refinancing thereof) of the Birch Property and Larch Property, respectively (each a "**Capital Transaction**") on the terms set out herein.

NOW THEREFORE, for value received, the receipt and sufficiency of which is hereby acknowledged, James Holdings agrees that:

1. **Payment.** James Holdings shall pay to the Lender, to be applied against any outstanding Indebtedness in the manner specified in the Loan Agreement or as the Lender may otherwise direct:
 - (a) 100% of the first \$10,000,000.00 of limited partner distributions received by James Holdings in respect of all Capital Transactions, provided that James Holdings may use up to \$3,000,000 of such distributions to first repay or prepay to Vancouver City Savings Credit Union ("**Vancity**") the obligations secured by the following mortgages and assignments of rents registered in favour of Vancity as follows:
 - i. as Instruments Nos. CA6277063 and CA6277064 against title to the real property legally described as PID: 026-682-460, Strata Lot 11 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875 and PID: 026-682-656, Strata Lot 30 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875; and
 - ii. as Instrument Nos. CA4276985, CA4276986, CB1158649 and CB1158650 against title to the real property legally described as:
 - A. PID: 014-174-685, Lot 9 Block 430 District Lot 526 Plan 1949;
 - B. PID: 014-174-707, Lot 10 Block 430 District Lot 526 Plan 1949;
 - C. PID: 014-174-207, Lot 11 Block 430 District Lot 526 Plan 1949;
 - D. PID: 027-480-917, Lot A District Lot 526 Group 1 New Westminster District Plan EPP 672; and
 - E. PID: 025-836-471, Parcel C Except: Part Subdivided by Plan BCP23566; Block 451 District Lot 526 Group 1 New Westminster District Plan BC8982; and
 - (b) 50% of any distributions in excess of \$10,000,000 generated from Capital Transactions following any repayments or prepayments as set out in Section 1(a) above,

(collectively, the "**Proceeds**"), provided that no such payment will exceed the amount of the Indebtedness outstanding at the time of payment.
2. **Assignment.** As security for its obligations to the Lender pursuant to the Loan Agreement, James Holdings hereby unconditionally and irrevocably assigns to the Lender the Proceeds.
3. **Failure to Pay Proceeds.** If James Holdings receives Proceeds from a Capital Transaction as contemplated herein and fails to pay the Proceeds to the Lender as the required by Section 1 hereof within five (5) Business Days following receipt of such Proceeds by James Holdings, such failure will constitute a default under this Specific Assignment of Net Proceeds (this "**Assignment**") and shall be deemed to be a default under the Loan and all security documentation related thereto. A "Business Day" means a day other than a Saturday, a Sunday, or a statutory holiday in Vancouver, British Columbia, Toronto, Ontario or New York, New York.

4. **Irrevocable Assignment.** James Holdings agrees that this Assignment is irrevocable.
5. **Negative Covenants.** James Holdings will not assign, pledge or encumber the Proceeds in whole or in part to or in favour of any other person.
6. **Positive Covenants.** James Holdings will, from time to time, immediately upon the Lender's request and at James Holdings' sole cost and expense:
 - (a) Provide Information: furnish to the Lender true copies of all writings and information requested by the Lender in respect of the Proceeds, and the Lender will be entitled from time to time to inspect any books, papers, documents or records evidencing or relating to the Proceeds and to make copies thereof, and for such purpose the Lender will have access, at all reasonable times, to all premises occupied by James Holdings; and
 - (b) Further Assurances: do all acts and things and execute and deliver to the Lender such other assignments, documents, certificates, conveyances, assurances and authorizations, as the Lender may require to give effect to the true intent and meaning of this Assignment.
7. **Application of Moneys Received.** The Lender will only be liable to account for such moneys as may actually come into its hands by virtue of this Assignment and will apply any such moneys received by it against the Indebtedness. In the event that the Lender receives payment of Proceeds in excess of the outstanding Indebtedness, such excess amount will be held by the Lender in trust for James Holdings and returned to James Holdings forthwith.
8. **Additional Security.** This Assignment is given in addition to and not in substitution for any security heretofore, now or hereafter held by the Lender in connection with the Loan, including without limitation any similar assignment, and is taken by the Lender as additional security for the fulfilment of the Borrower's obligations in connection with the Loan and will not operate as a merger of any debt or in any way suspend the fulfilment of, or prejudice or affect the rights, remedies and powers of the Lender in respect of the Borrower's obligations in connection with the Loan or any security held by the Lender in respect thereof in whole or in part.
9. **Execution and Delivery.** This Assignment may be executed and delivered by electronic (PDF, DocuSign or equivalent) transmission, and if so executed and delivered, shall be deemed to be an original.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF James Holdings has executed this Assignment as of the date first written above.

JAMES HOLDINGS LTD.

Per: _____

Name:  Anthony Pappajohn

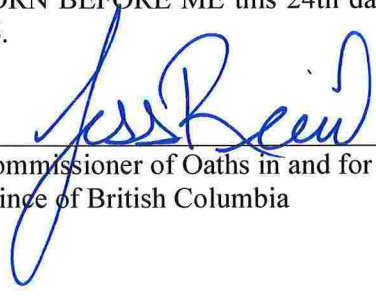
Title: PRESIDENT

I have authority to bind the corporation

EXHIBIT "N"

This is Exhibit "N" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia



Land Title Act

Mortgage

Part 1 Province of British Columbia

1. Application

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

LTO Client No: 121379572

File No: 53481.103

Portage (Granville)

2. Description of Land

PID/Plan Number Legal Description

026-682-672 STRATA LOT 32 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN BCS1875

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

4354 INVESTMENTS LTD.
 670, 1665 WEST BROADWAY
 VANCOUVER BC V6J 1X1

BC0621513

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

COMPUTERSHARE TRUST COMPANY OF CANADA
 C/O CMLS FINANCIAL LTD.
 2110, 1066 WEST HASTINGS STREET
 VANCOUVER BC V6X 3X2

A0052313

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$21,500,000	12% Per Annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, Not in Advance	1st Day of Each Month	N/A
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
N/A	N/A % per annum	January 1, 2025
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	January 1, 2025
If yes, page and paragraph number: Article 20, Pages 17 and 18		

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No



Land Title Act

Mortgage

Part 1 Province of British Columbia

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

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

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

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

Witnessing Officer Signature



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

Execution Date

YYYY-MM-DD

2024-09-17

Borrower / Party Signature(s)

4354 INVESTMENTS LTD.

By their Authorized Signatory



Name: Anthony Papadimitriou

Name:

Officer Certification

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

Electronic Signature

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

EXPRESS MORTGAGE TERMS

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

ARTICLE 1 DEFINITIONS

1.1 Definitions.

In this Mortgage unless the context otherwise requires:

- (a) **"Business Day"** means any day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia, Toronto, Ontario, and New York, New York;
- (b) **"Credit Agreement"** means the commitment letter dated as of November 5, 2021 as renewed by a renewal letter dated April 8, 2024, as may be further amended, supplemented, restated or replaced from time to time.
- (c) **"Guarantor"** means any person that has guaranteed any obligations of the Mortgagor to the Mortgagee.
- (d) **"Indebtedness"** means the Principal Amount, accrued and unpaid interest, and all other amounts owed by the Mortgagor to the Mortgagee and secured by this Mortgage;
- (e) **"Interest Rate"** means the rate of interest set out in Item 5 (Interest Rate) of the Mortgage Form;
- (f) **"Lands"** means the lands and premises described in Item 2 of the Mortgage Form;
- (g) **"Maturity Date"** means the balance due date set out in Item 5 (Balance Due Date) of the Mortgage Form, and is the date on which all unpaid Indebtedness becomes due and payable, or such earlier date on which the Mortgagee can lawfully require payment of the Indebtedness;
- (h) **"Mortgage"** means, collectively, the Mortgage Form, the schedule or schedules attached to the Mortgage Form and these Express Mortgage Terms.
- (i) **"Mortgage Form"** means a Mortgage - Part 1 (*Land Title Act* Form B), which refers in Item 9 of the Mortgage Form to these Express Mortgage Terms;
- (j) **"Mortgagee"** means the Mortgagee described in Item 4 of the Mortgage Form;
- (k) **"Mortgagor"** means the Mortgagor described in Item 3 of the Mortgage Form;
- (l) **"Permitted Encumbrances"** means the encumbrances set out in Item 11 of the Mortgage Form;
- (m) **"Principal Amount"** means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Mortgagor to the Mortgagee wherever and however incurred and unpaid, to the limit of the Principal Amount set out in Item 5 (Principal Amount) of the Mortgage Form.
- (n) **"Receiver"** includes a receiver, a manager and a receiver-manager.

- 2 -

ARTICLE 2 GRANT AND MORTGAGE

2.1 Security.

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

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

2.2 Continuing Security.

This Mortgage shall be continuing security for the payment of the Indebtedness despite any:

- (a) change in the nature, state or form of account between the Mortgagor and the Mortgagee; or
- (b) new advances by the Mortgagee to the Mortgagor.

2.3 Running Account.

If Item 7 of the Mortgage Form indicates that this Mortgage secures a current or running account:

- (a) this Mortgage shall be a continuous charge and shall apply, with the necessary changes having been made, to all sums advanced despite:
 - (i) the balance owing under this Mortgage may be fluctuating and may at any time be or have been reduced to a nil balance;
 - (ii) monies advanced may be repaid and further advances made from time to time;
- (b) this Mortgage shall continue to have effect and shall not be deemed to have been discharged by reason only that:
 - (i) all advances and readvances have been repaid; or
 - (ii) there is nothing owing to the Mortgagee under this Mortgage;
- (c) the Mortgagee may, from time to time, readvance to the Mortgagor any portion of the Principal Amount which may have been repaid by the Mortgagor; and
- (d) this Mortgage shall remain as effective security for advances and readvances until the Mortgagee delivers a discharge of this Mortgage to the Mortgagor.

2.4 No Obligation to Advance.

Despite any provisions in this Mortgage, neither the execution nor registration of this Mortgage nor the advance in part of the monies secured in this Mortgage shall bind the Mortgagee to advance any credit to the Mortgagor. Notwithstanding the foregoing, this Mortgage shall take effect forthwith upon the execution by the Mortgagor, and any and all costs of any nature whatsoever incurred or to be incurred by the Mortgagee in connection with the transaction reflected in this Mortgage, including without in any way limiting the generality of the foregoing, all of the expenses of the examination of the title and of this Mortgage and valuation are secured hereby, shall form part of the Indebtedness.

- 3 -

ARTICLE 3 INTEREST

3.1 Interest.

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

3.2 Compound Interest.

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

3.3 Proof of Interest Rate.

If the Interest Rate is a variable rate based upon a variable reference rate, a certificate of the Mortgagee (if one individual) or of any officer, including a branch manager, of the Mortgagee (if a corporation or lending institution) stating what the Interest Rate was on any day or during any period shall be conclusive evidence of the Interest Rate on the day or during the period stated.

ARTICLE 4 PAYMENT

4.1 Payments.

- (a) Without limiting the provisions of paragraph 2.3, this Mortgage will operate until all Indebtedness is paid in full to the Mortgagee and all obligations whose performance are secured by this Mortgage are performed, in the manner provided in this Mortgage.
- (b) The Mortgagor will pay:
 - (i) principal, interest at the Interest Rate on any amounts secured by this Mortgage, and any other amounts forming the Indebtedness at such time and at such place as agreed to between the Mortgagor and the Mortgagee; and
 - (ii) on the Maturity Date, the Indebtedness.

4.2 Application of Payments.

Any payment by the Mortgagor after default may be applied by the Mortgagee to any part of the Indebtedness secured by this Mortgage as the Mortgagee sees fit despite any contrary stipulation by the Mortgagor.

ARTICLE 5 MORTGAGOR'S COVENANTS

5.1 Covenants.

The Mortgagor covenants with the Mortgagee that:

- (a) the Mortgagor shall pay to the Mortgagee all Indebtedness of the Mortgagor to the Mortgagee pursuant to this Mortgage;
- (b) the Mortgagor has good title to the Lands;

- 4 -

- (c) the Mortgagor has the right to mortgage the Lands including the right to convey the Lands to the Mortgagee notwithstanding any act of the Mortgagor;
- (d) on default, the Mortgagee shall have quiet possession of the Lands free from all encumbrances;
- (e) the Mortgagor shall execute such further assurances of the Lands as may be requisite;
- (f) the Mortgagor has no knowledge of any other claim against the Lands;
- (g) the Mortgagor has done nothing to encumber the Lands; and
- (h) the Mortgagor releases to the Mortgagee all his claims on the Lands.

ARTICLE 6 MAINTENANCE OF CHARGE

6.1 Maintenance of Charge.

The Mortgagor shall maintain and keep the security created in this Mortgage as a valid and effective security during the currency of this Mortgage and shall not permit or suffer the registration of any debt, lien or privilege whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of the Lands, which could rank prior to the charge of this Mortgage; provided that the registration of any such lien or privilege shall not be deemed to be a breach of this covenant if the Mortgagor in good faith contests to the same and, if the Mortgagee so requires, gives security to the satisfaction of the Mortgagee in its sole discretion for the due payment of the amount claimed, together with possible costs, in case it shall be a valid lien or privilege and such lien or privilege is discharged from title to the Lands within 30 days of registration.

6.2 Mortgagee May Pay to Maintain Charge.

The Mortgagee may, but shall not be obliged to, pay and satisfy any sum required to maintain this Mortgage as set out in paragraph 6.1 above without thereby waiving a breach of this covenant by the Mortgagor in the event of the Mortgagor failing to pay off the same within a reasonable time. Any amount paid by the Mortgagee to maintain this Mortgage, together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall:

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

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

ARTICLE 7 INSURANCE

7.1 Insurance Requirements.

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

- (a) all risks of direct loss or damage to all buildings, improvements and fixtures on the Lands, including, without limitation, coverage for the foundations of all improvements, all on a full replacement cost basis with loss payable to the Mortgagee under an Insurance Bureau of Canada mortgage clause;

- 5 -

- (b) comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical apparatus on the Lands, for an amount satisfactory to the Mortgagee, with loss payable to the Mortgagee under a Boiler and Machinery Insurance Association mortgage clause;
- (c) such other insurable risks, perils or events including, without limiting the generality of the foregoing, plate glass, rental, business interruption, flood, earthquake and public liability insurance, and in such amounts as the Mortgagee may require, upon the improvements situate on the Lands to the full replacement value and for such period of time as the Mortgagee may from time to time require during the existence of this Mortgage; and
- (d) comprehensive general liability insurance, inclusive of bodily injury, death or property damage or loss, for a minimum amount of \$5,000,000.00 per occurrence or such other amount as the Mortgagee may reasonably request.

7.2 Additional Insurance Requirements.

All policies of insurance pursuant to this article 7 shall be placed with a company or companies satisfactory to the Mortgagee and the Mortgagor shall not do nor suffer anything whereby the policy or policies may be vitiated, and shall pay all premiums and sums of money necessary under the policy or policies as they become due and shall assign and deliver over to the Mortgagee the policy or policies of insurance, and related receipts. Deductible amounts shall also be subject to Mortgagee's approval. All cancellations and alteration clauses in the above-referenced policies, including those obtained in the mortgage clause endorsements, shall provide for at least 30 days prior written notice to the Mortgagee of any cancellation of or material alteration to the policy. The Mortgagor shall provide evidence of policy renewal or satisfactory replacement annually at least 30 days prior to expiry. The Mortgagee shall be entitled to require coverage of such other risks and perils as the Mortgagee may from time to time consider advisable or desirable and in respect of which insurance coverage is available.

7.3 Mortgagee at Liberty to Insure.

If the Mortgagor neglects to keep the Lands insured as set out in this article 7, or to pay the said premiums, or to deliver such policy or policies of insurance, or the receipt or receipts relating thereto, or to deliver satisfactory evidence of the renewal of each policy of insurance to the Mortgagee at least 5 days before its expiry, then the Mortgagee shall be at liberty, but shall not be required, to insure the Lands as set out in this article 7, and the cost of doing so shall be added to and form part of the Indebtedness.

7.4 Insurer to be Acceptable to Mortgagee.

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

7.5 Mortgagee to be Loss Payee.

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

7.6 Mortgagee's Right to Inspect.

In case of the cancellation of any insurance by reason of the unsatisfactory condition of the buildings on the Lands or from any other cause whatsoever, the Mortgagee or its agents shall have the right to

- 6 -

enter the said buildings at any time for the purpose of inspection at the expense of the Mortgagor. The exercise of any of the powers enumerated in this section shall not result in the Mortgagee, or its agent being deemed to be in possession, management, or control of the Lands.

7.7 Mortgagee Not Liable.

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

7.8 Mortgagor Responsible Upon Insurable Loss.

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

7.9 Application of Insurance Proceeds.

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

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

ARTICLE 8 TAXES, LIENS AND ENCUMBRANCES

8.1 Mortgagor to Pay When Due.

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

8.2 Mortgagee May Pay.

The Mortgagee may, but shall not be required to, pay, as and when the same shall fall due, all taxes, rates, liens, charges, encumbrances or claims which are or may be assessed or become charges or claims against the Lands or on this Mortgage or on the Mortgagee in respect of this Mortgage and any amount so paid by the Mortgagee shall become part of the Indebtedness.

8.3 Mortgagee's Right to Redeem or Purchase.

If the Lands or any part of the Lands are sold or forfeited for non-payment of taxes or any other lien or encumbrance, while any sum remains unpaid, the Mortgagee may acquire title and rights of a purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the name of the Mortgagor, any sums necessary to be paid to redeem the Lands sold or forfeited, and to revert the Lands in the Mortgagor. The Mortgagor hereby nominates and appoints the Mortgagee as agent to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee shall be repaid by the Mortgagor to the Mortgagee immediately, or in the alternative the

- 7 -

Mortgagee shall have the right to bid on and/or purchase the Lands at any sale of the Lands, and in such an event shall become the absolute owner of the Lands.

8.4 Mortgagee May Deduct.

The Mortgagee may deduct from any advance of moneys secured by this Mortgage an amount sufficient to pay any and all taxes, rates, liens, charges, encumbrances or claims against the Lands which have become or will become due and payable and are unpaid at the date of such advances, together with any interest due in respect of such advances.

ARTICLE 9 IMPROVEMENTS, FIXTURES, MAINTENANCE

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

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

9.2 Buildings and Improvements.

The Mortgagor shall not make, or permit to be made, any alterations or additions to the Lands nor remove or attempt to remove any improvements from the Lands without the prior written consent of the Mortgagee. The Mortgagor will not change or permit to be changed the use of the Lands without the prior written consent of the Mortgagee. If the Mortgagor builds a building or buildings and other improvements on the Lands, the Mortgagor covenants and agrees with the Mortgagee to:

- (a) obtain the prior written consent of the Mortgagee and comply with all reasonable requirements of the Mortgagee;
- (b) prior to any work being commenced, obtain all necessary consents, permits, licences, certificates and inspections from all municipal, governmental, and regulatory authorities having jurisdiction;
- (c) provide the Mortgagee policies of insurance duly executed by the Mortgagee's insurers evidencing the placement of insurance coverage in compliance with this Mortgage and such additional insurance reasonably required by the Mortgagee, which shall include, without limitation, insurance from the Mortgagor's contractor's insurer confirming builder's risk, public liability coverage and other insurance reasonably required by the Mortgagee;
- (d) construct the building or buildings and other improvements on the Lands in accordance with the plans and specifications which have been or will be approved by the Mortgagee; and
- (e) to carry on diligently to completion the building, buildings and other improvements.

9.3 Maintenance and Repair.

The Mortgagor shall keep the Lands and the buildings and improvements on the Lands in good condition and repair and shall promptly make good and restore all loss or damage occurring to the Lands and the buildings and improvements on the Lands, and shall not commit or permit any act of

- 8 -

waste on the Lands or permit anything which might impair the value of the Lands. In addition, the Mortgagor shall keep the Lands free from all noxious weeds and generally ensure that the property is maintained in a good operating condition.

9.4 Loss or Damage.

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

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

9.5 Obligations Cumulative.

This article 9 shall be in addition to any statutory covenants implied in this Mortgage.

ARTICLE 10 STRATA PROVISIONS

10.1 Strata Title Provisions.

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

- (a) **Pay Assessments.** The Mortgagor shall, on or before the due dates, pay each and every assessment, contribution or levy made against the Lands by the strata corporation governing the Lands. In the event the Mortgagor fails to pay any one or more of such assessments, contributions, or levies on or before their due date, including without limiting the generality of the foregoing, a default by the Mortgagor in payment of the Mortgagor's share of the common expenses, whereby the strata corporation may register a Certificate in Form "G" of the *Strata Property Regulation*, such failure shall constitute default under this Mortgage and the whole of the Indebtedness shall immediately, at the option of the Mortgagee, become due and be paid. Upon the Mortgagor's failure to pay such assessments, contributions or levies, the Mortgagee may make such payments but shall not be obliged to do so, and any amount so paid by the Mortgagee shall be added to the Indebtedness, and shall be paid to the Mortgagee together with interest immediately without demand;
- (b) **Observe Duties.** The Mortgagor shall observe, perform and carry out all the duties, obligations and requirements of an owner pursuant to the *Strata Property Act* (British Columbia) and the strata's by-laws from time to time in force with respect to the Lands;
- (c) **Assign Voting Rights.** Pursuant to Section 54 of the *Strata Property Act* (British Columbia), the Mortgagor assigns, transfers and confers upon the Mortgagee the power and right to vote in the place and stead of the Mortgagor in respect of any matters relating to insurance, maintenance, or finance or other matters affecting the security of the Mortgagee and upon which the Mortgagor is entitled to vote pursuant to the Strata By-laws which apply to the Lands;

- 9 -

- (d) **Mortgagee Not Liable.** The Mortgagor acknowledges and agrees that nothing contained in this Mortgage, including the exercise of any right to vote, shall render the Mortgagee a mortgagee in possession and that the right to vote does not entail or constitute a representation, expressed or implied, that the Mortgagee shall be obliged to vote or to protect the interest of the Mortgagor and the Mortgagee shall not be responsible for any exercise of the right to vote or any failure to vote;
- (e) **Certification.** Pursuant to Section 59 of the *Strata Property Act* (British Columbia), the Mortgagor authorizes any officer of the Mortgagee to apply at any time to the strata corporation for a Certificate in Form "B" of the *Strata Property Regulation*, which Certificate shall provide to the Mortgagee information in respect of:
- (i) the monthly strata fees payable by the Mortgagor;
 - (ii) any amount that the Mortgagor owes the strata corporation, other than an amount paid into court or to the strata corporation in trust under Section 114 of the *Strata Property Act* (British Columbia);
 - (iii) any agreements under which the Mortgagor takes responsibility for expenses relating to alterations to the Lands, the common property or the common assets;
 - (iv) any amount that the Mortgagor is obligated to pay in the future for a special levy that has already been approved and the date by which the payment is to be made;
 - (v) the amount, if any, by which the expenses of the strata corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;
 - (vi) the amount of the contingency reserve fund minus any expenditures which have already been approved but not yet taken from the fund;
 - (vii) any amendments to the By-laws that have not been filed in the Land Title Office;
 - (viii) any resolution passed by a 3/4 vote or unanimous vote that is required to be filed in the Land Title Office but that has not yet been filed in the Land Title Office;
 - (ix) any notice that has been given for a resolution that has not been voted on, if the resolution requires a 3/4 vote or unanimous vote or deals with an amendment to the By-laws;
 - (x) any court proceeding or arbitration in which the strata corporation is a party and any judgements or orders against the strata corporation;
 - (xi) any notices or work orders received by the strata corporation that remain outstanding for the Lands, the common property or the common assets;
 - (xii) the number of strata lots in the strata plan that are rented; and
 - (xiii) any other information required by the regulations of the *Strata Property Act* (British Columbia).
- (f) **Form "F".** Pursuant to Section 115 of the *Strata Property Act* (British Columbia), the Mortgagor authorizes any officer of the Mortgagee to apply at any time to the strata corporation on behalf of the Mortgagor for a Certificate in Form "F" of the *Strata*

- 10 -

Property Regulation that no monies are owing to the strata corporation by the Mortgagor;

- (g) **Notices.** Upon the request of the Mortgagee the Mortgagor shall deliver to the Mortgagee copies of all notices of meetings, minutes, financial statements and documents of a similar nature of the strata corporation and delivered by the strata corporation to the Mortgagor; and
- (h) **Leases.** It, at any time while this Mortgage remains registered against the Lands, the Mortgagor shall give possession of the Lands to a person on the basis of a lease, sublease or assignment of lease for a term of three years or more and by so doing be deemed pursuant to Sections 147 and 148 of the *Strata Property Act* (British Columbia) to have assigned to the occupier all the Mortgagor's rights, powers, duties and obligations under the *Strata Property Act* (British Columbia), then all sums owing under this Mortgage, shall, at the option of the Mortgagee immediately become due and payable.

ARTICLE 11 FARM LAND

If any part of the Lands is farm land, the Mortgagor covenants and agrees to in each year notify the Mortgagee of the use of the Lands as a farm and either put into crop or summer fallow in a proper manner every part thereof which has been or may in the future be brought under cultivation. The Mortgagor shall also keep such Lands clean and generally see that it does not depreciate in any way as farm land.

ARTICLE 12 DEFAULT

12.1 Events of Default.

The following shall constitute events of default under this Mortgage:

- (a) **Payment.** The Mortgagor fails to pay any amount owing when due to the Mortgagee pursuant to this Mortgage or any other agreement between the Mortgagor and the Mortgagee.
- (b) **Default.** The Mortgagor defaults on any of the covenants, agreements, provisos, stipulations or events of default under this Mortgage or any other agreement between the Mortgagor and the Mortgagee.
- (c) **Other Obligations.** The Mortgagor fails to observe, perform or satisfy any obligations pursuant to this Mortgage or any other agreement between the Mortgagor and the Mortgagee.
- (d) **Misrepresentation.** Any representation or warranty given by the Mortgagor or any Guarantor (including by any director or officer thereof if the Mortgagor or Guarantor is a corporation) is untrue in any material respect.
- (e) **Winding Up.** An order is made or a resolution passed for the winding-up of the Mortgagor or a Guarantor, or a petition is filed for the winding-up of the Mortgagor.
- (f) **Bankruptcy.** The Mortgagor or a Guarantor commits or threatens to commit any act of bankruptcy or becomes insolvent, files a notice of intention to make a proposal or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* (Canada) or a general assignment in favour of its creditors or a bulk sale of its assets, or a bankruptcy petition is filed or presented against the Mortgagor or a Guarantor.

- 11 -

- (g) **Arrangement.** Any proceedings with respect to the Mortgagor or a Guarantor are commenced under the *Companies' Creditors Arrangement Act* (Canada).
- (h) **Receiver.** A Receiver is appointed over any asset of the Mortgagor or of a Guarantor.
- (i) **Loss of Income.** If the Lands are capable of generating income and there is loss or damage to them which materially adversely affects their income-generating ability in the reasonable opinion of the Mortgagee, and such loss or damage cannot be repaired or replaced so as to re-establish the income-generating ability of the Lands within ninety days following such loss or damage.
- (j) **Maintain Business.** If the Mortgagor operates a business on the Lands, and it fails to maintain and operate such business as a going concern in a prudent and businesslike manner to the reasonable satisfaction of the Mortgagee.
- (k) **Abandonment.** The Mortgagor abandons the Lands or any part of the Lands.
- (l) **Sale of Lands.** The Mortgagor sells, transfers or disposes of the Lands or any part thereof without the express written consent of the Mortgagee.
- (m) **Execution Etc.** Any execution, judgment, order, sequestration, extent or any other process of any Court becomes enforceable against the Mortgagor or the Lands or if a distress or analogous process is levied upon the property of the Mortgagor or any part thereof.
- (n) **Proceeding by Other Encumbrancee.** If any other mortgagee, encumbrancee or other party having a charge on the Lands commences proceedings to enforce its rights or security in such mortgage, encumbrance or charge or takes steps to collect all or any of the income generated from the Lands.
- (o) **Other Indebtedness.** The Mortgagor permits any sum, which has been admitted as due by the Mortgagor or is not disputed to be due by the Mortgagor and which forms or is capable of being made a charge upon the Lands, to remain unpaid for 30 days after proceedings have been taken to enforce the same.
- (p) **Floating Charge.** Any charge or encumbrance created or issued by the Mortgagor in the nature of a floating charge becomes enforceable and any step is taken to enforce the same.
- (q) **Strata Fees.** The Mortgagor fails to pay when due any amount owing by the Mortgagor to the strata corporation in relation to the Lands, or any agent of the strata corporation.
- (r) **Change of Control.** Where there is a change of control in relation to the Mortgagor or any Guarantor (where the same are not individuals).
- (s) **Granting Security.** The Mortgagor grants or attempts to grant any form of security to any person other than the Mortgagee ranking or purporting to rank in priority to or equally with the security held by the Mortgagee on the Lands.
- (t) **Failure to Effect or Maintain Insurance.** If for any reason any insurance in relation to the Lands cannot be effected or maintained.
- (u) **Failure to Pay Taxes, Liens and Encumbrances When Due.** If payments are not made as set out in article 8 and such default continues for a period of 10 days.
- (v) **Security at Risk.** If for any other reason the Mortgagee reasonably determines that there is a material adverse change to the title to the Lands or this Mortgage (collectively the "**Material Adverse Changes**") whereby such Material Adverse Change would put this Mortgage at risk.

12.2 Realization of Security and No Merger.

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

ARTICLE 13 REMEDIES ON DEFAULT

13.1 Remedies on Default.

In the event of default being made in any of the covenants, agreements, provisos or stipulations expressed or implied in this Mortgage, then in addition to the rights and privileges of the Mortgagee at common law, in equity, or by statute:

- (a) the Mortgagee may, but shall not be required to, at the expense of the Mortgagor and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained in this Mortgage;
- (b) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the Lands;
- (c) the Mortgagee or agent of the Mortgagee may enter into possession of the Lands and whether in or out of possession collect the rents and profits of the Lands, and make any demise or lease of any part of the Lands, for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale under this Mortgage may be exercised either before or after and subject to any such demise or lease;
- (d) it shall be lawful for and the Mortgagor hereby grants full power, right and licence to the Mortgagee to enter, seize and distrain upon any part of the Lands, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Indebtedness as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses of attending to such levy or distress, as in like cases of distress for rent;
- (e) the Mortgagee may sell and dispose of the Lands with or without entering into possession of the Lands and with or without notice to the Mortgagor or any party interested in the Lands; and all remedies may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defects, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Lands; and the Mortgagee may sell, transfer and convey any part of the Lands on such terms of credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained; and sales may be made at any time of parts of the Lands to satisfy interest or parts of the Indebtedness overdue, leaving the Indebtedness or parts thereof to run with interest payable; and on any sale or resale, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary;
- (f) the Mortgagee shall be entitled (in addition and without prejudice to all its other rights and privileges) immediately to apply for and obtain the appointment of a Receiver of

- 13 -

the Lands and premises and the rents and profits thereof without the necessity of first exercising its right to enter into possession;

- (g) sue the Mortgagor for the Indebtedness;
- (h) to distrain for arrears for all or any part of the Indebtedness;
- (i) to take any judicial proceedings to foreclose the Mortgagor's or any other person's, or both, interest in all or any part of the Lands, to take possession of the Lands or to sell, lease or otherwise deal with the Lands, or both;
- (j) to enter on and take possession of all or any part of the Lands; and
- (k) to sell or lease, or both, any part of the Lands or to sell the unexpired term of any lease of the Lands.

13.2 Acceleration on Default.

If the Mortgagor:

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

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

13.3 No Waiver.

The Mortgagor acknowledges and agrees that:

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

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

13.4 Remedies Cumulative.

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

ARTICLE 14 RECEIVER

14.1 Appointment of a Receiver.

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

- 14 -

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

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

- 15 -

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

14.2 Distribution of Receiver's Income.

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

14.3 Liability of Receiver.

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

14.4 Dealing with Lands.

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

ARTICLE 15 SUBDIVISION

15.1 Subdivision.

The Mortgagor agrees and declares that:

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

- 16 -

ARTICLE 16 RELEASE

16.1 Release.

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

ARTICLE 17 COSTS

17.1 Expenses of Obtaining and Maintaining Security.

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

17.2 Costs.

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

ARTICLE 18 DUE ON SALE/CHANGE OF CONTROL

18.1 Sale.

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

18.2 Change of Control.

It is further understood and agreed that, despite any other provisions contained in this Mortgage, the whole of the Indebtedness shall, at the option of the Mortgagee, immediately become due and payable if in the opinion of the Mortgagee:

- (a) there is a change in the direct or indirect effective voting control of the Mortgagor or more than 25% of the voting shares/units of the Mortgagor are transferred; unless the

- 17 -

Mortgagor is a publicly traded entity (being an entity whose shares/units are listed and traded on a recognized stock exchange in Canada or the United States);

- (b) if the Mortgagor is a corporation, and the Mortgagor amalgamates or merges with any one or more corporations; or
- (c) the Mortgagor enters into an agreement to do any of the foregoing.

ARTICLE 19 BUILDING MORTGAGE

19.1 Building Mortgage.

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

ARTICLE 20 ASSIGNMENT OF RENTS AND LEASES

20.1 Leases and Rents.

If the Lands or any part of the Lands are at any time subject to a Lease the provisions of this article 20 will apply.

20.2 Definitions in this section:

In this section:

- (a) **"Event of Default"** means an event described in article 12;
- (b) **"Guarantees"** means each and every guarantee, indemnity or other surety contract, whether contained in a Lease or otherwise, present or future, with respect to the payment of Rents or performance by a Tenant of any other obligations under a Lease and **"Guarantee"** means one of the Guarantees;
- (c) **"Lease Guarantor"** means each and every guarantor, indemnitor or other person liable to the Mortgagor pursuant to a Guarantee;
- (d) **"Leases"** means all present and future, written or oral leases, agreements to lease, tenancy agreements, licences and rights of occupation with respect to the Lands or any part or parts thereof and all agreements supplemental thereto and **"Lease"** means one of the Leases;
- (e) **"Rents"** means all rents and other monies payable to the Mortgagor under and pursuant to the Leases; and

- 18 -

- (f) **"Tenant"** means any person, howsoever described, liable to the Mortgagor under a Lease.

20.3 Assignment.

The Mortgagor hereby grants, assigns, transfers and sets over to the Mortgagee:

- (a) the Rents;
- (b) all covenants, benefits and advantages contained in or to be derived from, the Leases; and
- (c) all covenants, benefits and advantages contained, in or to be derived from, the Guarantees;

to have and to hold as continuing security for the payment of the Indebtedness.

20.4 Exercise of Rights.

The Mortgagee shall not exercise its rights under this section unless and until an Event of Default has occurred, provided that:

- (a) the Mortgagee may give notice, at any time, to any Tenant or Lease Guarantor advising of this assignment but unless an Event of Default has occurred any such notice shall provide that the Rents are to continue to be paid to or to the order of the Mortgagor until otherwise directed by the Mortgagee; and
- (b) if an Event of Default has occurred, the Mortgagee may give notice in writing of this assignment to any Tenant or Lease Guarantor directing payment of the Rents to the Mortgagee or its nominee and this shall be an irrevocable direction by the Mortgagor to every Tenant and Lease Guarantor that upon receipt of such notice all payments of Rent are to be made as directed thereby.

20.5 Representations and Warranties.

The Mortgagor hereby represents and warrants to the Mortgagee that:

- (a) the Mortgagor has not previously assigned the Rents, Leases or Guarantees, in whole or in part, pursuant to an assignment which is presently in force; and
- (b) all of the Rents are payable on a monthly basis and there is not now nor has there ever been any right of set-off, commutation or prepayment with respect to the Rents, unless the Mortgagor has otherwise notified the Mortgagee in writing.

20.6 Positive Covenants.

The Mortgagor hereby covenants and agrees with the Mortgagee that:

- (a) the Mortgagor shall provide to the Mortgagee, immediately upon request, a current list of all Leases and Guarantees in such detail as the Mortgagee may reasonably require and if requested by the Mortgagee, a copy of each Lease and Guarantee;
- (b) the Mortgagor shall, immediately upon notice from the Mortgagee, execute and deliver to the Mortgagee specific assignments of specific Leases and the Rents payable thereunder;
- (c) the Mortgagor shall give to each Tenant and Lease Guarantor, when directed by the Mortgagee, notice of this assignment and any specific assignment; and

- 19 -

- (d) the Mortgagor shall, at all times, observe and perform all of the Mortgagor's obligations under each of the Leases.

20.7 Negative Covenants.

The Mortgagor shall not, without the prior written consent of the Mortgagee:

- (a) accept prepayment of any Rents;
- (b) permit any set-off, waiver, release, discharge, discount or commutation of the payment of any of the Rents; and
- (c) while any Event of Default is in existence, modify, amend, surrender, cancel or terminate any of the Leases or the Guarantees.

20.8 Attorney.

The Mortgagor hereby nominates, constitutes and appoints the Mortgagee to be its true and lawful attorney for and in its name, to demand, recover and enforce payment of all Rents and for such purposes to institute such actions at law or in equity and take such proceedings by distress or otherwise as the Mortgagee shall from time to time deem fit and proper; and to make, assign and execute any and all Warrants of Distress and other documents in the name of the Mortgagor as the Mortgagee shall deem fit or proper, the cost of all such distraints and all other expenses to be paid by the Mortgagor and to be added to and form part of the Indebtedness; and the Mortgagor agrees with the Mortgagee that this Power of Attorney may be exercised on behalf of the Mortgagee through any one of its officers and that it shall be irrevocable so long as any monies remain owing under this Mortgage.

20.9 Notice Effective.

No Tenant or Lease Guarantor shall be bound to ascertain whether or not an Event of Default has occurred or is continuing and any notice of this assignment shall be valid and effective as regards any Tenant or Lease Guarantor even though no Event of Default has occurred or is continuing and the remedy, if any, of the Mortgagor shall be against the Mortgagee only.

20.10 Mortgagee Not Responsible for Collections.

Nothing in this Mortgage shall be construed so as to have the effect of making the Mortgagee responsible for the collection of any part of the Rents or for the observance or performance of any of the covenants, terms or conditions to be observed or performed by the Mortgagor under any of the Leases.

20.11 Accounting.

The Mortgagee shall be liable to account only for such monies as may actually come into its hands by virtue of this assignment, less proper collection charges, and such monies when so received by the Mortgagee shall be applied on account of the monies secured by this Mortgage.

20.12 Proceedings.

If the Mortgagee at any time in its absolute discretion deems it advisable to take proceedings either judicially or extra-judicially by way of distress or otherwise for the enforcement of the payment of the Rents or performance of the obligations of any Tenant or Lease Guarantor then the Mortgagor shall, if requested by the Mortgagee, join with the Mortgagee in such proceedings and the Mortgagor hereby irrevocably authorizes the Mortgagee to join the Mortgagor in such proceedings.

ARTICLE 21 CARE OF THE LANDS

21.1 In this part:

- (a) **"Environment"** includes the Lands and surroundings;
- (b) **"Pollutant"** means any substance, class of substances, mixture of substances, form of energy or combination thereof that is capable of entering the Environment in a quantity or concentration or under conditions that may cause an immediate or long term adverse effect, and includes anything defined as a hazardous substance, hazardous waste, toxic substance, dangerous goods, hazardous chemical, contaminant, or agricultural chemical under any federal, provincial or municipal laws or by-laws now or hereafter in force;
- (c) **"Release"** includes the noun or verb form of spill, discharge, spray, inject, abandon, deposit, leak, seep, pour, emit, empty, throw, dump, place, exhaust and words of like or similar meaning.

21.2 Covenants of Mortgagor.

The Mortgagor hereby covenants that:

- (a) Neither the Mortgagor, nor, to the knowledge of the Mortgagor after diligent inquiry and investigation, any other person, has ever caused or permitted any Pollutant to be placed, handled, stored or disposed of on, under or at the Lands, or on, under or at adjacent lands, except as disclosed to the Mortgagee in writing;
- (b) The Mortgagor shall not allow any Pollutant to be placed, handled, stored or disposed of on, under or at the Lands without the prior written consent of the Mortgagee, which consent may be arbitrarily or unreasonably withheld;
- (c) To the extent that any Pollutant is placed, handled, stored or disposed of on, under or at the Lands:
 - (i) the Mortgagor has, and will continue to have, all necessary federal, provincial and municipal licenses, certificates and permits and is and will continue to be in compliance with all applicable federal, provincial and municipal laws and by-laws;
 - (ii) the Mortgagor shall not cause or permit to exist, as a result of an intentional or unintentional act or omission on its part (or on the part of its agents, contractors or any other person or entity for whose acts or omissions it is responsible), a Release of any Pollutant on, under or at the Lands, unless such Release is pursuant to and in compliance with the conditions of a permit issued by the appropriate governmental authority;
 - (iii) if the Mortgagor receives any verbal or written notice of an unauthorized Release, or any complaint, order, citation or notice with regard to a Release or any other environmental, health or safety matter affecting the Lands (**"Environmental Complaint"**) from any person or entity, including without limitation any governmental or quasi-governmental authority, then the Mortgagor shall give immediate oral and written notice (with a copy of the Environmental Complaint) of such Release to the Mortgagee;
 - (iv) the Mortgagor shall promptly take all necessary remedial action in response to the unauthorized Release; provided, however, that the Mortgagor shall not, without the Mortgagee's prior written consent, take any such remedial action nor enter into any settlement agreement, consent decree, or other compromise

- 21 -

in respect of any related claims, proceedings, lawsuits or action commenced or threatened pursuant to any environmental, health or safety laws or in connection with any third party, if such remedial action, settlement, consent or compromise might impair the value of the Mortgagee's security under this Mortgage. The Mortgagee's prior consent shall not, however, be necessary if the Release either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Mortgagee's consent prior to undertaking such action. If the Mortgagor undertakes any remedial action the Mortgagor shall immediately notify the Mortgagee of any such remedial action and undertaken any such remedial action in compliance with all applicable federal, provincial and municipal laws and by-laws, and in accordance with the orders and directives of all governmental authorities to the satisfaction of the Mortgagee;

- (v) in addition to and not in limitation of the Mortgagee's rights under this mortgage, the Mortgagee shall have the right, but not the obligation, to take such actions, including without limitation hiring consultants and undertaking sampling and testing, as it deems necessary or advisable to remedy, remove, resolve or minimize the impact of, or otherwise deal with, any Pollutant or Environmental Complaint upon its receipt of any notice from any person or entity, including without limitation government agencies, asserting the happening of an unauthorized Release on, under or at the Lands which, if true, could result in any order, suit or other action against the Mortgagor or Mortgagee or any part of the Lands by any governmental agency or otherwise which, in the sole opinion of the Mortgagee, could jeopardize its security under this Mortgage. All costs and expenses incurred by the Mortgagee in the exercise of any such rights will be added to the Indebtedness, and shall be payable by the Mortgagor upon demand;
- (vi) the Mortgagee may require that the Mortgagor from time to time promptly cause such tests and procedures as the Mortgagee deems appropriate to be conducted by professionals in a manner satisfactory to the Mortgagee, for the purpose of assuring compliance with all federal, provincial and municipal laws and by-laws, and having such compliance certified to the Mortgagee. Such tests and procedures shall be commenced promptly and completed with results reported to the Mortgagee within thirty days following written notice from the Mortgagee. All costs incurred in respect of such procedures shall be paid by the Mortgagor. If the Mortgagee incurs any expense in respect thereof the amount thereof shall be added to the Indebtedness and shall be payable by the Mortgagor upon demand; and
- (vii) the Mortgagor agrees to defend, indemnify, and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, legal costs as between a solicitor and his own client on a full indemnity basis, including those arising by reason of any of the aforesaid or an action under this indemnity) arising directly or indirectly from, out of or by reason of any Release, Environmental Complaint, or any environmental health, fire, safety, and land use law governing the Mortgagor, its operations or the Lands. This indemnity shall apply despite any negligent or other contributory conduct by any one or more other parties or third parties and will survive the payment of and the satisfaction of this Mortgage.

- 22 -

21.3 Gasoline or Storage Tanks.

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

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

21.4 Use of Lands.

Upon request from the Mortgagee, the Mortgagor shall:

- (a) provide the Mortgagee with all information which the Mortgagee reasonably requests as to the proposed use of the Lands by any tenant; and
- (b) incorporate into any proposed lease any provisions which the Mortgagee requires to be incorporated.

**ARTICLE 22
MISCELLANEOUS**

22.1 Discharge of Mortgage.

The Mortgagee shall have a reasonable time after payment of the Indebtedness, and other charges in full within which to prepare and execute a discharge of this Mortgage. The Mortgagee's standard fee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

22.2 Prior Charges.

The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges (the "**Prior Mortgages**"), the Mortgagor shall pay or cause to be paid as they become due all payments whether for principal, interest, taxes, or otherwise under or by virtue of the Prior Mortgages and shall otherwise observe, perform and comply with the covenants, provisos and agreements contained in the Prior Mortgages; that any default thereunder shall be deemed to be a default under this Mortgage and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default under this Mortgage; that the Mortgagee may at its option make any payment or cure any default under the Prior Mortgages and any amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall be added to the Indebtedness and shall be payable with interest immediately by the Mortgagor to the Mortgagee without demand.

22.3 Cross Default Provisions

The Mortgagor covenants in favour of the Mortgagee as follows:

- (a) that a default under the Mortgage and Assignment of Rents registered in the Vancouver/New Westminster Land Title Office Registration Nos. CA9557378 and CA9557379, as modified from time to time (the "**Existing Mortgage**"), including any of the collateral security given therefore shall, at the option of the Mortgagee, be deemed to be a default under this Mortgage and the Mortgagee shall be entitled to exercise in its sole discretion whatever remedies it may elect and to which it may be entitled at law or in equity in respect of the said default;
- (b) that a default under this Mortgage, including any of the collateral security given therefore shall, at the option of the Mortgagee, be a default under the Existing

- 23 -

Mortgage and the Mortgagee shall be entitled to exercise in its sole discretion whatever remedies it may elect and to which it may be entitled at law or in equity in respect of the said default; and

- (c) if at any time a payout is made under either the Existing Mortgage or this Mortgage, then the Mortgagee, at its option, may require that a payout under the other mortgage, as the case may be, must also be made.

22.4 Notices.

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

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

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

22.5 Strikes etc.

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

22.6 Maximum Return.

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

22.7 Joint Obligations.

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

22.8 Heirs etc.

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

- 24 -

22.9 Gender.

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

**ARTICLE 23
STATUTORY PROVISIONS****23.1 *Land Transfer Form Act.***

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

23.2 Doctrine of Consolidation.

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

23.3 Conflict.

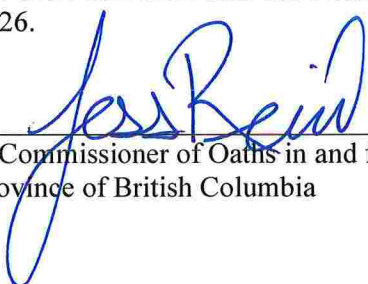
In case of any conflict or inconsistency between any provision of this Mortgage and any provision of the Credit Agreement, the provisions of the Credit Agreement shall govern and prevail and the conflicting or inconsistent provision in this Mortgage shall be deemed to be amended to be consistent with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

END OF DOCUMENT

EXHIBIT "O"

This is Exhibit "O" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia



Land Title Act

Mortgage

Part 1 Province of British Columbia

1. Application

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

LTO Client No: 121379572
 File No: 53481.103
 Portage (Granville)

2. Description of Land

PID/Plan Number	Legal Description
026-682-460	STRATA LOT 11 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN BCS1875
026-682-656	STRATA LOT 30 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN BCS1875

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

1060485 B.C. LTD.
 670, 1665 WEST BROADWAY
 VANCOUVER BC V6J 1X1

BC1060485

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

COMPUTERSHARE TRUST COMPANY OF CANADA
 C/O CMLS FINANCIAL LTD.
 2110, 1066 WEST HASTINGS STREET
 VANCOUVER BC V6X 3X2

A0052313

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$21,500,000	12% Per Annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, Not in Advance	1st Day of Each Month	N/A
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
N/A	N/A % per annum	January 1, 2025
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	January 1, 2025
If yes, page and paragraph number: Article 20, Pages 17 and 18		

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No



Land Title Act

Mortgage

Part 1 Province of British Columbia

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

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

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

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

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)


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

YYYY-MM-DD

2024-09-17

1060485 B.C. LTD.

By their Authorized Signatory


Authorized Signatory

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

Electronic Signature

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

EXPRESS MORTGAGE TERMS

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

ARTICLE 1 DEFINITIONS

1.1 Definitions.

In this Mortgage unless the context otherwise requires:

- (a) **"Business Day"** means any day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia, Toronto, Ontario, and New York, New York;
- (b) **"Credit Agreement"** means the commitment letter dated as of November 5, 2021 as renewed by a renewal letter dated April 8, 2024, as may be further amended, supplemented, restated or replaced from time to time.
- (c) **"Guarantor"** means any person that has guaranteed any obligations of the Mortgagor to the Mortgagee.
- (d) **"Indebtedness"** means the Principal Amount, accrued and unpaid interest, and all other amounts owed by the Mortgagor to the Mortgagee and secured by this Mortgage;
- (e) **"Interest Rate"** means the rate of interest set out in Item 5 (Interest Rate) of the Mortgage Form;
- (f) **"Lands"** means the lands and premises described in Item 2 of the Mortgage Form;
- (g) **"Maturity Date"** means the balance due date set out in Item 5 (Balance Due Date) of the Mortgage Form, and is the date on which all unpaid Indebtedness becomes due and payable, or such earlier date on which the Mortgagee can lawfully require payment of the Indebtedness;
- (h) **"Mortgage"** means, collectively, the Mortgage Form, the schedule or schedules attached to the Mortgage Form and these Express Mortgage Terms.
- (i) **"Mortgage Form"** means a Mortgage - Part 1 (*Land Title Act* Form B), which refers in Item 9 of the Mortgage Form to these Express Mortgage Terms;
- (j) **"Mortgagee"** means the Mortgagee described in Item 4 of the Mortgage Form;
- (k) **"Mortgagor"** means the Mortgagor described in Item 3 of the Mortgage Form;
- (l) **"Permitted Encumbrances"** means the encumbrances set out in Item 11 of the Mortgage Form;
- (m) **"Principal Amount"** means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Mortgagor to the Mortgagee wherever and however incurred and unpaid, to the limit of the Principal Amount set out in Item 5 (Principal Amount) of the Mortgage Form.
- (n) **"Receiver"** includes a receiver, a manager and a receiver-manager.

- 2 -

ARTICLE 2 GRANT AND MORTGAGE

2.1 Security.

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

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

2.2 Continuing Security.

This Mortgage shall be continuing security for the payment of the Indebtedness despite any:

- (a) change in the nature, state or form of account between the Mortgagor and the Mortgagee; or
- (b) new advances by the Mortgagee to the Mortgagor.

2.3 Running Account.

If Item 7 of the Mortgage Form indicates that this Mortgage secures a current or running account:

- (a) this Mortgage shall be a continuous charge and shall apply, with the necessary changes having been made, to all sums advanced despite:
 - (i) the balance owing under this Mortgage may be fluctuating and may at any time be or have been reduced to a nil balance;
 - (ii) monies advanced may be repaid and further advances made from time to time;
- (b) this Mortgage shall continue to have effect and shall not be deemed to have been discharged by reason only that:
 - (i) all advances and readvances have been repaid; or
 - (ii) there is nothing owing to the Mortgagee under this Mortgage;
- (c) the Mortgagee may, from time to time, readvance to the Mortgagor any portion of the Principal Amount which may have been repaid by the Mortgagor; and
- (d) this Mortgage shall remain as effective security for advances and readvances until the Mortgagee delivers a discharge of this Mortgage to the Mortgagor.

2.4 No Obligation to Advance.

Despite any provisions in this Mortgage, neither the execution nor registration of this Mortgage nor the advance in part of the monies secured in this Mortgage shall bind the Mortgagee to advance any credit to the Mortgagor. Notwithstanding the foregoing, this Mortgage shall take effect forthwith upon the execution by the Mortgagor, and any and all costs of any nature whatsoever incurred or to be incurred by the Mortgagee in connection with the transaction reflected in this Mortgage, including without in any way limiting the generality of the foregoing, all of the expenses of the examination of the title and of this Mortgage and valuation are secured hereby, shall form part of the Indebtedness.

- 3 -

**ARTICLE 3
INTEREST****3.1 Interest.**

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

3.2 Compound Interest.

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

3.3 Proof of Interest Rate.

If the Interest Rate is a variable rate based upon a variable reference rate, a certificate of the Mortgagee (if one individual) or of any officer, including a branch manager, of the Mortgagee (if a corporation or lending institution) stating what the Interest Rate was on any day or during any period shall be conclusive evidence of the Interest Rate on the day or during the period stated.

**ARTICLE 4
PAYMENT****4.1 Payments.**

- (a) Without limiting the provisions of paragraph 2.3, this Mortgage will operate until all Indebtedness is paid in full to the Mortgagee and all obligations whose performance are secured by this Mortgage are performed, in the manner provided in this Mortgage.
- (b) The Mortgagor will pay:
 - (i) principal, interest at the Interest Rate on any amounts secured by this Mortgage, and any other amounts forming the Indebtedness at such time and at such place as agreed to between the Mortgagor and the Mortgagee; and
 - (ii) on the Maturity Date, the Indebtedness.

4.2 Application of Payments.

Any payment by the Mortgagor after default may be applied by the Mortgagee to any part of the Indebtedness secured by this Mortgage as the Mortgagee sees fit despite any contrary stipulation by the Mortgagor.

**ARTICLE 5
MORTGAGOR'S COVENANTS****5.1 Covenants.**

The Mortgagor covenants with the Mortgagee that:

- (a) the Mortgagor shall pay to the Mortgagee all Indebtedness of the Mortgagor to the Mortgagee pursuant to this Mortgage;
- (b) the Mortgagor has good title to the Lands;

- 4 -

- (c) the Mortgagor has the right to mortgage the Lands including the right to convey the Lands to the Mortgagee notwithstanding any act of the Mortgagor;
- (d) on default, the Mortgagee shall have quiet possession of the Lands free from all encumbrances;
- (e) the Mortgagor shall execute such further assurances of the Lands as may be requisite;
- (f) the Mortgagor has no knowledge of any other claim against the Lands;
- (g) the Mortgagor has done nothing to encumber the Lands; and
- (h) the Mortgagor releases to the Mortgagee all his claims on the Lands.

ARTICLE 6 MAINTENANCE OF CHARGE

6.1 Maintenance of Charge.

The Mortgagor shall maintain and keep the security created in this Mortgage as a valid and effective security during the currency of this Mortgage and shall not permit or suffer the registration of any debt, lien or privilege whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of the Lands, which could rank prior to the charge of this Mortgage; provided that the registration of any such lien or privilege shall not be deemed to be a breach of this covenant if the Mortgagor in good faith contests to the same and, if the Mortgagee so requires, gives security to the satisfaction of the Mortgagee in its sole discretion for the due payment of the amount claimed, together with possible costs, in case it shall be a valid lien or privilege and such lien or privilege is discharged from title to the Lands within 30 days of registration.

6.2 Mortgagee May Pay to Maintain Charge.

The Mortgagee may, but shall not be obliged to, pay and satisfy any sum required to maintain this Mortgage as set out in paragraph 6.1 above without thereby waiving a breach of this covenant by the Mortgagor in the event of the Mortgagor failing to pay off the same within a reasonable time. Any amount paid by the Mortgagee to maintain this Mortgage, together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall:

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

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

ARTICLE 7 INSURANCE

7.1 Insurance Requirements.

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

- (a) all risks of direct loss or damage to all buildings, improvements and fixtures on the Lands, including, without limitation, coverage for the foundations of all improvements, all on a full replacement cost basis with loss payable to the Mortgagee under an Insurance Bureau of Canada mortgage clause;

- 5 -

- (b) comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical apparatus on the Lands, for an amount satisfactory to the Mortgagee, with loss payable to the Mortgagee under a Boiler and Machinery Insurance Association mortgage clause;
- (c) such other insurable risks, perils or events including, without limiting the generality of the foregoing, plate glass, rental, business interruption, flood, earthquake and public liability insurance, and in such amounts as the Mortgagee may require, upon the improvements situate on the Lands to the full replacement value and for such period of time as the Mortgagee may from time to time require during the existence of this Mortgage; and
- (d) comprehensive general liability insurance, inclusive of bodily injury, death or property damage or loss, for a minimum amount of \$5,000,000.00 per occurrence or such other amount as the Mortgagee may reasonably request.

7.2 Additional Insurance Requirements.

All policies of insurance pursuant to this article 7 shall be placed with a company or companies satisfactory to the Mortgagee and the Mortgagor shall not do nor suffer anything whereby the policy or policies may be vitiated, and shall pay all premiums and sums of money necessary under the policy or policies as they become due and shall assign and deliver over to the Mortgagee the policy or policies of insurance, and related receipts. Deductible amounts shall also be subject to Mortgagee's approval. All cancellations and alteration clauses in the above-referenced policies, including those obtained in the mortgage clause endorsements, shall provide for at least 30 days prior written notice to the Mortgagee of any cancellation of or material alteration to the policy. The Mortgagor shall provide evidence of policy renewal or satisfactory replacement annually at least 30 days prior to expiry. The Mortgagee shall be entitled to require coverage of such other risks and perils as the Mortgagee may from time to time consider advisable or desirable and in respect of which insurance coverage is available.

7.3 Mortgagee at Liberty to Insure.

If the Mortgagor neglects to keep the Lands insured as set out in this article 7, or to pay the said premiums, or to deliver such policy or policies of insurance, or the receipt or receipts relating thereto, or to deliver satisfactory evidence of the renewal of each policy of insurance to the Mortgagee at least 5 days before its expiry, then the Mortgagee shall be at liberty, but shall not be required, to insure the Lands as set out in this article 7, and the cost of doing so shall be added to and form part of the Indebtedness.

7.4 Insurer to be Acceptable to Mortgagee.

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

7.5 Mortgagee to be Loss Payee.

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

7.6 Mortgagee's Right to Inspect.

In case of the cancellation of any insurance by reason of the unsatisfactory condition of the buildings on the Lands or from any other cause whatsoever, the Mortgagee or its agents shall have the right to

- 6 -

enter the said buildings at any time for the purpose of inspection at the expense of the Mortgagor. The exercise of any of the powers enumerated in this section shall not result in the Mortgagee, or its agent being deemed to be in possession, management, or control of the Lands.

7.7 Mortgagee Not Liable.

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

7.8 Mortgagee Responsible Upon Insurable Loss.

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

7.9 Application of Insurance Proceeds.

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

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

ARTICLE 8 TAXES, LIENS AND ENCUMBRANCES

8.1 Mortgagor to Pay When Due.

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

8.2 Mortgagee May Pay.

The Mortgagee may, but shall not be required to, pay, as and when the same shall fall due, all taxes, rates, liens, charges, encumbrances or claims which are or may be assessed or become charges or claims against the Lands or on this Mortgage or on the Mortgagee in respect of this Mortgage and any amount so paid by the Mortgagee shall become part of the Indebtedness.

8.3 Mortgagee's Right to Redeem or Purchase.

If the Lands or any part of the Lands are sold or forfeited for non-payment of taxes or any other lien or encumbrance, while any sum remains unpaid, the Mortgagee may acquire title and rights of a purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the name of the Mortgagor, any sums necessary to be paid to redeem the Lands sold or forfeited, and to revert the Lands in the Mortgagor. The Mortgagor hereby nominates and appoints the Mortgagee as agent to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee shall be repaid by the Mortgagor to the Mortgagee immediately, or in the alternative the

- 7 -

Mortgagee shall have the right to bid on and/or purchase the Lands at any sale of the Lands, and in such an event shall become the absolute owner of the Lands.

8.4 Mortgagee May Deduct.

The Mortgagee may deduct from any advance of moneys secured by this Mortgage an amount sufficient to pay any and all taxes, rates, liens, charges, encumbrances or claims against the Lands which have become or will become due and payable and are unpaid at the date of such advances, together with any interest due in respect of such advances.

ARTICLE 9 IMPROVEMENTS, FIXTURES, MAINTENANCE

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

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

9.2 Buildings and Improvements.

The Mortgagor shall not make, or permit to be made, any alterations or additions to the Lands nor remove or attempt to remove any improvements from the Lands without the prior written consent of the Mortgagee. The Mortgagor will not change or permit to be changed the use of the Lands without the prior written consent of the Mortgagee. If the Mortgagor builds a building or buildings and other improvements on the Lands, the Mortgagor covenants and agrees with the Mortgagee to:

- (a) obtain the prior written consent of the Mortgagee and comply with all reasonable requirements of the Mortgagee;
- (b) prior to any work being commenced, obtain all necessary consents, permits, licences, certificates and inspections from all municipal, governmental, and regulatory authorities having jurisdiction;
- (c) provide the Mortgagee policies of insurance duly executed by the Mortgagee's insurers evidencing the placement of insurance coverage in compliance with this Mortgage and such additional insurance reasonably required by the Mortgagee, which shall include, without limitation, insurance from the Mortgagor's contractor's insurer confirming builder's risk, public liability coverage and other insurance reasonably required by the Mortgagee;
- (d) construct the building or buildings and other improvements on the Lands in accordance with the plans and specifications which have been or will be approved by the Mortgagee; and
- (e) to carry on diligently to completion the building, buildings and other improvements.

9.3 Maintenance and Repair.

The Mortgagor shall keep the Lands and the buildings and improvements on the Lands in good condition and repair and shall promptly make good and restore all loss or damage occurring to the Lands and the buildings and improvements on the Lands, and shall not commit or permit any act of

- 8 -

waste on the Lands or permit anything which might impair the value of the Lands. In addition, the Mortgagor shall keep the Lands free from all noxious weeds and generally ensure that the property is maintained in a good operating condition.

9.4 Loss or Damage.

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

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

9.5 Obligations Cumulative.

This article 9 shall be in addition to any statutory covenants implied in this Mortgage.

ARTICLE 10 STRATA PROVISIONS

10.1 Strata Title Provisions.

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

- (a) **Pay Assessments.** The Mortgagor shall, on or before the due dates, pay each and every assessment, contribution or levy made against the Lands by the strata corporation governing the Lands. In the event the Mortgagor fails to pay any one or more of such assessments, contributions, or levies on or before their due date, including without limiting the generality of the foregoing, a default by the Mortgagor in payment of the Mortgagor's share of the common expenses, whereby the strata corporation may register a Certificate in Form "G" of the *Strata Property Regulation*, such failure shall constitute default under this Mortgage and the whole of the Indebtedness shall immediately, at the option of the Mortgagee, become due and be paid. Upon the Mortgagor's failure to pay such assessments, contributions or levies, the Mortgagee may make such payments but shall not be obliged to do so, and any amount so paid by the Mortgagee shall be added to the Indebtedness, and shall be paid to the Mortgagee together with interest immediately without demand;
- (b) **Observe Duties.** The Mortgagor shall observe, perform and carry out all the duties, obligations and requirements of an owner pursuant to the *Strata Property Act* (British Columbia) and the strata's by-laws from time to time in force with respect to the Lands;
- (c) **Assign Voting Rights.** Pursuant to Section 54 of the *Strata Property Act* (British Columbia), the Mortgagor assigns, transfers and confers upon the Mortgagee the power and right to vote in the place and stead of the Mortgagor in respect of any matters relating to insurance, maintenance, or finance or other matters affecting the security of the Mortgagee and upon which the Mortgagor is entitled to vote pursuant to the Strata By-laws which apply to the Lands;

- 9 -

- (d) **Mortgagee Not Liable.** The Mortgagor acknowledges and agrees that nothing contained in this Mortgage, including the exercise of any right to vote, shall render the Mortgagee a mortgagee in possession and that the right to vote does not entail or constitute a representation, expressed or implied, that the Mortgagee shall be obliged to vote or to protect the interest of the Mortgagor and the Mortgagee shall not be responsible for any exercise of the right to vote or any failure to vote;
- (e) **Certification.** Pursuant to Section 59 of the *Strata Property Act* (British Columbia), the Mortgagor authorizes any officer of the Mortgagee to apply at any time to the strata corporation for a Certificate in Form "B" of the *Strata Property Regulation*, which Certificate shall provide to the Mortgagee information in respect of:
 - (i) the monthly strata fees payable by the Mortgagor;
 - (ii) any amount that the Mortgagor owes the strata corporation, other than an amount paid into court or to the strata corporation in trust under Section 114 of the *Strata Property Act* (British Columbia);
 - (iii) any agreements under which the Mortgagor takes responsibility for expenses relating to alterations to the Lands, the common property or the common assets;
 - (iv) any amount that the Mortgagor is obligated to pay in the future for a special levy that has already been approved and the date by which the payment is to be made;
 - (v) the amount, if any, by which the expenses of the strata corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;
 - (vi) the amount of the contingency reserve fund minus any expenditures which have already been approved but not yet taken from the fund;
 - (vii) any amendments to the By-laws that have not been filed in the Land Title Office;
 - (viii) any resolution passed by a 3/4 vote or unanimous vote that is required to be filed in the Land Title Office but that has not yet been filed in the Land Title Office;
 - (ix) any notice that has been given for a resolution that has not been voted on, if the resolution requires a 3/4 vote or unanimous vote or deals with an amendment to the By-laws;
 - (x) any court proceeding or arbitration in which the strata corporation is a party and any judgements or orders against the strata corporation;
 - (xi) any notices or work orders received by the strata corporation that remain outstanding for the Lands, the common property or the common assets;
 - (xii) the number of strata lots in the strata plan that are rented; and
 - (xiii) any other information required by the regulations of the *Strata Property Act* (British Columbia).
- (f) **Form "F".** Pursuant to Section 115 of the *Strata Property Act* (British Columbia), the Mortgagor authorizes any officer of the Mortgagee to apply at any time to the strata corporation on behalf of the Mortgagor for a Certificate in Form "F" of the *Strata*

- 10 -

Property Regulation that no monies are owing to the strata corporation by the Mortgagor;

- (g) **Notices.** Upon the request of the Mortgagee the Mortgagor shall deliver to the Mortgagee copies of all notices of meetings, minutes, financial statements and documents of a similar nature of the strata corporation and delivered by the strata corporation to the Mortgagor; and
- (h) **Leases.** It, at any time while this Mortgage remains registered against the Lands, the Mortgagor shall give possession of the Lands to a person on the basis of a lease, sublease or assignment of lease for a term of three years or more and by so doing be deemed pursuant to Sections 147 and 148 of the *Strata Property Act* (British Columbia) to have assigned to the occupier all the Mortgagor's rights, powers, duties and obligations under the *Strata Property Act* (British Columbia), then all sums owing under this Mortgage, shall, at the option of the Mortgagee immediately become due and payable.

ARTICLE 11 FARM LAND

If any part of the Lands is farm land, the Mortgagor covenants and agrees to in each year notify the Mortgagee of the use of the Lands as a farm and either put into crop or summer fallow in a proper manner every part thereof which has been or may in the future be brought under cultivation. The Mortgagor shall also keep such Lands clean and generally see that it does not depreciate in any way as farm land.

ARTICLE 12 DEFAULT

12.1 Events of Default.

The following shall constitute events of default under this Mortgage:

- (a) **Payment.** The Mortgagor fails to pay any amount owing when due to the Mortgagee pursuant to this Mortgage or any other agreement between the Mortgagor and the Mortgagee.
- (b) **Default.** The Mortgagor defaults on any of the covenants, agreements, provisos, stipulations or events of default under this Mortgage or any other agreement between the Mortgagor and the Mortgagee.
- (c) **Other Obligations.** The Mortgagor fails to observe, perform or satisfy any obligations pursuant to this Mortgage or any other agreement between the Mortgagor and the Mortgagee.
- (d) **Misrepresentation.** Any representation or warranty given by the Mortgagor or any Guarantor (including by any director or officer thereof if the Mortgagor or Guarantor is a corporation) is untrue in any material respect.
- (e) **Winding Up.** An order is made or a resolution passed for the winding-up of the Mortgagor or a Guarantor, or a petition is filed for the winding-up of the Mortgagor.
- (f) **Bankruptcy.** The Mortgagor or a Guarantor commits or threatens to commit any act of bankruptcy or becomes insolvent, files a notice of intention to make a proposal or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* (Canada) or a general assignment in favour of its creditors or a bulk sale of its assets, or a bankruptcy petition is filed or presented against the Mortgagor or a Guarantor.

- 11 -

- (g) **Arrangement.** Any proceedings with respect to the Mortgagor or a Guarantor are commenced under the *Companies' Creditors Arrangement Act* (Canada).
- (h) **Receiver.** A Receiver is appointed over any asset of the Mortgagor or of a Guarantor.
- (i) **Loss of Income.** If the Lands are capable of generating income and there is loss or damage to them which materially adversely affects their income-generating ability in the reasonable opinion of the Mortgagee, and such loss or damage cannot be repaired or replaced so as to re-establish the income-generating ability of the Lands within ninety days following such loss or damage.
- (j) **Maintain Business.** If the Mortgagor operates a business on the Lands, and it fails to maintain and operate such business as a going concern in a prudent and businesslike manner to the reasonable satisfaction of the Mortgagee.
- (k) **Abandonment.** The Mortgagor abandons the Lands or any part of the Lands.
- (l) **Sale of Lands.** The Mortgagor sells, transfers or disposes of the Lands or any part thereof without the express written consent of the Mortgagee.
- (m) **Execution Etc.** Any execution, judgment, order, sequestration, extent or any other process of any Court becomes enforceable against the Mortgagor or the Lands or if a distress or analogous process is levied upon the property of the Mortgagor or any part thereof.
- (n) **Proceeding by Other Encumbrancee.** If any other mortgagee, encumbrancee or other party having a charge on the Lands commences proceedings to enforce its rights or security in such mortgage, encumbrance or charge or takes steps to collect all or any of the income generated from the Lands.
- (o) **Other Indebtedness.** The Mortgagor permits any sum, which has been admitted as due by the Mortgagor or is not disputed to be due by the Mortgagor and which forms or is capable of being made a charge upon the Lands, to remain unpaid for 30 days after proceedings have been taken to enforce the same.
- (p) **Floating Charge.** Any charge or encumbrance created or issued by the Mortgagor in the nature of a floating charge becomes enforceable and any step is taken to enforce the same.
- (q) **Strata Fees.** The Mortgagor fails to pay when due any amount owing by the Mortgagor to the strata corporation in relation to the Lands, or any agent of the strata corporation.
- (r) **Change of Control.** Where there is a change of control in relation to the Mortgagor or any Guarantor (where the same are not individuals).
- (s) **Granting Security.** The Mortgagor grants or attempts to grant any form of security to any person other than the Mortgagee ranking or purporting to rank in priority to or equally with the security held by the Mortgagee on the Lands.
- (t) **Failure to Effect or Maintain Insurance.** If for any reason any insurance in relation to the Lands cannot be effected or maintained.
- (u) **Failure to Pay Taxes, Liens and Encumbrances When Due.** If payments are not made as set out in article 8 and such default continues for a period of 10 days.
- (v) **Security at Risk.** If for any other reason the Mortgagee reasonably determines that there is a material adverse change to the title to the Lands or this Mortgage (collectively the "**Material Adverse Changes**") whereby such Material Adverse Change would put this Mortgage at risk.

- 12 -

12.2 Realization of Security and No Merger.

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

**ARTICLE 13
REMEDIES ON DEFAULT**

13.1 Remedies on Default.

In the event of default being made in any of the covenants, agreements, provisos or stipulations expressed or implied in this Mortgage, then in addition to the rights and privileges of the Mortgagee at common law, in equity, or by statute:

- (a) the Mortgagee may, but shall not be required to, at the expense of the Mortgagor and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained in this Mortgage;
- (b) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the Lands;
- (c) the Mortgagee or agent of the Mortgagee may enter into possession of the Lands and whether in or out of possession collect the rents and profits of the Lands, and make any demise or lease of any part of the Lands, for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale under this Mortgage may be exercised either before or after and subject to any such demise or lease;
- (d) it shall be lawful for and the Mortgagor hereby grants full power, right and licence to the Mortgagee to enter, seize and distrain upon any part of the Lands, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Indebtedness as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses of attending to such levy or distress, as in like cases of distress for rent;
- (e) the Mortgagee may sell and dispose of the Lands with or without entering into possession of the Lands and with or without notice to the Mortgagor or any party interested in the Lands; and all remedies may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defects, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Lands; and the Mortgagee may sell, transfer and convey any part of the Lands on such terms of credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained; and sales may be made at any time of parts of the Lands to satisfy interest or parts of the Indebtedness overdue, leaving the Indebtedness or parts thereof to run with interest payable; and on any sale or resale, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary;
- (f) the Mortgagee shall be entitled (in addition and without prejudice to all its other rights and privileges) immediately to apply for and obtain the appointment of a Receiver of

- 13 -

the Lands and premises and the rents and profits thereof without the necessity of first exercising its right to enter into possession;

- (g) sue the Mortgagor for the Indebtedness;
- (h) to distrain for arrears for all or any part of the Indebtedness;
- (i) to take any judicial proceedings to foreclose the Mortgagor's or any other person's, or both, interest in all or any part of the Lands, to take possession of the Lands or to sell, lease or otherwise deal with the Lands, or both;
- (j) to enter on and take possession of all or any part of the Lands; and
- (k) to sell or lease, or both, any part of the Lands or to sell the unexpired term of any lease of the Lands.

13.2 Acceleration on Default.

If the Mortgagor:

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

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

13.3 No Waiver.

The Mortgagor acknowledges and agrees that:

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

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

13.4 Remedies Cumulative.

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

ARTICLE 14 RECEIVER

14.1 Appointment of a Receiver.

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

- 14 -

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

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

- 15 -

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

14.2 Distribution of Receiver's Income.

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

14.3 Liability of Receiver.

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

14.4 Dealing with Lands.

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

ARTICLE 15 SUBDIVISION

15.1 Subdivision.

The Mortgagor agrees and declares that:

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

- 16 -

ARTICLE 16 RELEASE

16.1 Release.

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

ARTICLE 17 COSTS

17.1 Expenses of Obtaining and Maintaining Security.

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

17.2 Costs.

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

ARTICLE 18 DUE ON SALE/CHANGE OF CONTROL

18.1 Sale.

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

18.2 Change of Control.

It is further understood and agreed that, despite any other provisions contained in this Mortgage, the whole of the Indebtedness shall, at the option of the Mortgagee, immediately become due and payable if in the opinion of the Mortgagee:

- (a) there is a change in the direct or indirect effective voting control of the Mortgagor or more than 25% of the voting shares/units of the Mortgagor are transferred; unless the

- 17 -

Mortgagor is a publicly traded entity (being an entity whose shares/units are listed and traded on a recognized stock exchange in Canada or the United States);

- (b) if the Mortgagor is a corporation, and the Mortgagor amalgamates or merges with any one or more corporations; or
- (c) the Mortgagor enters into an agreement to do any of the foregoing.

ARTICLE 19 BUILDING MORTGAGE

19.1 Building Mortgage.

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

ARTICLE 20 ASSIGNMENT OF RENTS AND LEASES

20.1 Leases and Rents.

If the Lands or any part of the Lands are at any time subject to a Lease the provisions of this article 20 will apply.

20.2 Definitions in this section:

In this section:

- (a) "**Event of Default**" means an event described in article 12;
- (b) "**Guarantees**" means each and every guarantee, indemnity or other surety contract, whether contained in a Lease or otherwise, present or future, with respect to the payment of Rents or performance by a Tenant of any other obligations under a Lease and "**Guarantee**" means one of the Guarantees;
- (c) "**Lease Guarantor**" means each and every guarantor, indemnitor or other person liable to the Mortgagor pursuant to a Guarantee;
- (d) "**Leases**" means all present and future, written or oral leases, agreements to lease, tenancy agreements, licences and rights of occupation with respect to the Lands or any part or parts thereof and all agreements supplemental thereto and "**Lease**" means one of the Leases;
- (e) "**Rents**" means all rents and other monies payable to the Mortgagor under and pursuant to the Leases; and

- 18 -

- (f) "Tenant" means any person, howsoever described, liable to the Mortgagor under a Lease.

20.3 Assignment.

The Mortgagor hereby grants, assigns, transfers and sets over to the Mortgagee:

- (a) the Rents;
- (b) all covenants, benefits and advantages contained in or to be derived from, the Leases; and
- (c) all covenants, benefits and advantages contained, in or to be derived from, the Guarantees;

to have and to hold as continuing security for the payment of the Indebtedness.

20.4 Exercise of Rights.

The Mortgagee shall not exercise its rights under this section unless and until an Event of Default has occurred, provided that:

- (a) the Mortgagee may give notice, at any time, to any Tenant or Lease Guarantor advising of this assignment but unless an Event of Default has occurred any such notice shall provide that the Rents are to continue to be paid to or to the order of the Mortgagor until otherwise directed by the Mortgagee; and
- (b) if an Event of Default has occurred, the Mortgagee may give notice in writing of this assignment to any Tenant or Lease Guarantor directing payment of the Rents to the Mortgagee or its nominee and this shall be an irrevocable direction by the Mortgagor to every Tenant and Lease Guarantor that upon receipt of such notice all payments of Rent are to be made as directed thereby.

20.5 Representations and Warranties.

The Mortgagor hereby represents and warrants to the Mortgagee that:

- (a) the Mortgagor has not previously assigned the Rents, Leases or Guarantees, in whole or in part, pursuant to an assignment which is presently in force; and
- (b) all of the Rents are payable on a monthly basis and there is not now nor has there ever been any right of set-off, commutation or prepayment with respect to the Rents, unless the Mortgagor has otherwise notified the Mortgagee in writing.

20.6 Positive Covenants.

The Mortgagor hereby covenants and agrees with the Mortgagee that:

- (a) the Mortgagor shall provide to the Mortgagee, immediately upon request, a current list of all Leases and Guarantees in such detail as the Mortgagee may reasonably require and if requested by the Mortgagee, a copy of each Lease and Guarantee;
- (b) the Mortgagor shall, immediately upon notice from the Mortgagee, execute and deliver to the Mortgagee specific assignments of specific Leases and the Rents payable thereunder;
- (c) the Mortgagor shall give to each Tenant and Lease Guarantor, when directed by the Mortgagee, notice of this assignment and any specific assignment; and

- 19 -

- (d) the Mortgagor shall, at all times, observe and perform all of the Mortgagor's obligations under each of the Leases.

20.7 Negative Covenants.

The Mortgagor shall not, without the prior written consent of the Mortgagee:

- (a) accept prepayment of any Rents;
- (b) permit any set-off, waiver, release, discharge, discount or commutation of the payment of any of the Rents; and
- (c) while any Event of Default is in existence, modify, amend, surrender, cancel or terminate any of the Leases or the Guarantees.

20.8 Attorney.

The Mortgagor hereby nominates, constitutes and appoints the Mortgagee to be its true and lawful attorney for and in its name, to demand, recover and enforce payment of all Rents and for such purposes to institute such actions at law or in equity and take such proceedings by distress or otherwise as the Mortgagee shall from time to time deem fit and proper; and to make, assign and execute any and all Warrants of Distress and other documents in the name of the Mortgagor as the Mortgagee shall deem fit or proper, the cost of all such distraints and all other expenses to be paid by the Mortgagor and to be added to and form part of the Indebtedness; and the Mortgagor agrees with the Mortgagee that this Power of Attorney may be exercised on behalf of the Mortgagee through any one of its officers and that it shall be irrevocable so long as any monies remain owing under this Mortgage.

20.9 Notice Effective.

No Tenant or Lease Guarantor shall be bound to ascertain whether or not an Event of Default has occurred or is continuing and any notice of this assignment shall be valid and effective as regards any Tenant or Lease Guarantor even though no Event of Default has occurred or is continuing and the remedy, if any, of the Mortgagor shall be against the Mortgagee only.

20.10 Mortgagee Not Responsible for Collections.

Nothing in this Mortgage shall be construed so as to have the effect of making the Mortgagee responsible for the collection of any part of the Rents or for the observance or performance of any of the covenants, terms or conditions to be observed or performed by the Mortgagor under any of the Leases.

20.11 Accounting.

The Mortgagee shall be liable to account only for such monies as may actually come into its hands by virtue of this assignment, less proper collection charges, and such monies when so received by the Mortgagee shall be applied on account of the monies secured by this Mortgage.

20.12 Proceedings.

If the Mortgagee at any time in its absolute discretion deems it advisable to take proceedings either judicially or extra-judicially by way of distress or otherwise for the enforcement of the payment of the Rents or performance of the obligations of any Tenant or Lease Guarantor then the Mortgagor shall, if requested by the Mortgagee, join with the Mortgagee in such proceedings and the Mortgagor hereby irrevocably authorizes the Mortgagee to join the Mortgagor in such proceedings.

- 20 -

ARTICLE 21 CARE OF THE LANDS

21.1 In this part:

- (a) **"Environment"** includes the Lands and surroundings;
- (b) **"Pollutant"** means any substance, class of substances, mixture of substances, form of energy or combination thereof that is capable of entering the Environment in a quantity or concentration or under conditions that may cause an immediate or long term adverse effect, and includes anything defined as a hazardous substance, hazardous waste, toxic substance, dangerous goods, hazardous chemical, contaminant, or agricultural chemical under any federal, provincial or municipal laws or by-laws now or hereafter in force;
- (c) **"Release"** includes the noun or verb form of spill, discharge, spray, inject, abandon, deposit, leak, seep, pour, emit, empty, throw, dump, place, exhaust and words of like or similar meaning.

21.2 Covenants of Mortgagor.

The Mortgagor hereby covenants that:

- (a) Neither the Mortgagor, nor, to the knowledge of the Mortgagor after diligent inquiry and investigation, any other person, has ever caused or permitted any Pollutant to be placed, handled, stored or disposed of on, under or at the Lands, or on, under or at adjacent lands, except as disclosed to the Mortgagee in writing;
- (b) The Mortgagor shall not allow any Pollutant to be placed, handled, stored or disposed of on, under or at the Lands without the prior written consent of the Mortgagee, which consent may be arbitrarily or unreasonably withheld;
- (c) To the extent that any Pollutant is placed, handled, stored or disposed of on, under or at the Lands:
 - (i) the Mortgagor has, and will continue to have, all necessary federal, provincial and municipal licenses, certificates and permits and is and will continue to be in compliance with all applicable federal, provincial and municipal laws and by-laws;
 - (ii) the Mortgagor shall not cause or permit to exist, as a result of an intentional or unintentional act or omission on its part (or on the part of its agents, contractors or any other person or entity for whose acts or omissions it is responsible), a Release of any Pollutant on, under or at the Lands, unless such Release is pursuant to and in compliance with the conditions of a permit issued by the appropriate governmental authority;
 - (iii) if the Mortgagor receives any verbal or written notice of an unauthorized Release, or any complaint, order, citation or notice with regard to a Release or any other environmental, health or safety matter affecting the Lands (**"Environmental Complaint"**) from any person or entity, including without limitation any governmental or quasi-governmental authority, then the Mortgagor shall give immediate oral and written notice (with a copy of the Environmental Complaint) of such Release to the Mortgagee;
 - (iv) the Mortgagor shall promptly take all necessary remedial action in response to the unauthorized Release; provided, however, that the Mortgagor shall not, without the Mortgagee's prior written consent, take any such remedial action nor enter into any settlement agreement, consent decree, or other compromise

- 21 -

in respect of any related claims, proceedings, lawsuits or action commenced or threatened pursuant to any environmental, health or safety laws or in connection with any third party, if such remedial action, settlement, consent or compromise might impair the value of the Mortgagee's security under this Mortgage. The Mortgagee's prior consent shall not, however, be necessary if the Release either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Mortgagee's consent prior to undertaking such action. If the Mortgagor undertakes any remedial action the Mortgagor shall immediately notify the Mortgagee of any such remedial action and undertaken any such remedial action in compliance with all applicable federal, provincial and municipal laws and by-laws, and in accordance with the orders and directives of all governmental authorities to the satisfaction of the Mortgagee;

- (v) in addition to and not in limitation of the Mortgagee's rights under this mortgage, the Mortgagee shall have the right, but not the obligation, to take such actions, including without limitation hiring consultants and undertaking sampling and testing, as it deems necessary or advisable to remedy, remove, resolve or minimize the impact of, or otherwise deal with, any Pollutant or Environmental Complaint upon its receipt of any notice from any person or entity, including without limitation government agencies, asserting the happening of an unauthorized Release on, under or at the Lands which, if true, could result in any order, suit or other action against the Mortgagor or Mortgagee or any part of the Lands by any governmental agency or otherwise which, in the sole opinion of the Mortgagee, could jeopardize its security under this Mortgage. All costs and expenses incurred by the Mortgagee in the exercise of any such rights will be added to the Indebtedness, and shall be payable by the Mortgagor upon demand;
- (vi) the Mortgagee may require that the Mortgagor from time to time promptly cause such tests and procedures as the Mortgagee deems appropriate to be conducted by professionals in a manner satisfactory to the Mortgagee, for the purpose of assuring compliance with all federal, provincial and municipal laws and by-laws, and having such compliance certified to the Mortgagee. Such tests and procedures shall be commenced promptly and completed with results reported to the Mortgagee within thirty days following written notice from the Mortgagee. All costs incurred in respect of such procedures shall be paid by the Mortgagor. If the Mortgagee incurs any expense in respect thereof the amount thereof shall be added to the Indebtedness and shall be payable by the Mortgagor upon demand; and
- (vii) the Mortgagor agrees to defend, indemnify, and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, legal costs as between a solicitor and his own client on a full indemnity basis, including those arising by reason of any of the aforesaid or an action under this indemnity) arising directly or indirectly from, out of or by reason of any Release, Environmental Complaint, or any environmental health, fire, safety, and land use law governing the Mortgagor, its operations or the Lands. This indemnity shall apply despite any negligent or other contributory conduct by any one or more other parties or third parties and will survive the payment of and the satisfaction of this Mortgage.

- 22 -

21.3 Gasoline or Storage Tanks.

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

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

21.4 Use of Lands.

Upon request from the Mortgagee, the Mortgagor shall:

- (a) provide the Mortgagee with all information which the Mortgagee reasonably requests as to the proposed use of the Lands by any tenant; and
- (b) incorporate into any proposed lease any provisions which the Mortgagee requires to be incorporated.

ARTICLE 22 MISCELLANEOUS

22.1 Discharge of Mortgage.

The Mortgagee shall have a reasonable time after payment of the Indebtedness, and other charges in full within which to prepare and execute a discharge of this Mortgage. The Mortgagee's standard fee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

22.2 Prior Charges.

The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges (the "**Prior Mortgages**"), the Mortgagor shall pay or cause to be paid as they become due all payments whether for principal, interest, taxes, or otherwise under or by virtue of the Prior Mortgages and shall otherwise observe, perform and comply with the covenants, provisos and agreements contained in the Prior Mortgages; that any default thereunder shall be deemed to be a default under this Mortgage and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default under this Mortgage; that the Mortgagee may at its option make any payment or cure any default under the Prior Mortgages and any amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall be added to the Indebtedness and shall be payable with interest immediately by the Mortgagor to the Mortgagee without demand.

22.3 Cross Default Provisions

The Mortgagee covenants in favour of the Mortgagee as follows:

- (a) that a default under the Mortgage and Assignment of Rents registered in the Vancouver/New Westminster Land Title Office Registration Nos. CA9557378 and CA9557379, as modified from time to time (the "**Existing Mortgage**"), including any of the collateral security given therefore shall, at the option of the Mortgagee, be deemed to be a default under this Mortgage and the Mortgagee shall be entitled to exercise in its sole discretion whatever remedies it may elect and to which it may be entitled at law or in equity in respect of the said default;
- (b) that a default under this Mortgage, including any of the collateral security given therefore shall, at the option of the Mortgagee, be a default under the Existing

- 23 -

Mortgage and the Mortgagee shall be entitled to exercise in its sole discretion whatever remedies it may elect and to which it may be entitled at law or in equity in respect of the said default; and

- (c) if at any time a payout is made under either the Existing Mortgage or this Mortgage, then the Mortgagee, at its option, may require that a payout under the other mortgage, as the case may be, must also be made.

22.4 Notices.

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

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

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

22.5 Strikes etc.

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

22.6 Maximum Return.

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

22.7 Joint Obligations.

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

22.8 Heirs etc.

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

- 24 -

22.9 Gender.

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

**ARTICLE 23
STATUTORY PROVISIONS****23.1 Land Transfer Form Act.**

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

23.2 Doctrine of Consolidation.

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

23.3 Conflict.

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

END OF DOCUMENT

EXHIBIT "P"

This is Exhibit "P" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of September 17th, 2024

BETWEEN:

4354 INVESTMENTS LTD.
(the "Debtor")

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA
(the "Secured Party")

WHEREAS the Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral to the Secured Party in order to secure the performance of its Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Interpretation

In this Agreement, all capitalized terms not otherwise defined shall have the meaning ascribed thereto in the Mortgage, and unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this agreement and all amendments made hereto by written agreement between the Secured Party and the Debtor.

"Collateral" has the meaning set out in Section 2.01.

"Event of Default" has the meaning set out in the Mortgage.

"Mortgage" means the mortgage of the Property given by the Debtor to the Secured Party, as the same may be amended from time to time.

"Obligations" means all obligations and liabilities of any kind whatsoever of the Debtor to the Secured Party in connection with or relating to the Mortgage.

"Property" means the lands and premises known municipally as PH1, 1477 West 15th Avenue, Vancouver, B.C. and legally described as more particularly set out in Schedule "A" attached hereto.

The terms "accessions", "account", "chattel paper", "document of title", "goods", "instrument", "intangible", "inventory", "investment property", "money", "proceeds", and "security" whenever used herein have the meanings given to those terms in the *Personal Property Security*

Act (British Columbia), as now enacted or as the same may from time to time be amended, re-enacted or replaced (the "PPSA").

1.02 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2 - GRANT OF SECURITY INTEREST

2.01 Security Interest

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Secured Party, the Debtor hereby grants to the Secured Party a security interest in, assigns to the Secured Party and mortgages and charges as and by way of a fixed and specific mortgage and charge to the Secured Party, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all personal property of the Debtor which arises from, pertains to, is located on, or is used in the operation and maintenance of, the Property and any proceeds therefrom (collectively, the "**Collateral**"). Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (a) Receivables: all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Debtor, including all rents, revenues, income, insurance proceeds, expropriation proceeds, other proceeds and other monies to which the Debtor may from time to time be entitled from all sources which pertain to or are derived from the Property or any part thereof (collectively, the "**Receivables**");
- (b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the businesses of the Debtor (collectively, the "**Inventory**");
- (c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "**Equipment**");
- (d) Chattel Paper: all chattel paper;

- 3 -

- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "**Securities**");
- (g) Intangibles: all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Contractual Rights: all agreements, licenses, franchises, permits, consents, policies, approvals, development agreements, building contracts, performance bonds, purchase orders, plans, rights to carry on business and plans and specifications presently owned and hereafter acquired by the Debtor in respect of or in any way relating to the Property or any part thereof;
- (i) Investment Property: all investment property;
- (j) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (k) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.01 and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (l) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and
- (m) Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

provided that the said assignment and mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound.

2.02 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby will attach when it signs this Agreement and it has any rights in the Collateral.

- 4 -

2.03 Exception for Contractual Rights

The security interest granted hereby does not and will not extend to, and the Collateral will not include any agreement, right, franchise, licence or permit (the "contractual rights") to which the Debtor is a party, or of which the Debtor has the benefit, to the extent that the creation of the security interest herein would constitute a breach of the terms of or permit any person to terminate the contractual rights or would require a consent to its assignment or transfer by way of security, but the Debtor must hold its interests therein in trust for the Secured Party and will assign such contractual rights to the Secured Party forthwith upon obtaining the consent of the other party thereto. The Debtor agrees that it will, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the security interest.

ARTICLE 3 - COVENANTS OF THE DEBTOR**3.01 Covenants**

The Debtor covenants with the Secured Party that it will:

- (a) maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (b) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, will keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests, except for Permitted Encumbrances, and those hereafter approved in writing by the Secured Party prior to their creation or assumption;
- (c) not continue into another jurisdiction, change its registered office and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in any schedule hereto, without prior written notice to the Secured Party;
- (d) from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party will be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party will have access to all premises occupied by the Debtor or where the Collateral may be found;
- (e) not change its name, or, if the Debtor is a corporation, not amalgamate with any other corporation, without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective; and
- (f) pay to the Secured Party forthwith upon demand all costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the

- 5 -

generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses will be added to and form part of the Obligations.

ARTICLE 4 - DEALING WITH COLLATERAL

4.01 Dealing with Collateral by the Debtor

The Debtor must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default occurs, deal with any personal property that is Collateral in the ordinary course of its business or as otherwise permitted in the Mortgage, but all proceeds of any dealings with such Collateral will continue to be subject to the security interest, assignment and mortgage and charge granted hereby.

4.02 Rights and Duties of the Secured Party

(1) The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Secured Party and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

ARTICLE 5 - DEFAULT AND REMEDIES

5.01 Events of Default

The Debtor will be in default under this Agreement upon the occurrence of an Event of Default.

5.02 Remedies

(1) On or after the occurrence of an Event of Default which is continuing, any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable and, in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- (a) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section 5.02 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this

- 6 -

Section 5.02 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;

- (b) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (c) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (d) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (e) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (f) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;
- (g) the Secured Party may accept the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
- (h) the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement;
- (i) the Secured Party, may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (j) the Secured Party may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Secured Party deems reasonable, will be added to and form part of the Obligations; and
- (k) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Obligations.

- 7 -

(2) The Secured Party may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder.

(3) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

(4) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party sees fit. If there is any surplus remaining, the Secured Party may pay it to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining must be paid to the Debtor. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party forthwith on demand.

ARTICLE 6 - GENERAL

6.01 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

6.02 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

6.03 Assignment

The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement except in accordance with the Mortgage.

6.04 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

- 8 -

6.05 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in accordance with the terms of the Mortgage.

6.06 Additional Continuing Security

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until payment of the Obligations in full.

6.07 Further Assurances

The Debtor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, schedules, further assignments, documents, acts, matters and things as may be requested by the Secured Party for the purpose of giving full effect to this Agreement, to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby, or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

6.08 Power of Attorney

The Debtor hereby irrevocably constitutes and appoints any officer for the time being of the Secured Party its true and lawful attorney, with full power of substitution, following the occurrence of an Event of Default which is continuing, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

6.09 Discharge

The Debtor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

[Signature Page Follows]

6.10 **Governing Law**

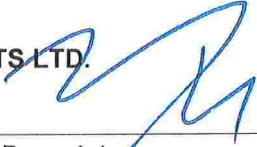
This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

6.11 **Executed Copy**

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date written above.

4354 INVESTMENTS LTD.

Per: 

Name: Thomas Pappajohn

Title: SECRETARY

I have authority to bind the above.

- 10 -

Schedule "A"
Legal Description of Property

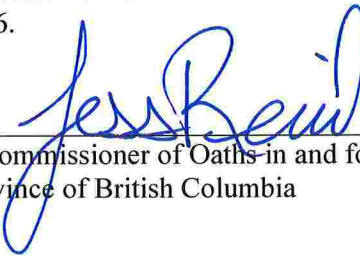
PID: 026-682-672

Strata Lot 32 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

EXHIBIT "Q"

This is Exhibit "Q" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of September 17th, 2024

BETWEEN:

1060485 B.C. LTD.
(the "Debtor")

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA
(the "Secured Party")

WHEREAS the Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral to the Secured Party in order to secure the performance of its Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Interpretation

In this Agreement, all capitalized terms not otherwise defined shall have the meaning ascribed thereto in the Mortgage, and unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this agreement and all amendments made hereto by written agreement between the Secured Party and the Debtor.

"Collateral" has the meaning set out in Section 2.01.

"Event of Default" has the meaning set out in the Mortgage.

"Mortgage" means the mortgage of the Property given by the Debtor to the Secured Party, as the same may be amended from time to time.

"Obligations" means all obligations and liabilities of any kind whatsoever of the Debtor to the Secured Party in connection with or relating to the Mortgage.

"Property" means the lands and premises known municipally as 204, 1477 West 15th Avenue, Vancouver, B.C. and PH9, 1477 West 15th Avenue, Vancouver, B.C. and legally described as more particularly set out in Schedule "A" attached hereto.

The terms "accessions", "account", "chattel paper", "document of title", "goods", "instrument", "intangible", "inventory", "investment property", "money", "proceeds", and "security" whenever used herein have the meanings given to those terms in the *Personal Property Security*

Act (British Columbia), as now enacted or as the same may from time to time be amended, re-enacted or replaced (the "PPSA").

1.02 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2 - GRANT OF SECURITY INTEREST

2.01 Security Interest

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Secured Party, the Debtor hereby grants to the Secured Party a security interest in, assigns to the Secured Party and mortgages and charges as and by way of a fixed and specific mortgage and charge to the Secured Party, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all personal property of the Debtor which arises from, pertains to, is located on, or is used in the operation and maintenance of, the Property and any proceeds therefrom (collectively, the "**Collateral**"). Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (a) Receivables: all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Debtor, including all rents, revenues, income, insurance proceeds, expropriation proceeds, other proceeds and other monies to which the Debtor may from time to time be entitled from all sources which pertain to or are derived from the Property or any part thereof (collectively, the "**Receivables**");
- (b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the businesses of the Debtor (collectively, the "**Inventory**");
- (c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "**Equipment**");
- (d) Chattel Paper: all chattel paper;

- 3 -

- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "**Securities**");
- (g) Intangibles: all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Contractual Rights: all agreements, licenses, franchises, permits, consents, policies, approvals, development agreements, building contracts, performance bonds, purchase orders, plans, rights to carry on business and plans and specifications presently owned and hereafter acquired by the Debt in respect of or in any way relating to the Property or any part thereof;
- (i) Investment Property: all investment property;
- (j) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (k) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.01 and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (l) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and
- (m) Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

provided that the said assignment and mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound.

2.02 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby will attach when it signs this Agreement and it has any rights in the Collateral.

2.03 Exception for Contractual Rights

The security interest granted hereby does not and will not extend to, and the Collateral will not include any agreement, right, franchise, licence or permit (the "contractual rights") to which the Debtor is a party, or of which the Debtor has the benefit, to the extent that the creation of the security interest herein would constitute a breach of the terms of or permit any person to terminate the contractual rights or would require a consent to its assignment or transfer by way of security, but the Debtor must hold its interests therein in trust for the Secured Party and will assign such contractual rights to the Secured Party forthwith upon obtaining the consent of the other party thereto. The Debtor agrees that it will, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the security interest.

ARTICLE 3 - COVENANTS OF THE DEBTOR

3.01 Covenants

The Debtor covenants with the Secured Party that it will:

- (a) maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (b) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, will keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests, except for Permitted Encumbrances, and those hereafter approved in writing by the Secured Party prior to their creation or assumption;
- (c) not continue into another jurisdiction, change its registered office and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in any schedule hereto, without prior written notice to the Secured Party;
- (d) from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party will be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party will have access to all premises occupied by the Debtor or where the Collateral may be found;
- (e) not change its name, or, if the Debtor is a corporation, not amalgamate with any other corporation, without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective; and
- (f) pay to the Secured Party forthwith upon demand all costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the

- 5 -

generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses will be added to and form part of the Obligations.

ARTICLE 4 - DEALING WITH COLLATERAL

4.01 Dealing with Collateral by the Debtor

The Debtor must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default occurs, deal with any personal property that is Collateral in the ordinary course of its business or as otherwise permitted in the Mortgage, but all proceeds of any dealings with such Collateral will continue to be subject to the security interest, assignment and mortgage and charge granted hereby.

4.02 Rights and Duties of the Secured Party

(1) The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Secured Party and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

ARTICLE 5 - DEFAULT AND REMEDIES

5.01 Events of Default

The Debtor will be in default under this Agreement upon the occurrence of an Event of Default.

5.02 Remedies

(1) On or after the occurrence of an Event of Default which is continuing, any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable and, in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- (a) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section 5.02 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this

- 6 -

Section 5.02 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;

- (b) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (c) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (d) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (e) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (f) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;
- (g) the Secured Party may accept the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
- (h) the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement;
- (i) the Secured Party, may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (j) the Secured Party may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Secured Party deems reasonable, will be added to and form part of the Obligations; and
- (k) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Obligations.

- 7 -

(2) The Secured Party may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder.

(3) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

(4) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party sees fit. If there is any surplus remaining, the Secured Party may pay it to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining must be paid to the Debtor. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party forthwith on demand.

ARTICLE 6 - GENERAL

6.01 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

6.02 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

6.03 Assignment

The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement except in accordance with the Mortgage.

6.04 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

- 8 -

6.05 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in accordance with the terms of the Mortgage.

6.06 Additional Continuing Security

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until payment of the Obligations in full.

6.07 Further Assurances

The Debtor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, schedules, further assignments, documents, acts, matters and things as may be requested by the Secured Party for the purpose of giving full effect to this Agreement, to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby, or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

6.08 Power of Attorney

The Debtor hereby irrevocably constitutes and appoints any officer for the time being of the Secured Party its true and lawful attorney, with full power of substitution, following the occurrence of an Event of Default which is continuing, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

6.09 Discharge

The Debtor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

[Signature Page Follows]

6.10 **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 therein.

6.11 **Executed Copy**

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date written above.

1060485 B.C. LTD.

Per: 

Name: Anthony Pappajohn

Title: PRESIDENT

I have authority to bind the above.

- 10 -

Schedule "A"
Legal Descriptions of Property

PID: 026-682-460

Strata Lot 11 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

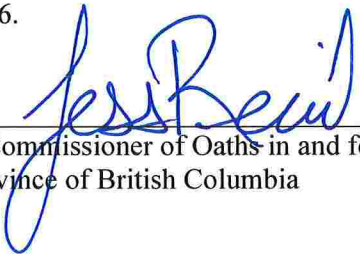
PID: 026-682-656

Strata Lot 30 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

EXHIBIT "R"

This is Exhibit "R" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

From: [Andrew Jones](#)
To: [Jess Reid](#)
Subject: FW: Information on Larch Street and Birch Street
Date: Monday, July 20, 2026 9:07:27 AM
Attachments: [REDACTED]

[EXTERNAL MESSAGE]



From: Tony Pappajohn <tony@jamesoncorp.ca>
Sent: September 17, 2025 7:16 PM
To: Andrew Jones <ajones@portagecapital.ca>
Cc: Tony Pappajohn <tony@jamesoncorp.ca>; John Pappajohn <john@jamesoncorp.ca>; Tom Pappajohn <tom@jamesoncorp.ca>
Subject: Information on Larch Street and Birch Street

Andrew,

Thank you for our call earlier this week about the sale of the apartment building at 1807 Larch Street. Regarding your questions about the sale, the net sale proceeds were used by the LP to clear the LP liabilities and to repay creditors and trades. The LP has not made any distributions to limited partners, including James Holdings Ltd.

From the sale, \$1,827,523.73 was used by the LP to repay James Holdings as a partial payment on account of a loan made by James Holdings to the LP and the entire amount was then used by James Holdings to repay a private lender for a loan that carried a 35% interest rate.

As mentioned to you, we continue to be fully prepared to honour the contractual obligations we have with you including those of James Holdings under the Specific Assignment of Net Proceeds dated September 17, 2024. That Assignment continues to be binding on James Holdings, and we acknowledge our intention to repay Portage in full upon the closing of the Broadway and Birch property which is well advanced. Below in this email is a more detailed update on the status of that and our efforts to repay Portage.

We are sharing with you the statement of adjustments and directions on the sale of Larch & 2nd that show the flow of funds from the property sale. These documents are confidential and so we are providing them to you on the understanding that you will treat them as confidential documents too.

For our other project that is under construction at Broadway and Birch, we have some positive updates to share with you. By way of refresher, we already provided you with a copy of the fully executed and binding Purchase and Sale Agreement. By way of summary:

- Purchaser: FPB Holdings Group Inc. (this is a SPV that is owned and controlled by First Nation bands related to the Dunna'eh House of Healing Society).
- Price: \$229,000,000 (subject to adjustments and fit outs)

st

nd

Deposits: 1 Deposit of \$20,000 (Paid) and 2 Deposit of (\$19,980,000 payable after all conditions are waived)

- Closing Date: 10 days after the Project Architect or Project Certified Professional confirms in writing that the building is completed and they are not aware of any impediment to the issuance of an occupancy permit by the City of Vancouver. We anticipate February 2026.
- Purchaser's Due Diligence Condition Waiver Date: September 26, 2025
- Purchaser's Financing Condition Waiver Date: October 14, 2025
- Second Deposit Due Date: October 17, 2025 (assumes financing condition is waived on Oct 14).

As discussed, we have the 2538 Birch Street project under contract, and the purchaser continues to be fully engaged in their due diligence and financing conditions.

We anticipate and have been told that they will be removing their due diligence conditions as laid out in the purchase and sale agreement. The City of Vancouver has been very supportive of this purchase and has been working with us to fully accommodate this purchaser and their use of the property.

On the financing side, several financial lenders have toured the building. According to the purchaser and their financial advisors, several financial institutions are interested in providing the financing for their purchase. They have engaged an appraisal and are providing the necessary documentation to obtain their financing approvals. We have also been advised by the purchaser that they have the deposit committed. At this time, they anticipate that the financial condition will be removed as laid out in the contract.

We continue to be fully engaged with the purchaser and have been very hands-on in helping them to complete this purchase. The purchaser continues to be very positive and enthusiastic about this purchase closing.

In closing, we appreciate that you are disappointed that there are no LP distributions available to James Holdings from the sale of Larch & 2nd and we ought to have advised you of all these details before now. We are pleased to answer further questions, provide any further information required and remain open to considering what further comfort Portage may require at this time to ensure it is paid in full as anticipated in February 2026.

Sincerely,

Tony

Anthony Pappajohn

James Holdings Group
104 – 1525 West 8th Ave
Vancouver, B.C.
Canada
V6J 1T5

M: +1(604).968.2428
T: +1(604).732.7122 ext 25
F: +1(604).732.7142
E: tony@jamesoncorp.ca

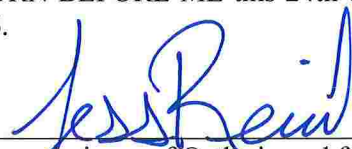
Please consider the environment before printing this email.

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal. Unless otherwise stated, opinions expressed in this e-mail are those of the author and are not endorsed by the author's employer.

EXHIBIT "S"

This is Exhibit "S" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.


A Commissioner of Oaths in and for the
Province of British Columbia

UNDERTAKING AND IRREVOCABLE DIRECTION TO PAY

Date: October ^{22nd}, 2025

FROM: JAMES HOLDINGS LTD. (the "**Debtor**")

TO: PORTAGE CAPITAL CORPORATION (the "**Lender**")

AND TO: 1061511 B.C. LTD, as title holder and JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP, as beneficial owner (the "**Birch Owner**")

AND TO: DENTONS CANADA LLP, or such other legal counsel as the Birch Owner may engage to complete the Birch Sale Transaction (the "**Debtor's Solicitors**")

AND TO: CASSELS BROCK & BLACKWELL LLP (the "**Lender's Solicitors**")

RE: Loan (the "**Loan**") made by the Lender in favour of No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd., 1060485 B.C Ltd. and 4354 Investments Ltd. (collectively, the "**Borrowers**"), collectively as borrowers pursuant to a Commitment Letter dated November 5, 2021 and amended by a renewal letter dated April 8, 2024 (collectively, the "**Agreement**") made among the Borrowers, the Debtor, as guarantor, and the Lender, as lender, and in connection therewith the Debtor has agreed to provide this Undertaking and Irrevocable Direction regarding use of proceeds to be realized from the sale of the lands and improvements municipally described as 2538 Birch Street, Vancouver, BC. and having a legal description as follows:

Legal Parcel Identifier: 030-417-261
 Lot 1 Block 353 District Lot 526 Group 1
 New Westminster District Plan EPP81033

(the "**Property**")

In connection with and in consideration of the Lender continuing to make the Loan available to the Borrowers and in accordance with the terms of the Specific Assignment of Net Proceeds granted in favour of the Lender by the Debtor dated September 17, 2024, a copy of which is attached hereto as Schedule "A", the Debtor confirms and agrees as follows:

1. the Debtor undertakes in favour of the Lender that, following the sale of the Property, the Debtor will cause the Birch Owner to pay to the Lender the entire outstanding balance of the Loan, as defined in the Agreement, plus interest thereon and any other amounts, costs, charges and expenses due and payable by the Borrowers to the Lender under the Agreement (the "**Indebtedness**") from the amounts the Debtor is entitled to receive from the Birch Owner following the sale of the Property pursuant to the Agreement of Purchase and Sale (the "**Birch PSA**") between the Birch Owner, together as vendor, and FPB Holdings Group Inc., as purchaser (the "**Birch Sale Transaction**");
2. the Debtor hereby directs and authorizes the Birch Owner to pay the entire Indebtedness to the Lender prior to making any payments to the Debtor of any amounts to which the Debtor is entitled pursuant to the Birch Sale Transaction, including the following:

- (a) any proportionate amount of the Deposit (as defined in the Birch PSA) that may be payable to the Debtor following its release to the Birch Owner pursuant to Section 8 of the Birch PSA;
 - (b) any amounts payable to the Debtor on account of the \$16,482,090.68 in funds that the Debtor and its affiliates have loaned or contributed to the Birch Owner as more particularly set out in the "DRAFT Estimate of Partner Distributions on Sale" attached hereto as Schedule "C"; and
 - (c) any amounts payable to the Debtor arising from the sale of the Property pursuant to the Birch Sale Transaction.
3. in connection with the foregoing and to the extent that the Debtor's Solicitors are in receipt of funds that are payable to, and held in trust for, the Debtor from the Birch Sale Transaction, the Debtor irrevocably directs the Debtor's Solicitors to pay, disburse or transfer sufficient monies from any amounts the Debtor is entitled to receive from the Birch Owner to satisfy the repayment of the Indebtedness to the Lender on behalf of the Borrowers and the Debtor to the Lender's Solicitors in accordance with the wire instructions attached hereto as Schedule "B".

This Undertaking and Irrevocable Direction to Pay shall be read and construed with the Agreement, and the security now or hereafter held by the Lender for the Loan (the "**Security**", and together with the Agreement, the "**Loan Documents**") and is in addition to and not in substitution for the Security and a default hereunder will constitute a default under the Loan Documents.

This Undertaking and Irrevocable Direction to Pay shall be the Debtor's Solicitor's good, full and sufficient warrant and authority with respect to the acts contemplated herein. This Undertaking and Irrevocable Direction to Pay may be executed and delivered by the parties electronically.

IN WITNESS WHEREOF the Debtor has duly executed this Undertaking and Irrevocable Direction to Pay in respect of the Indebtedness payable under the Agreement.

JAMES HOLDINGS LTD.

Per: _____

Name: **ANTHONY PAPPAJOHN**

Receipt of this Undertaking and Irrevocable Direction to Pay is hereby acknowledged by the Birch Owner.

**JAMESON BROADWAY & BIRCH LIMITED
PARTNERSHIP**, by its general partner, **JAMESON
BROADWAY & BIRCH GENERAL PARTNER LTD.**

Per: _____

Name: **ANTHONY PAPPAJOHN**

SCHEDULE "A"
SPECIFIC ASSIGNMENT OF NET PROCEEDS

SPECIFIC ASSIGNMENT OF NET PROCEEDS

TO: PORTAGE CAPITAL CORPORATION

(the "**Lender**")

RE: \$21,500,000 loan (the "**Loan**") made by the Lender to 5186 Investments Ltd., 4354 Investments Ltd. and No. 198 Cathedral Ventures Ltd. (collectively, the "**Borrower**") and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony Pappajohn, John Pappajohn and Thomas Pappajohn (collectively with James Holdings, the "**Guarantors**"), and secured in part by a mortgage registered against certain real property, pursuant to a commitment letter dated as of November 5, 2021 (the "**Original Commitment Letter**");

AND RE: Renewal of the Loan pursuant to renewal letter dated April 8, 2024 (together with the Original Commitment Letter, the "**Loan Agreement**"), pursuant to which James Holdings has agreed to cause a mortgage or mortgages to be granted over certain additional real property, including the real property described in paragraph 1(a) below.

DATE: September 17th, 2024

WHEREAS:

- A. The Borrower and James Holdings are indebted to the Lender in respect of the Loan, as further set out in the Loan Agreement (the "**Indebtedness**");
- B. Jameson Larch & 2nd Limited Partnership ("**Larch LP**") is the beneficial owner of the real property located at or near 1807 Larch Street, Vancouver, B.C. and legally described as PID: 031-060-498 Lot 1 Block 220A Plan EPP100017 District Lot 526 Group 1 New Westminster Land District (as such lands may be consolidated, subdivided or stratified from time to time, or any part thereof, the "**Larch Property**");
- C. Jameson Broadway & Birch Limited Partnership ("**Birch LP**") is the beneficial owner of the real property located at or near 2538 Birch Street, Vancouver, B.C. and legally described PID: 030-417-261 Lot 1 Block 353 Plan EPP81033 District Lot 526 Group 1 New Westminster Land District (as such lands may be consolidated, subdivided or stratified from time to time, or any part thereof, the "**Birch Property**");
- D. James Holdings holds a 75% limited partnership interest in each of Larch LP and Birch LP; and
- E. In consideration of the Lender renewing the Loan, and as security for James Holdings' obligations as a Guarantor in respect of the Loan, James Holdings has agreed to pay to the Lender certain proceeds that it may receive as distributions from Birch LP and Larch LP in respect of any sale, transfer or financing (or renewal, extension, increase or refinancing thereof) of the Birch Property and Larch Property, respectively (each a "**Capital Transaction**") on the terms set out herein.

NOW THEREFORE, for value received, the receipt and sufficiency of which is hereby acknowledged, James Holdings agrees that:

1. **Payment.** James Holdings shall pay to the Lender, to be applied against any outstanding Indebtedness in the manner specified in the Loan Agreement or as the Lender may otherwise direct:
 - (a) 100% of the first \$10,000,000.00 of limited partner distributions received by James Holdings in respect of all Capital Transactions, provided that James Holdings may use up to \$3,000,000 of such distributions to first repay or prepay to Vancouver City Savings Credit Union ("**Vancity**") the obligations secured by the following mortgages and assignments of rents registered in favour of Vancity as follows:
 - i. as Instruments Nos. CA6277063 and CA6277064 against title to the real property legally described as PID: 026-682-460, Strata Lot 11 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875 and PID: 026-682-656, Strata Lot 30 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875; and
 - ii. as Instrument Nos. CA4276985, CA4276986, CB1158649 and CB1158650 against title to the real property legally described as:
 - A. PID: 014-174-685, Lot 9 Block 430 District Lot 526 Plan 1949;
 - B. PID: 014-174-707, Lot 10 Block 430 District Lot 526 Plan 1949;
 - C. PID: 014-174-207, Lot 11 Block 430 District Lot 526 Plan 1949;
 - D. PID: 027-480-917, Lot A District Lot 526 Group 1 New Westminster District Plan EPP 672; and
 - E. PID: 025-836-471, Parcel C Except: Part Subdivided by Plan BCP23566; Block 451 District Lot 526 Group 1 New Westminster District Plan BC8982; and
 - (b) 50% of any distributions in excess of \$10,000,000 generated from Capital Transactions following any repayments or prepayments as set out in Section 1(a) above,

(collectively, the "**Proceeds**"), provided that no such payment will exceed the amount of the Indebtedness outstanding at the time of payment.
2. **Assignment.** As security for its obligations to the Lender pursuant to the Loan Agreement, James Holdings hereby unconditionally and irrevocably assigns to the Lender the Proceeds.
3. **Failure to Pay Proceeds.** If James Holdings receives Proceeds from a Capital Transaction as contemplated herein and fails to pay the Proceeds to the Lender as the required by Section 1 hereof within five (5) Business Days following receipt of such Proceeds by James Holdings, such failure will constitute a default under this Specific Assignment of Net Proceeds (this "**Assignment**") and shall be deemed to be a default under the Loan and all security documentation related thereto. A "Business Day" means a day other than a Saturday, a Sunday, or a statutory holiday in Vancouver, British Columbia, Toronto, Ontario or New York, New York.

4. **Irrevocable Assignment.** James Holdings agrees that this Assignment is irrevocable.
5. **Negative Covenants.** James Holdings will not assign, pledge or encumber the Proceeds in whole or in part to or in favour of any other person.
6. **Positive Covenants.** James Holdings will, from time to time, immediately upon the Lender's request and at James Holdings' sole cost and expense:
 - (a) Provide Information: furnish to the Lender true copies of all writings and information requested by the Lender in respect of the Proceeds, and the Lender will be entitled from time to time to inspect any books, papers, documents or records evidencing or relating to the Proceeds and to make copies thereof, and for such purpose the Lender will have access, at all reasonable times, to all premises occupied by James Holdings; and
 - (b) Further Assurances: do all acts and things and execute and deliver to the Lender such other assignments, documents, certificates, conveyances, assurances and authorizations, as the Lender may require to give effect to the true intent and meaning of this Assignment.
7. **Application of Moneys Received.** The Lender will only be liable to account for such moneys as may actually come into its hands by virtue of this Assignment and will apply any such moneys received by it against the Indebtedness. In the event that the Lender receives payment of Proceeds in excess of the outstanding Indebtedness, such excess amount will be held by the Lender in trust for James Holdings and returned to James Holdings forthwith.
8. **Additional Security.** This Assignment is given in addition to and not in substitution for any security heretofore, now or hereafter held by the Lender in connection with the Loan, including without limitation any similar assignment, and is taken by the Lender as additional security for the fulfilment of the Borrower's obligations in connection with the Loan and will not operate as a merger of any debt or in any way suspend the fulfilment of, or prejudice or affect the rights, remedies and powers of the Lender in respect of the Borrower's obligations in connection with the Loan or any security held by the Lender in respect thereof in whole or in part.
9. **Execution and Delivery.** This Assignment may be executed and delivered by electronic (PDF, DocuSign or equivalent) transmission, and if so executed and delivered, shall be deemed to be an original.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF James Holdings has executed this Assignment as of the date first written above.

JAMES HOLDINGS LTD.

Per: _____

Name:  Anthony Pappajohn

Title: PRESIDENT

I have authority to bind the corporation

SCHEDULE "B"
LENDER'S SOLICITOR'S WIRE INSTRUCTIONS



Cassels Brock & Blackwell LLP Wire Instructions
Bank of Nova Scotia Trust Account (Vancouver) CAD Funds

Beneficiary Name: Cassels Brock & Blackwell LLP

Beneficiary Address: Suite 3200, Bay Adelaide Centre – North Tower
 40 Temperance St.
 Toronto, ON M5H 0B4 Canada

Beneficiary Bank Name: Bank of Nova Scotia

Bank Address: Clearing Code OR Swift Code

595 Burrard St. PO Box 48700 Bentall Centre Vancouver, BC V7X 1V6	44 King Street W. Toronto, ON M5H 1H1
---	--

Institution Number: 002

Transit Number: 03020

Canadian Clearing Code: 000203020

Account Number: 030204339517

Swift Code: NOSCCATT

SCHEDULE "C"
DRAFT ESTIMATE OF PARTNER DISTRIBUTIONS ON SALE

JAMESON BROADWAY & BIRCH - DRAFT Estimate of Partner Distributions on Sale

as at Sept 25, 2025

Sale Price	\$	229,000,000.00
Minus: Commissions Payable	-\$	5,750,000.00
Minus: Legal to close	-\$	150,000.00
Net to Purchase:	\$	223,100,000.00

Minus: BC Housing - Secured Loan	-\$	164,692,655.00
Minus: Construction Costs to Complete	-\$	13,900,241.00
Minus: Seller Cost for TI Work and FFE	-\$	2,458,750.00

Gross Proceeds on Sale:	\$	42,048,354.00
--------------------------------	----	---------------

LP Debt to James Holdings & Related Entities	-\$	16,482,090.68
LP Debt to Gatland Development Corp	-\$	490,230.32

Net Proceeds for Partner Distribution:	\$	25,076,033.00
James Holdings Ltd Estimated Share Value	74.995%	\$ 18,805,770.95
Gatland Dev Corp Estimated Share Value	24.995%	\$ 6,267,754.45
General Partner Estimated Share Value	0.010%	\$ 1,907.59

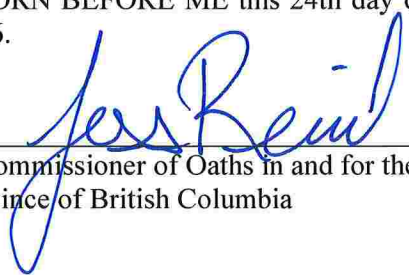
CREDIT James Holdings Ltd	CREDIT Gatland Dev Corp **
\$ 16,482,090.68	\$ 490,230.32
\$ 18,805,770.95	\$ 6,267,754.45
\$ 35,287,861.63	\$ 6,757,984.77

** Amounts reflected as CR to Gatland are for illustrative purposes only and subject to further reconciliation.

EXHIBIT "T"

This is Exhibit "T" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July,
2026.



A Commissioner of Oaths in and for the
Province of British Columbia

Cassels

December 24, 2025

By Courier and Email

vtickle@cassels.com

tel: +1 778 309 7954

4354 Investments Ltd.
670-1665 West Broadway
Vancouver BC V6J 1X1

4354 Investments Ltd.
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

4354 Investments Ltd.
104-1525 West 8th Avenue
Vancouver BC V6J 1T5

Attention: Anthony James Pappajohn

Email: tony@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd., and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

We refer you to the loan and security documents (collectively, the "**Loan Documents**") referenced in Schedule "A" hereto, as applicable.

Pursuant to the Loan Documents, certain financing (the "**Loan**") was extended to the Borrower (as defined below). As at December 22, 2025, the total amount outstanding under the Loan was \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents. As authorized by the Loan Documents, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**"), declares the Indebtedness (as defined in the

t: 604 691 6100

f: 604 691 6120

cassels.com

Cassels Brock & Blackwell LLP

Suite 2200, RBC Place, 885 West Georgia Street

Vancouver, BC V6C 3E8 Canada

Mortgage) due and payable. As a result, the Indebtedness is immediately due and payable on demand.

Pursuant to the terms of the Loan Documents, the Servicer hereby demands payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, charges and expenses incurred by the Computershare (the total of such amounts is hereafter referred to as the **"Payout Amount"**). The Payout Amount should be paid by way of wire transfer. Please contact us before remitting payment to ascertain the amount of interest and fees outstanding and so that we can provide our wire instructions. Unless the Payout Amount is received in our office by January 5, 2026, we expect to receive instructions to commence proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We also enclose with this letter a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Borrower wish to consent to the immediate enforcement by Computershare of its security, please sign the consent and waiver below and return it to attention of the writer.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT
Enclosure

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner).
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of the Portage Capital Corporation.

NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*
SECTION 244

TO: 4354 INVESTMENTS LTD., an insolvent person (the “Debtor”)

TAKE NOTICE THAT:

1. **COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS Financial Ltd. (the “Secured Party”)**, intends to enforce its security on the Debtor’s property, described below:

All present and after-acquired personal property which arises from, pertains to, is located on, or is used in the operation and maintenance of the lands and premises legally described as more particularly set out in Schedule “A” hereto (the “**Property**”), the Property, and any proceeds therefrom.

2. The security that is to be enforced is in the form of:
 - a) a mortgage in the original principal amount of \$21,500,000 granted by, among others, the Debtor, in favour of the Secured Party, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378;
 - b) a assignment of rents granted by, among others, the Debtor, in favour of the Secured Party, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379;
 - c) a beneficial authorization and charge agreement dated November 23, 2021 among the Secured Party, the Debtor, and James Holdings Ltd.;
 - d) a general security agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of the Secured Party;
 - e) an interest reserve agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of the Secured Party;
 - f) an assignment of permits, licenses and approvals granted by, among others, the Debtor, in favour of the Secured Party;
 - g) a mortgage and assignment of rents in the original principal amount of \$21,500,000 granted by the Debtor, in favour of the Secured Party, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014;
 - h) a modification of mortgage dated September 17, 2024 granted by, among others, the Debtor, in favour of the Secured Party and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714;

- i) a beneficial authorization and charge agreement dated September 17, 2024 among the Secured Party, the Debtor, and James Holdings Ltd.; and
 - j) a general security agreement dated September 17, 2024 granted by the Debtor, in favour of the Secured Party.
3. The total indebtedness secured by the security as at December 22, 2025, is \$21,867,655.07, plus interest and any costs incurred by the Secured Party, which continue to accrue, up to the date of payment.
4. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, on December 24, 2025.

**COMPUTERSHARE TRUST COMPANY OF CANADA, by its
servicer, CMLS Financial Ltd.**

Per: _____



Vicki Tickle (authorized on behalf of CMLS Financial Ltd.)

Schedule "A"**Legal Descriptions of Property****PID: 014-175-207**

Lot 9, Block 430, District Lot 526 Plan 1949

PID: 014-174-685

Lot 10, Block 430, District Lot 526 Plan 1949

PID: 014-174-707

Lot 11, Block 430, District Lot 526 Plan 1949

PID: 025-836-471

Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

PID: 027-480-917

Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

PID: 026-682-672

Strata Lot 32 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

CONSENT AND WAIVER

**TO: COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS
Financial Ltd. (the "Secured Party")**

FROM: 4354 INVESTMENTS LTD.

The undersigned, 4354 Investments Ltd. hereby acknowledges receipt from Portage Capital Corporation, as servicer on behalf of the Secured Party, of a Notice of Intention to Enforce Security dated December 23, 2025 (the "**Notice**") given by the Secured Party pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**") in respect of the security granted by the undersigned to the Secured Party. In accordance with subsection 244(2) of the Act, 4354 Investments Ltd. hereby waives its right to the 10 day notice period and consents to the immediate enforcement by the Secured Party of its security.

DATED at _____ this _____ day of _____, 202__.

4354 INVESTMENTS LTD.

Authorized Signatory

Cassels

December 24, 2025

By Courier and Email

5186 Investments Ltd.
670-1665 West Broadway
Vancouver BC V6J 1X1

vtickle@cassels.com
tel: +1 778 309 7954

5186 Investments Ltd.
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

5186 Investments Ltd.
104-1525 West 8th Avenue
Vancouver BC V6J 1T5

Attention: John George James Pappajohn

Email: john@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd., and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

We refer you to the loan and security documents (collectively, the "**Loan Documents**") referenced in Schedule "A" hereto, as applicable.

Pursuant to the Loan Documents, certain financing (the "**Loan**") was extended to the Borrower (as defined below). As at December 22, 2025, the total amount outstanding under the Loan was \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents. As authorized by the Loan Documents, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**") declares the Indebtedness (as defined in the

t: 604 691 6100

f: 604 691 6120

cassels.com

Cassels Brock & Blackwell LLP

Suite 2200, RBC Place, 885 West Georgia Street

Vancouver, BC V6C 3E8 Canada

Mortgage) due and payable. As a result, the Indebtedness is immediately due and payable on demand.

Pursuant to the terms of the Loan Documents, the Servicer hereby demands payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, charges and expenses incurred by Computershare (the total of such amounts is hereafter referred to as the **"Payout Amount"**). The Payout Amount should be paid by way of wire transfer. Please contact us before remitting payment to ascertain the amount of interest and fees outstanding and so that we can provide our wire instructions. Unless the Payout Amount is received in our office by January 5, 2026, we expect to receive instructions to commence proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We also enclose with this letter a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Borrower wish to consent to the immediate enforcement by Computershare of its security, please sign the consent and waiver below and return it to attention of the writer.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT
Enclosure

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**", and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner).
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.

NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)
SECTION 244

TO: 5186 INVESTMENTS LTD., an insolvent person (the “Debtor”)

TAKE NOTICE THAT:

1. **COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS Financial Ltd. (the “Secured Party”)**, intends to enforce its security on the Debtor’s property, described below:

All present and after-acquired personal property which arises from, pertains to, is located on, or is used in the operation and maintenance of the lands and premises legally described as more particularly set out in Schedule “A” hereto (the “**Property**”), the Property, and any proceeds therefrom.

2. The security that is to be enforced is in the form of:
 - a) a mortgage in the original principal amount of \$21,500,000 granted by, among others, the Debtor, in favour of the Secured Party, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378;
 - b) a assignment of rents granted by, among others, the Debtor, in favour of the Secured Party, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379;
 - c) a beneficial authorization and charge agreement dated November 23, 2021 among the Secured Party, the Debtor, and James Holdings Ltd.;
 - d) a general security agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of the Secured Party;
 - e) an interest reserve agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of the Secured Party;
 - f) an assignment of permits, licenses and approvals granted by, among others, the Debtor, in favour of the Secured Party; and
 - g) a modification of mortgage dated September 17, 2024 granted by, among others, the Debtor, in favour of the Secured Party and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
3. The total indebtedness secured by the security as at December 22, 2025, is \$21,867,655.07, plus interest and any costs incurred by the Secured Party, which continue to accrue, up to the date of payment.

4. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, on December 24, 2025.

**COMPUTERSHARE TRUST COMPANY OF CANADA, by its
servicer, CMLS Financial Ltd.**

Per: 

Vicki Tickle (authorized on behalf of CMLS Financial Ltd.)

Schedule "A"**Legal Descriptions of Property****PID: 014-175-207**

Lot 9, Block 430, District Lot 526 Plan 1949

PID: 014-174-685

Lot 10, Block 430, District Lot 526 Plan 1949

PID: 014-174-707

Lot 11, Block 430, District Lot 526 Plan 1949

PID: 025-836-471

Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

PID: 027-480-917

Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

CONSENT AND WAIVER

**TO: COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS
Financial Ltd. (the "Secured Party")**

FROM: 5186 INVESTMENTS LTD.

The undersigned, 5186 Investments Ltd., hereby acknowledges receipt from Portage Capital Corporation, as servicer on behalf of the Secured Party, of a Notice of Intention to Enforce Security dated December 23, 2025 (the "**Notice**") given by the Secured Party pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**") in respect of the security granted by the undersigned to the Secured Party. In accordance with subsection 244(2) of the Act, 5186 Investments Ltd. hereby waives its right to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security.

DATED at _____ this _____ day of _____, 202__.

5186 INVESTMENTS LTD.

Authorized Signatory

Cassels

December 24, 2025

By Courier and Email

vtickle@cassels.com

tel: +1 778 309 7954

1060485 B.C. Ltd.
670-1665 West Broadway
Vancouver BC V6J 1X1

1060485 B.C. Ltd.
20th Floor, 250 Howe Street
Vancouver BC V6C 2R8

1060485 B.C. Ltd.
104-1525 West 8th Avenue
Vancouver BC V6J 1T5

Attention: John George James Pappajohn

Email: john@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd., and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

We refer you to the loan and security documents (collectively, the "**Loan Documents**") referenced in Schedule "A" hereto, as applicable.

Pursuant to the Loan Documents, certain financing (the "**Loan**") was extended to the Borrower (as defined below). As at December 22, 2025, the total amount outstanding under the Loan was \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents. As authorized by the Loan Documents, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**") declares the Indebtedness (as defined in the

t: 604 691 6100

f: 604 691 6120

cassels.com

Cassels Brock & Blackwell LLP

Suite 2200, RBC Place, 885 West Georgia Street

Vancouver, BC V6C 3E8 Canada

Mortgage) due and payable. As a result, the Indebtedness is immediately due and payable on demand.

Pursuant to the terms of the Loan Documents, the Servicer hereby demands payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, charges and expenses incurred by Computershare (the total of such amounts is hereafter referred to as the **"Payout Amount"**). The Payout Amount should be paid by way of wire transfer. Please contact us before remitting payment to ascertain the amount of interest and fees outstanding and so that we can provide our wire instructions. Unless the Payout Amount is received in our office by January 5, 2026, we expect to receive instructions to commence proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We also enclose with this letter a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Borrower wish to consent to the immediate enforcement by Computershare of its security, please sign the consent and waiver below and return it to attention of the writer.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT
Enclosure

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner).
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.

NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)
SECTION 244

TO: 1060485 B.C. Ltd., an insolvent person (the "Debtor")

TAKE NOTICE THAT:

1. **COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS Financial Ltd. (the "Secured Party")**, intends to enforce its security on the Debtor's property, described below:

All present and after-acquired personal property which arises from, pertains to, is located on, or is used in the operation and maintenance of the lands and premises legally described as more particularly set out in Schedule "A" hereto (the "**Property**"), the Property, and any proceeds therefrom.

2. The security that is to be enforced is in the form of:
 - a) a mortgage and assignment of rents granted by the Debtor, in favour of the Secured Party, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067;
 - b) a beneficial owner authorization and charge agreement dated September 17, 2024 among the Secured Party, the Debtor, and James Holdings Ltd.; and
 - c) a general security agreement dated September 17, 2024 granted by the Debtor, in favour of the Secured Party.
3. The total indebtedness secured by the security as at December 22, 2025, is \$21,867,655.07, plus interest and any costs incurred by the Secured Party, which continue to accrue, up to the date of payment.

4. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, on December 24, 2025.

**COMPUTERSHARE TRUST COMPANY OF CANADA, by its
servicer, CMLS Financial Ltd.**

Per: Vicki Tickle

Vicki Tickle (authorized on behalf of CMLS Financial Ltd.)

Schedule "A"**Legal Descriptions of Property****PID: 026-682-460**

Strata Lot 11 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

PID: 026-682-656

Strata Lot 30 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

CONSENT AND WAIVER

TO: **COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS Financial Ltd. (the "Secured Party")**

FROM: **1060485 BC LTD.**

The undersigned, 1060485 B.C. Ltd., hereby acknowledges receipt from the Secured Party of a Notice of Intention to Enforce Security dated December 23, 2025 (the "**Notice**") given by the Secured Party pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**") in respect of the security granted by the undersigned to the Secured Party. In accordance with subsection 244(2) of the Act, 1060485 B.C. Ltd. hereby waives its right to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security.

DATED at _____ this _____ day of _____, 2026.

1060485 BC LTD.

Authorized Signatory

Cassels

December 24, 2025

By Courier and Email

No. 198 Cathedral Ventures Ltd.
670-1665 West Broadway
Vancouver BC V6J 1X1

vtickle@cassels.com
tel: +1 778 309 7954

No. 198 Cathedral Ventures Ltd.
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

No. 198 Cathedral Ventures Ltd.
104-1525 West 8th Avenue
Vancouver BC V6J 1T5

Attention: Thomas James Pappajohn

Email: tom@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd., and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

We refer you to the loan and security documents (collectively, the "**Loan Documents**") referenced in Schedule "A" hereto, as applicable.

Pursuant to the Loan Documents, certain financing (the "**Loan**") was extended to the Borrower (as defined below). As at December 22, 2025, the total amount outstanding under the Loan was \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents. As authorized by the Loan Documents, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**") declares the Indebtedness (as defined in the

t: 604 691 6100
f: 604 691 6120
cassels.com

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

Mortgage) due and payable. As a result, the Indebtedness is immediately due and payable on demand.

Pursuant to the terms of the Loan Documents, the Servicer hereby demands payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, charges and expenses incurred by the Computershare (the total of such amounts is hereafter referred to as the "**Payout Amount**"). The Payout Amount should be paid by way of wire transfer. Please contact us before remitting payment to ascertain the amount of interest and fees outstanding and so that we can provide our wire instructions. Unless the Payout Amount is received in our office by January 5, 2026, we expect to receive instructions to commence proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to the Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We also enclose with this letter a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Borrower wish to consent to the immediate enforcement by Computershare of its security, please sign the consent and waiver below and return it to attention of the writer.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT
Enclosure

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner).
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.

NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*
SECTION 244

TO: NO. 198 CATHEDRAL VENTURES LTD., an insolvent person (the “Debtor”)

TAKE NOTICE THAT:

1. **COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS Financial Ltd. (the “Secured Party”)**, intends to enforce its security on the Debtor’s property, described below:

All present and after-acquired personal property which arises from, pertains to, is located on, or is used in the operation and maintenance of the lands and premises legally described as more particularly set out in Schedule “A” hereto (the “**Property**”), the Property, and any proceeds therefrom.

2. The security that is to be enforced is in the form of:
 - a) a mortgage in the original principal amount of \$21,500,000 granted by, among others, the Debtor, in favour of the Secured Party, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378;
 - b) a assignment of rents granted by, among others, the Debtor, in favour of the Secured Party, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379;
 - c) a beneficial authorization and charge agreement dated November 23, 2021 among the Secured Party, the Debtor, and James Holdings Ltd;
 - d) a general security agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of the Secured Party;
 - e) an interest reserve agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of the Secured Party;
 - f) an assignment of permits, licenses and approvals granted by, among others, the Debtor, in favour of the Secured Party; and
 - g) a modification of mortgage dated September 17, 2024 granted by, among others, the Debtor, in favour of the Secured Party, and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
3. The total indebtedness secured by the security as at December 22, 2025, is \$21,867,655.07, plus interest and any costs incurred by the Secured Party, which continue to accrue, up to the date of payment.

4. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, on December 24, 2025.

**COMPUTERSHARE TRUST COMPANY OF CANADA, by its
servicer, CMLS Financial Ltd.**

Per: 
Vicki Tickle (authorized on behalf of CMLS Financial Ltd.)

Schedule "A"**Legal Descriptions of Property****PID: 014-175-207**

Lot 9, Block 430, District Lot 526 Plan 1949

PID: 014-174-685

Lot 10, Block 430, District Lot 526 Plan 1949

PID: 014-174-707

Lot 11, Block 430, District Lot 526 Plan 1949

PID: 025-836-471

Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

PID: 027-480-917

Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

CONSENT AND WAIVER

**TO: COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS
Financial Ltd. (the "Secured Party")**

FROM: NO. 198 CATHEDRAL VENTURES LTD.

The undersigned, No. 198 Cathedral Ventures Ltd., hereby acknowledges receipt from Portage Capital Corporation, as servicer on behalf of the Secured Party, of a Notice of Intention to Enforce Security dated December 23, 2025 (the "**Notice**") given by the Secured Party pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**") in respect of the security granted by the undersigned to the Secured Party. In accordance with subsection 244(2) of the Act, No. 198 Cathedral Ventures Ltd. hereby waives its right to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security.

DATED at _____ this _____ day of _____, 202__.

NO. 198 CATHEDRAL VENTURES LTD.

Authorized Signatory

Cassels

December 24, 2025

By Courier and Email

Anthony James Pappajohn
670-1665 West Broadway
Vancouver BC V6J 1X1

vtickle@cassels.com
tel: +1 778 309 7954

Email: tony@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

Pursuant to the loan and security documents referenced in Schedule "A" (the "**Loan Documents**"), certain financing (the "**Loan**") was extended to the Borrower.

In connection with the Loan, you granted to Computershare a guarantee dated November 23, 2021 (the "**Guarantee**"), pursuant to which you guaranteed the payment of all present and future debts and liabilities at any time owing by the Borrower to Computershare pursuant to the Mortgage (as defined below).

As of December 22, 2025, the Borrower was indebted to Computershare under the Loan in the amount of \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents (including the Mortgage), and that Event of Default has not been cured or waived in accordance with the provisions of the Mortgage.

Pursuant to the terms of the Loan Documents, on December 22, 2025, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**"), demanded payment of the Indebtedness (as defined in the Mortgage) owing to Computershare by the Borrower under the Loan which was immediately due and payable. A copy of those demands are enclosed.

t: 604 691 6100
f: 604 691 6120
cassels.com

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

Pursuant to the terms of the Guarantee, Computershare is not obligated to exhaust its remedies against the Borrower or under the Loan Documents before proceeding to enforce the Guarantee. Given the ongoing, uncured and unwaived Event of Default, the Servicer is entitled to make demand upon you for payment of all Obligations (as defined in the Guarantee).

On behalf of the Servicer, we hereby make demand for payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, costs and expenses incurred by Computershare and the Servicer (the total of such amounts is hereafter referred to as the **"Payout Amount"**).

In order to avoid enforcement action by Computershare, you must pay the Payout Amount in full on or before January 2, 2026. Please contact us before remitting payment to ascertain the amount of interest and fees, costs and expenses outstanding.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender, 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner)
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.

Cassels

December 24, 2025

By Courier and Email

James Holdings Ltd.
670-1665 West Broadway
Vancouver BC V6J 1X1

vtickle@cassels.com
tel: +1 778 309 7954

James Holdings Ltd.
20th Floor, 250 Howe Street
Vancouver BC V6C 3R8

James Holdings Ltd.
104-1525 West 8th Avenue
Vancouver BC V6J 1T5

Attention: Anthony James Pappajohn

Email: tony@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

Pursuant to the loan and security documents referenced in Schedule "A" (the "**Loan Documents**"), certain financing (the "**Loan**") was extended to the Borrower (as defined below).

In connection with the Loan, you granted to Computershare a guarantee dated November 23, 2021 (the "**Guarantee**"), pursuant to which you guaranteed the payment of all present and future debts and liabilities at any time owing by the Borrower to Computershare pursuant to the Mortgage (as defined below).

As of December 22, 2025, the Borrower was indebted to Computershare under the Loan in the amount of \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents (including the Mortgage), and that Event of Default has not been cured or waived in accordance with the provisions of the Mortgage.

Pursuant to the terms of the Loan Documents, on December 24, 2025, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**"), demanded payment of the Indebtedness (as defined in the Mortgage) owing to Computershare by the Borrower under the Loan which was immediately due and payable. A copy of those demands are enclosed.

Pursuant to the terms of the Guarantee, Computershare is not obligated to exhaust its remedies against the Borrower or under the Loan Documents before proceeding to enforce the Guarantee. Given the ongoing, uncured and unwaived Event of Default, the Servicer is entitled to make demand upon you for payment of all Obligations (as defined in the Guarantee).

On behalf of the Servicer, we hereby make demand for payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, costs and expenses incurred by Computershare and the Servicer (the total of such amounts is hereafter referred to as the "**Payout Amount**").

In order to avoid enforcement action by Computershare, you must pay the Payout Amount in full on or before January 5, 2026. Please contact us before remitting payment to ascertain the amount of interest and fees, costs and expenses outstanding.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We also enclose with this letter a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Should you wish to consent to the immediate enforcement by Computershare of its security, please sign the consent and waiver below and return it to attention of the writer.

Cassels

December 24, 2025
Page 3

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT

t: 604 691 6100

f: 604 691 6120

cassels.com

Cassels Brock & Blackwell LLP

Suite 2200, RBC Place, 885 West Georgia Street

Vancouver, BC V6C 3E8 Canada

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner)
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*
SECTION 244**

TO: JAMES HOLDINGS LTD., an insolvent person (the “Debtor”)

TAKE NOTICE THAT:

1. **COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS Financial Ltd. (the “Secured Party”)**, intends to enforce its security on the Debtor's property, described below:

All present and after-acquired personal property which arises from, pertains to, is located on, or is used in the operation and maintenance of the lands and premises legally described as more particularly set out in Schedule “A” hereto (the “**Property**”), the Property, and any proceeds therefrom.

2. The security that is to be enforced is in the form of:
 - a) a beneficial owner authorization and charge agreement dated November 23, 2021 among the Secured Party, No. 198 Cathedral Ventures Ltd. and the Debtor;
 - b) a beneficial owner authorization and charge agreement dated November 23, 2021 among the Secured Party, 5186 Investments Ltd. and the Debtor;
 - c) a beneficial owner authorization and charge agreement dated November 23, 2021 among the Secured Party, 4354 Investments Ltd. and the Debtor;
 - d) a general security agreement dated November 23, 2021 granted by, among others, the Debtor, in favour of Secured Party;
 - e) an assignment of permits, licenses and approvals granted by, among others, the Debtor, in favour of the Secured Party
 - f) a share pledge agreement dated November 23, 2021 granted by the Debtor, in favour of the Secured Party;
 - g) a beneficial owner authorization and charge agreement dated September 17, 2024 among the Secured Party, 4354 Investments Ltd. and the Debtor;
 - h) a beneficial owner authorization and charge agreement dated September 17, 2024 among the Secured Party, 1060485 B.C. Ltd. and the Debtor; and
 - i) a specific assignment of net proceeds dated September 17, 2024 granted by the debtor in favour of Portage Capital Corporation.
3. The total indebtedness secured by the security as at December 22, 2025, is \$21,867,655.07, plus interest and any costs incurred by the Secured Party, which continue to accrue, up to the date of payment.

4. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, on December 24, 2025.

**COMPUTERSHARE TRUST COMPANY OF CANADA, by its
servicer, CMLS Financial Ltd.**

Per: 

Vicki Tickle (authorized on behalf of CMLS Financial Ltd.)

Schedule "A"**Legal Descriptions of Property****PID: 014-175-207**

Lot 9, Block 430, District Lot 526 Plan 1949

PID: 014-174-685

Lot 10, Block 430, District Lot 526 Plan 1949

PID: 014-174-707

Lot 11, Block 430, District Lot 526 Plan 1949

PID: 025-836-471

Parcel C Except: Part subdivided by Plan BCP23566; Block 451
District Lot 526 Group 1 New Westminster District Plan BCP8982

PID: 027-480-917

Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

CONSENT AND WAIVER

**TO: COMPUTERSHARE TRUST COMPANY OF CANADA, by its servicer CMLS
Financial Ltd. (the "Secured Party")**

FROM: JAMES HOLDINGS LTD.

The undersigned, James Holdings Ltd., hereby acknowledges receipt from Portage Capital Corporation, as servicer on behalf of the Secured Party, of a Notice of Intention to Enforce Security dated December 23, 2025 (the "**Notice**") given by the Secured Party pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**") in respect of the security granted by the undersigned to the Secured Party. In accordance with subsection 244(2) of the Act, James Holdings Ltd. hereby waives its right to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security.

DATED at _____ this _____ day of _____, 202__.

JAMES HOLDINGS LTD.

Authorized Signatory



December 24, 2025

By Courier and Email

John George James Pappajohn
670-1665 West Broadway
Vancouver BC V6J 1X1

vtickle@cassels.com
tel: +1 778 309 7954

Email: john@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

Pursuant to the loan and security documents referenced in Schedule "A" (the "**Loan Documents**"), certain financing (the "**Loan**") was extended to the Borrower (as defined below).

In connection with the Loan, you granted to Computershare a guarantee dated November 23, 2021 (the "**Guarantee**"), pursuant to which you guaranteed the payment of all present and future debts and liabilities at any time owing by the Borrower to Computershare pursuant to the Mortgage (as defined below).

As of December 22, 2025, the Borrower was indebted to Computershare under the Loan in the amount of \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents (including the Mortgage), and that Event of Default has not been cured or waived in accordance with the provisions of the Mortgage.

Pursuant to the terms of the Loan Documents, on December 24, 2025, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**") demanded payment of the Indebtedness (as defined in the Mortgage) owing to Computershare by the Borrower under the Loan which was immediately due and payable. A copy of those demands are enclosed.

t: 604 691 6100
f: 604 691 6120
cassels.com

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

Pursuant to the terms of the Guarantee, Computershare is not obligated to exhaust its remedies against the Borrower or under the Loan Documents before proceeding to enforce the Guarantee. Given the ongoing, uncured and unwaived Event of Default, the Servicer is entitled to make demand upon you for payment of all Obligations (as defined in the Guarantee).

On behalf of the Servicer, we hereby make demand for payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, costs and expenses incurred by Computershare and the Servicer (the total of such amounts is hereafter referred to as the **"Payout Amount"**).

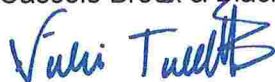
In order to avoid enforcement action by Computershare, you must pay the Payout Amount in full on or before January 5, 2026. Please contact us before remitting payment to ascertain the amount of interest and fees, costs and expenses outstanding.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner)
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.



December 24, 2025

By Courier and Email

Thomas James Pappajohn
670-1665 West Broadway
Vancouver BC V6J 1X1

vtickle@cassels.com
tel: +1 778 309 7954

Email: tom@jamesoncorp.ca

Dear Sirs/Mesdames:

Re: Loan to No. 198 Cathedral Ventures Ltd., 5186 Investments Ltd. and 4354 Investments Ltd.

And Re: Security in favour of Computershare Trust Company of Canada ("Computershare")

Pursuant to the loan and security documents referenced in Schedule "A" (the "**Loan Documents**"), certain financing (the "**Loan**") was extended to the Borrower (defined below).

In connection with the Loan, you granted to Computershare a guarantee dated November 23, 2021 (the "**Guarantee**"), pursuant to which you guaranteed the payment of all present and future debts and liabilities at any time owing by the Borrower to Computershare pursuant to the Mortgage (as defined below).

As of December 22, 2025, the Borrower was indebted to Computershare under the Loan in the amount of \$21,867,655.07 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at December 22, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment due on December 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents (including the Mortgage), and that Event of Default has not been cured or waived in accordance with the provisions of the Mortgage.

Pursuant to the terms of the Loan Documents, on December 22, 2025, CMLS Financial Ltd., as servicer on behalf of Computershare (in such capacity, the "**Servicer**"), demanded payment of the Indebtedness (as defined in the Mortgage) owing to Computershare by the Borrower under the Loan which was immediately due and payable. A copy of those demands are enclosed.

t: 604 691 6100
f: 604 691 6120
cassels.com

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

Pursuant to the terms of the Guarantee, Computershare is not obligated to exhaust its remedies against the Borrower or under the Loan Documents before proceeding to enforce the Guarantee. Given the ongoing, uncured and unwaived Event of Default, the Servicer is entitled to make demand upon you for payment of all Obligations (as defined in the Guarantee).

On behalf of the Servicer, we hereby make demand for payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including December 22, 2025 to and including the date payment is received in our office, plus all legal and other fees, costs and expenses incurred by Computershare and the Servicer (the total of such amounts is hereafter referred to as the "**Payout Amount**").

In order to avoid enforcement action by Computershare, you must pay the Payout Amount in full on or before January 5, 2026. Please contact us before remitting payment to ascertain the amount of interest and fees, costs and expenses outstanding.

The above balance is based on the records available to the Servicer at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to Computershare by the Borrower, Computershare reserves all rights to any additional monies which you may owe.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT

Schedule "A"
Loan Documents

1. Commitment letter dated November 5, 2021 among No. 198 Cathedral Ventures Ltd. ("**No. 198**"), 5186 Investments Ltd. ("**5186**") and 4354 Investments Ltd. ("**4354**"), each as bare trustee and nominee for James Holdings Ltd. (in such capacities, collectively, the "**Borrower**"), and Portage Capital Corporation, and guaranteed by James Holdings Ltd. ("**James Holdings**"), Anthony James Pappajohn ("**Mr. A. Pappajohn**"), John George James Pappajohn ("**Mr. J. Pappajohn**") and Thomas James Pappajohn ("**Mr. T. Pappajohn**"), and collectively with James Holdings, Mr. A. Pappajohn and Mr. J. Pappajohn, the "**Guarantors**")
2. Mortgage in the original principal amount of \$21,500,000 granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557378.
3. Assignment of Rents granted by the Borrower in favour of Computershare, dated November 23, 2021 and registered in the New Westminster Land Title Office on December 3, 2021 under registration number CA9557379.
4. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), No. 198 (as Nominee) and James Holdings (as Beneficial Owner).
5. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 5186 (as Nominee) and James Holdings (as Beneficial Owner).
6. Beneficial Owner Authorization and Charge Agreement dated November 23, 2021 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
7. General Security Agreement dated November 23, 2021 granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
8. Environmental Indemnity dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
9. Interest Reserve Agreement dated November 23, 2021 granted by the Borrower, in favour of Computershare.
10. Assignment of Permits, Licenses and Approvals dated November 23, 2021, granted by No. 198, 5186, 4354 and James Holdings in favour of Computershare.
11. Share Pledge Agreement dated November 23, 2021 granted by James Holdings in favour of Computershare.

12. Indemnity Agreement dated November 23, 2021 granted by the Borrower and the Guarantors in favour of Computershare.
13. Guarantee dated November 23, 2021 granted by James Holdings in favour of Computershare.
14. Guarantee dated November 23, 2021 granted by Mr. A. Pappajohn in favour of Computershare.
15. Guarantee dated November 23, 2021 granted by Mr. J. Pappajohn in favour of Computershare.
16. Guarantee dated November 23, 2021 granted by Mr. T. Pappajohn in favour of Computershare.
17. Commitment extension letter dated April 8, 2024 among the Borrower, and Portage Capital Corporation, and guaranteed by the Guarantors.
18. Mortgage and Assignment of Rents in the original principal amount of \$21,500,000 granted by 4354 in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 19, 2024 under registration numbers CB1605013 and CB1605014.
19. Modification of Mortgage dated September 17, 2024 granted by the Borrower in favour of Computershare and registered in the New Westminster Land Title Office on October 4, 2024 under registration number CB1635714.
20. Mortgage and Assignment of Rents granted by 1060485 B.C. Ltd. ("**106 BC**") in favour of Computershare, dated September 17, 2024 and registered in the New Westminster Land Title Office on September 23, 2025 under registration numbers CB2356066 and CB2356067.
21. Escrow Agreement dated September 17, 2024 among Computershare, 106 BC, James Holdings and Cassels Brock & Blackwell LLP.
22. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 4354 (as Nominee) and James Holdings (as Beneficial Owner).
23. Beneficial Owner Authorization and Charge Agreement dated September 17, 2024 among Computershare (as Lender), 106 BC (as Nominee) and James Holdings (as Beneficial Owner)
24. General Security Agreement dated September 17, 2024 granted by 4354 in favour of Computershare.
25. General Security Agreement dated September 17, 2024 granted by 106 BC in favour of Computershare.
26. Confirmation of Guarantee and Security dated September 17, 2024 granted by the Borrower and the Guarantors in favour of Portage Capital Nominee Corp.

27. Specific Assignment of Net Proceeds dated September 17, 2024 granted by James Holdings Ltd. in favour of Portage Capital Corporation.

EXHIBIT "U"

This is Exhibit "U" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

EXECUTION VERSION

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT (as amended, restated, supplemented or replaced from time to time, this "**Agreement**") is made as of this 9th day of February, 2026 (the "**Effective Date**").

A M O N G:

COMPUTERSHARE TRUST COMPANY OF CANADA
(the "**Lender**")

-and-

5186 INVESTMENTS LTD., NO 198 CATHEDRAL VENTURES LTD. and 4354 INVESTMENTS LTD.
(collectively, the "**Borrowers**")

-and-

JAMES HOLDINGS LTD.
(the "**Beneficial Owner**")

-and-

1060485 B.C. LTD.
(the "**Corporate Covenantor**")

-and-

JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP
(the "**Birch Beneficial Owner LP**")

-and-

JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD.
(the "**Birch Beneficial Owner GP**")

-and-

1061511 B.C. LTD.
(the "**Birch Legal Owner**" and collectively with the Birch Beneficial Owner LP and the Birch Beneficial Owner GP, the "**B&B Entities**")

-and-

ANTHONY PAPPAJOHN, JOHN PAPPAJOHN and THOMAS PAPPAJOHN
(collectively, the "**Individual Guarantors**" and together with the Beneficial Owner, the "**Guarantors**" and collectively with the Borrowers and the Corporate Covenantor, the "**Loan Parties**")

RECITALS:

WHEREAS Portage Capital Corporation ("**Portage**"), the Borrowers and the Guarantors entered into a commitment letter on November 5, 2021 (the "**Original Commitment Letter**");

AND WHEREAS, on closing of the loan transaction CMLS Financial Ltd. (the “**Servicer**”) was appointed to act as the mortgage servicer and the security delivered by the Borrowers and the Guarantors thereunder was delivered in favour of the Lender;

AND WHEREAS Portage and the Loan Parties entered into a renewal letter in respect of the Original Commitment Letter on April 24, 2024 (the “**Renewal Letter**” and together with the Original Commitment Letter, the “**Commitment Letter**”);

AND WHEREAS the Beneficial Owner (i) directed the Borrowers to incur the Obligations, (ii) directed the Borrowers and the Corporate Covenantor to deliver the Security and (iii) mortgaged and charged all of the Beneficial Owner’s right, title and interest in and to the property and assets mortgaged and charged by the Security;

AND WHEREAS the Borrowers, the Beneficial Owner and the Corporate Covenantor delivered the Mortgage and the other security listed on Schedule A hereto (collectively, the “**Security**”);

AND WHEREAS each of the Guarantors, including the Beneficial Owner, provided an unlimited guarantee of the indebtedness of the Borrowers pursuant to the Commitment Letter (as described more particularly in Schedule A hereto, the “**Guarantees**” and together with the Security and the Commitment Letter, and all documents, instruments or other agreements executed or delivered in connection with any of the foregoing by any one or more of the Loan Parties, the “**Loan and Security Documents**”);

AND WHEREAS on November 25, 2025, certain affiliates of the Loan Parties (namely, the B&B Entities) commenced restructuring proceedings under the *Companies’ Creditors Arrangement Act* (Canada) and obtained an Initial Order of the Supreme Court of British Columbia (the “**B&B CCAA Proceedings**”), pursuant to which limited protections were extended to certain property of the Beneficial Owner;

AND WHEREAS various events of default known to the Lender as of the date hereof have occurred in respect of the Loan and Security Documents (collectively, the “**Existing Defaults**”) including without limitation:

- (a) failure by the Borrowers to pay when due regular monthly interest payments on December 1, 2025, January 1, 2026 and February 1, 2026 in the aggregate amount of \$645,000.00, plus accrued late interest; and
- (b) failure by the Borrowers to pay when due all amounts of principal and interest outstanding under the Commitment Letter when due on the maturity date, being January 1, 2025;

AND WHEREAS on December 24, 2025, the Lender issued a demand letter to each of the Loan Parties (each, a “**Demand**”) and enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the BIA (each, a “**NITES**”) to the Demands issued to the Borrowers, Beneficial Owner and Corporate Covenantor;

AND WHEREAS the Loan Parties have requested and the Lender has agreed to forbear from taking enforcement actions under the Loan and Security Documents solely on the terms and conditions and subject to the limitations contained in this Agreement;

NOW THEREFORE in consideration of the respective covenants of the parties hereto as herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), each of the parties hereto hereby agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

All monetary amounts referred to in this Agreement shall refer to Canadian currency. In addition to the terms defined in the above preamble and recitals of this Agreement and Schedule A of this Agreement, the following capitalized terms used in this Agreement have the meanings set out below:

- (a) **"106 Mortgage"** has the meaning given to such term in Schedule A hereof;
- (b) **"4534 Mortgage"** has the meaning given to such term in Schedule A hereof;
- (c) **"affiliate"** has the meaning given to such term in the *Business Corporations Act* (British Columbia);
- (d) **"Agreement"** has the meaning given to such term in the preamble hereto;
- (e) **"B&B CCAA Proceedings"** has the meaning given to such term in the recitals hereto;
- (f) **"B&B Entities"** has the meaning given to such term in the preamble hereto;
- (g) **"Beneficial Owner"** has the meaning given to such term in the preamble hereto;
- (h) **"BIA"** means the *Bankruptcy and Insolvency Act* (Canada) and all regulations made thereunder, as amended from time to time;
- (i) **"Birch Beneficial Owner GP"** has the meaning given to such term in the preamble hereto;
- (j) **"Birch Beneficial Owner LP"** has the meaning given to such term in the preamble hereto;
- (k) **"Birch Legal Owner"** has the meaning given to such term in the preamble hereto;
- (l) **"Birch Mortgage"** has the meaning given to such term in Section 3.1(b)(i) hereof;
- (m) **"Birch Property"** means the property municipally known at 2538 Birch Street, Vancouver, British Columbia and legally described as LOT 1 BLOCK 353 PLAN EPP81033 DISTRICT LOT 526 GROUP 1 NEW WESTMINSTER LAND DISTRICT, being PID: 030-417-261;
- (n) **"Borrowers"** has the meaning given to such term in the preamble hereto;
- (o) **"Business Day"** has the meaning given to such term in Section 7.9 hereof;
- (p) **"Cash Flow Forecast"** has the meaning given to such term in Section 3.1(d)(iii) hereof;
- (q) **"Commitment Letter"** has the meaning given to such term in the recitals hereto;
- (r) **"Corporate Covenantor"** has the meaning given to such term in the preamble hereto;
- (s) **"Effective Date"** has the meaning given to such term in the recitals hereto;
- (t) **"Existing Defaults"** has the meaning given to such term in the recitals hereto;
- (u) **"Forbearance Expiry Date"** has the meaning given to such term in Section 4.1 hereof;
- (v) **"Forbearance Fee"** has the meaning given to such term in Section 4.3 hereof;

- 4 -

- (w) **"Forbearance Period"** has the meaning given to such term in Section 4.1 hereof;
- (x) **"Forbearance Termination Event"** has the meaning given to such term in Section 6.1 hereof;
- (y) **"GSAs"** has the meaning given to such term in Schedule A hereof;
- (z) **"Guarantee"** has the meaning given to such term in Schedule A hereof;
- (aa) **"Guarantors"** has the meaning given to such term in the preamble hereto;
- (bb) **"Individual Guarantors"** has the meaning given to such term in the preamble hereto;
- (cc) **"Law and Equity Act"** means the *Law and Equity Act* (British Columbia) and all regulations made thereunder, as amended from time to time;
- (dd) **"Loan and Security Documents"** has the meaning given to such term in the recitals hereto;
- (ee) **"Loan Parties"** has the meaning given to such term in the preamble hereto;
- (ff) **"Mortgage"** has the meaning given to such term in Schedule A hereof;
- (gg) **"NITES"** has the meaning given to such term in the recitals hereto;
- (hh) **"Obligations"** means all amounts owing to the Lender by the Borrowers and the other Loan Parties pursuant to the Loan and Security Documents and this Agreement, including all principal, all interest due and accruing due, and all fees and expenses incurred by the Lender (including without limitation all legal fees and disbursements);
- (ii) **"Original Commitment Letter"** has the meaning given to such term in the recitals hereto;
- (jj) **"Original Mortgage"** has the meaning given to such term in Schedule A hereof;
- (kk) **"Portage"** has the meaning given to such term in the recitals hereto;
- (ll) **"PPSA"** means the *Personal Property Security Act* (British Columbia) and all regulations made thereunder, as amended from time to time, and any other applicable legislation governing security interests in personal property;
- (mm) **"Priority Payables"** means all obligations owing to any creditor which would be entitled to claim priority over or *pari passu* with the security interest of the Lender in the assets and undertakings of the Borrowers (except with respect to Argo Ventures Inc. in relation to the Birch Mortgage as provided for in Section 3.1(b)(i) of this Agreement), the Beneficial Owner or the Corporate Covenantor, including wages and remittances required to be made for taxes and other liabilities owed to federal, provincial and municipal governments, including, without limitation, property taxes and money owed in respect of employee source deductions pursuant to the *Canada Pension Plan Act* (Canada), *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada), and in respect of any amounts owed pursuant to the *Excise Tax Act* (Canada) or equivalent provincial legislation;
- (nn) **"Professional Expenses"** has the meaning given to such term in Section 5.2 hereof;

- (oo) **"Property Law Act"** means the *Property Law Act* (British Columbia) and all regulations made thereunder, as amended from time to time;
- (pp) **"Primary Properties"** has the meaning given to such term in Schedule B hereof;
- (qq) **"Real Property"** has the meaning given to such term in Schedule B hereof;
- (rr) **"Releasees"** has the meaning given to such term in Section 7.7 hereof;
- (ss) **"Renewal Letter"** has the meaning given to such term in the recitals hereto;
- (tt) **"Security"** has the meaning given to such term in the recitals hereto;
- (uu) **"Secondary Properties"** has the meaning given to such term in Schedule B hereof; and
- (vv) **"Servicer"** has the meaning given to such term in the recitals hereto.

1.2 Extended Meanings

Terms defined in the singular have the same meaning when used in the plural, and *vice-versa*. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean "including, without limitation", and the term "includes" shall mean "includes, without limitation". Any reference herein to the exercise of discretion by the Lender, or the Servicer on behalf of the Lender, (including phrases such as "in the discretion of", "in the opinion of", "to the satisfaction of" and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein. Each representation, warranty, covenant, agreement or obligation hereunder given, made or incurred by a Loan Party shall be given, made or incurred by the Loan Parties jointly and severally and this Agreement shall be effective upon each of the Loan Parties who have executed it notwithstanding that it may not have been executed by all of the Loan Parties.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Loan and Security Documents this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written agreement executed by all the parties. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all the parties, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to any conflicts of law or principles of comity.

1.7 Attornment

Each party hereto irrevocably attorns to the exclusive jurisdiction of the Supreme Court of British Columbia in the City of Vancouver for all matters arising out of or in connection with this Agreement and the Loan and Security Documents.

1.8 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Loan and Security Documents, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Lender, or the Servicer on behalf of the Lender, under the Loan and Security Documents or this Agreement other than as may be specifically contemplated herein.

ARTICLE 2 ACKNOWLEDGEMENT AND CONFIRMATION

2.1 Acknowledgement of Obligations

- (a) Each of the Loan Parties hereby acknowledges, confirms and agrees that the Obligations are due and owing and the Borrowers are indebted to the Lender under the Loan and Security Documents as more specifically set out below:

Loan extended under the Commitment Letter

Principal to and including February 1, 2026:	\$21,500,000.00
Interest accrued to February 1, 2026, interest continuing to accrue thereafter:	\$645,000.00
Accrued late interest	\$6,521.97
Legal Fees and Disbursements and Applicable Taxes up to and including December 31, 2025, legal fees and disbursements continuing to accrue thereafter:	\$54,754.58
Forbearance Fee:	\$100,000.00
Total:	\$22,306,276.55

- (b) Each of the Loan Parties hereby acknowledges, confirms and agrees that the Obligations are unconditionally owing by the Borrowers, and the Guarantors by way of the Guarantees, to the Lender as of the date hereof, without any right of setoff, defense, counterclaim or reduction of any kind, nature or description whatsoever, and the Loan Parties are estopped from disputing such Obligations and waive all available defenses in respect thereof.

- (c) The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the Obligations of the Borrowers and the Guarantors to the Lender pursuant to the Loan and Security Documents.

2.2 Acknowledgements Regarding Loan and Security Documents

- (a) Each Loan Party hereby acknowledges, confirms and agrees that each Loan and Security Document to which such Loan Party is a party or delivered by such Loan Party is and shall continue to be in full force and effect and is legal, valid, binding and enforceable against such Loan Party and that neither the execution of this Agreement nor any change to the Obligations occasioned hereby, or any other matter arising herefrom, shall in any way affect the continuing effectiveness and validity of the Loan and Security Documents.
- (b) Each of the Loan Parties hereby acknowledges, confirms and agrees that the Security, as applicable, has not been discharged, waived or varied, that it is binding upon each of the Loan Parties and that the Security, as applicable, is enforceable in accordance with its written terms and each constitutes a legal, valid and binding mortgage, charge, lien and/or security interest, as applicable, over the real and/or personal property mortgaged or charged thereby until the Obligations then due have been indefeasibly paid and satisfied in full.
- (c) Each of the Loan Parties hereby acknowledges, confirms and agrees that (a) the GSAs are governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein and (b) the Loan Parties irrevocably and unconditionally attorn and submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia, subject to the terms of the GSAs.

2.3 Acknowledgement of Events of Default

- (a) Each of the Loan Parties hereby acknowledges, confirms and agrees that the Existing Defaults have occurred and are continuing and that same constitute "Events of Default" under and pursuant to the provisions of the Loan and Security Documents.
- (b) Each of the Loan Parties further acknowledges, confirms and agrees that, as of the date hereof, the Lender has made no promises and has not waived, and does not intend to waive such Existing Defaults or any other present or future default under any of the Loan and Security Documents, and nothing contained herein or the transactions contemplated hereby shall be deemed to constitute any such waiver.
- (c) Each of the Loan Parties further acknowledges, confirms and agrees that the NITES were issued in compliance with the Loan and Security Documents, the BIA and all applicable law, that the notice period provided in the BIA has expired, and that neither the Lender nor the Servicer shall be required to issue any further notices under the BIA, or otherwise, before taking any steps to enforce the Lender's security interests in respect of any of the Loan Parties.

2.4 Additional Acknowledgements

Each of the Loan Parties hereby acknowledges, confirms and agrees that:

- 8 -

- (a) the facts set out in the recitals to this Agreement are true and accurate, in substance and in fact;
- (b) except as hereby amended, the Loan and Security Documents do and shall remain in full force and effect, unamended;
- (c) except as provided for in this Agreement, neither the Lender (either by itself or through its employees or agents) nor the Servicer has made any promises, nor have they taken any action or omitted to take any action, that would constitute a waiver of the right to enforce the Loan and Security Documents and pursue the Lender's remedies in respect of the Obligations of the Loan Parties to the Lender, or that would stop it from doing so;
- (d) the Loan Parties are not aware of any fact, event, circumstance or condition that, in their understanding, may cause the Lender, as a reasonable and prudent lender, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this Agreement;
- (e) subject only to court approval in the B&B CCAA Proceedings to the extent required under this Agreement, all corporate, partnership or other action necessary for the authorization, execution, delivery and performance of this Agreement by the Loan Parties has been duly authorized and taken;
- (f) the Lender (i) has fully and timely performed all of its covenants and obligations under the Loan and Security Documents and applicable law and has acted reasonably and (ii) is under no obligation whatsoever to advance or loan any additional amounts to any of the Borrowers, the Beneficial Owner or any of the other Loan Parties, and, in each case, the Loan Parties are estopped from disputing same;
- (g) the Loan Parties have made any and all required payments on account of Priority Payables and no such amounts are owed by or due from the Loan Parties as of the date of this Agreement;
- (h) the period from the Effective Date to the end of the Forbearance Period shall be counted to reduce on a day-for-day basis any redemption period to which the Borrowers, Beneficial Owner or Corporate Covenantor may otherwise be entitled in any foreclosure, receivership or other proceeding in respect of any one or more of them; for greater certainty, this provision shall apply (and the time in respect of any such redemption period shall begin to run) immediately upon execution of this Agreement by any of the Loan Parties, as applicable, regardless of whether court approval has been obtained in the B&B Entities CCAA Proceedings; and
- (i) this Agreement constitutes a Loan and Security Document.

ARTICLE 3 CONDITIONS PRECEDENT

3.1 Conditions Precedent

The obligations of the Lender, or Servicer on behalf of the Lender, to forbear under this Agreement shall not be effective unless the Lender, or the Servicer on behalf of the Lender, shall have received:

- 9 -

- (a) a copy of this Agreement fully executed by all of the Loan Parties;
- (b) the following additional security in form and substance acceptable to the Lender and executed by the applicable Loan Parties and B&B Entities:
 - (i) a mortgage to be registered on title to the Birch Property (as registered, the "**Birch Mortgage**") in favour of the Lender and Argo Ventures Inc. in an amount of \$35,000,000, securing (1) any and all amounts owing by one or more of the B&B Entities to the Beneficial Owner and (2) any and all distributions that the Beneficial Owner is entitled to from the Birch Property (including in respect of any sale or refinancing thereof) to, among other things, cross-collateralize and cross-default the Birch Mortgage to the indebtedness, Obligations, and liabilities owed to the Lender by the Loan Parties under the Loan and Security Documents; provided, the Birch Mortgage shall rank subordinate to (A) the existing mortgages registered on title to the Birch Property as of the Effective Date and (B) the court ordered charges granted by the Supreme Court of British Columbia in the Amended and Restated Initial Order made December 4, 2025 in the B&B CCAA Proceedings; and further provided, 80% of each dollar paid on account of the Birch Mortgage and/or the obligations set out in (1) and (2) above shall be paid to the Lender with the remaining 20% of each dollar paid on account thereof to Argo Ventures Inc.
- (c) an order of the Supreme Court of British Columbia in the B&B CCAA Proceedings obtained by the B&B Entities as soon as practicable in form and substance acceptable to the Lender authorizing and approving the B&B Entities entering into this Agreement, (b)(i) above and the Birch Mortgage being registered on title to the Birch Property;
- (d) in addition to any other information which the Lender may reasonably request, the following, in each case in form and substance acceptable to the Lender:
 - (i) a copy of the current rent roll for each of the properties comprising the Primary Property;
 - (ii) an accounting of all amounts owing under any other mortgages registered on title to the Primary Property;
 - (iii) an entity by entity monthly cash flow forecast for each of the Borrowers and a consolidated cash flow forecast for the Beneficial Owner and the Corporate Covenantor, in each case for the 6 month period beginning February 1, 2026 – July 31, 2026 (collectively, the "**Cash Flow Forecast**"); and
 - (iv) current statements of affairs or personal net worth statements, as applicable, for each of the Loan Parties, including details of any other amounts borrowed by the Loan Parties; and
- (e) the Lender, or the Servicer on behalf of the Lender or its counsel, has confirmed in writing (including by email) to the Loan Parties or their counsel that such conditions precedent have been satisfied.

In respect of Section 3.1(c) of this Agreement, the B&B Entities shall provide the Lender and its representatives a reasonable opportunity to review the draft application materials in respect

thereof (including the proposed draft order) no less than two Business Days before service. The Loan Parties and B&B Entities acknowledge and agree (i) that such materials shall be in form and substance satisfactory to the Lender or the Servicer on the Lender's behalf and (ii) to consult and cooperate with the Lender or the Servicer on the Lender's behalf regarding the hearing of such application. The Loan Parties and B&B Entities shall promptly inform counsel for the Servicer of any threatened or actual objections to the application and shall provide a copy of all written objections received.

ARTICLE 4 FORBEARANCE CONDITIONS

4.1 Forbearance

In reliance upon the acknowledgements, representations, warranties and covenants of the Loan Parties contained in this Agreement and subject to the terms and conditions of this Agreement and any documents executed in connection herewith, the Lender agrees to forbear from seeking to collect any further payments from the bank account of the Beneficial Owner and exercising its rights and remedies under the Loan and Security Documents, the PPSA, the Property Law Act, the Law and Equity Act and other applicable law from and including the date on which all conditions precedent in Section 3.1 are satisfied to the satisfaction of the Lender in its sole discretion (the **"Forbearance Effective Date"**) until the earlier of the following dates (the period from and including the Forbearance Effective Date to such date is called the **"Forbearance Period"**):

- (a) July 31, 2026 (the **"Forbearance Expiry Date"**); and
- (b) the occurrence of a Forbearance Termination Event.

4.2 Termination of the Forbearance Period

The Loan Parties agree that upon the occurrence of the earlier to occur of a Forbearance Termination Event and the Forbearance Expiry Date, the Lender, including the Servicer on behalf of the Lender, shall be entitled to exercise any of its rights and remedies under the Loan and Security Documents, this Agreement and any other agreement executed in connection herewith, the PPSA, the Property Law Act, the Law and Equity Act and other applicable law or in equity in the Lender's sole and absolute discretion (in each case, other than in regard to remedies as against the B&B Entities so long as the stay of proceedings in the B&B CCAA Proceedings remains in effect). The Loan Parties hereby acknowledge and agree that such rights and remedies include, without limitation: (i) the exercise of all remedies available pursuant to the Loan and Security Documents; and (ii) the requirement of the Loan Parties to pay to the Lender all of the Obligations (which the Loan Parties have confirmed and agreed are due and owing in full as of the date of this Agreement) without any further notice, passage of time or forbearance of any kind.

4.3 Forbearance Fee

In consideration of the Lender entering into this Agreement, the Borrowers irrevocably covenant and agree that the Lender will earn, and the Borrowers will be required to pay, a forbearance fee in the amount of \$100,000 upon execution of this Agreement (the **"Forbearance Fee"**) which Forbearance Fee will be added to the principal amount secured by the Security.

The Forbearance Fee is and shall be fully earned upon execution of this Agreement by the Loan Parties (whether or not the Forbearance Effective Date occurs and whether or not all the Loan Parties

- 11 -

execute this Agreement), and is in addition to all other fees, interest, costs and expenses payable in connection with or pursuant to the Loan and Security Documents or this Agreement and shall automatically be added to the principal amount secured by the Security (and constitute Obligations) without any further action or documents required whatsoever, interest shall accrue thereon, and shall be secured by the Security. For certainty, in the event that the Forbearance Period is terminated as a result of the occurrence of a Forbearance Termination Event, the Borrowers are not and shall not be entitled to a payment, repayment, credit, or set-off for any portion of the Forbearance Fee. Similarly, in the event that the Borrowers repay all of the Obligations to the Lender, as applicable, the Borrowers are not and shall not be entitled to a payment, repayment, credit, or set-off for any portion of the Forbearance Fee. The Guarantors each acknowledge and consent to the foregoing and confirm and agree that all of such amounts constitute Obligations as defined herein and as defined in the Guarantees, as applicable.

4.4 No Other Waivers; Reservation of Rights

The Lender reserves the right, in its sole and absolute discretion, to exercise any or all of its rights or remedies under any one or more of the Loan and Security Documents, PPSA, the Property Law Act, the Law and Equity Act or other applicable law, and the Lender has not waived any such rights or remedies, and nothing in this Agreement nor any delay on the part of the Lender in exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies. The rights and remedies of the Lender under this Agreement and the Loan and Security Documents are cumulative and not in substitution for any other rights or remedies available by law, in equity or otherwise.

ARTICLE 5

OBLIGATIONS OF THE LOAN PARTIES DURING THE FORBEARANCE PERIOD

5.1 Full Co-Operation

Each of the Loan Parties shall cooperate fully with the Lender and the Lender's agents and employees, including the Servicer, by providing all reasonably requested information at the request of any such party and at times convenient to the Loan Parties (and in any event within 10 days), acting reasonably, which right shall include the right to inspect and appraise the Real Property, at the Lender's sole and absolute discretion. Without limiting the foregoing, the Borrowers, the Corporate Covenantor and the Beneficial Owner shall provide to the Servicer, on behalf of the Lender, the following information

- (a) as may be requested from time to time as it relates to:
 - (i) updates regarding the status of all taxes (including without limitation all realty taxes, levies, assessments, improvement charges and other taxes affecting the Real Property and the Birch Property);
 - (ii) copies of all receipts showing payments made by any of the Borrowers, the Beneficial Owner or the Corporate Covenantor in respect of any taxes;
 - (iii) variances in respect of the Cash Flow Forecast; and
- (b) as soon as reasonably practicable and in any event within five Business Days, written notice of the following together with supporting evidence in form and substance satisfactory to Servicer, on behalf of the Lender (by email being sufficient):

- 12 -

- (i) any default by a tenant under a lease with any of the Borrowers, the Beneficial Owner or the Corporate Covenantor, as landlord, as applicable, or loss of a tenant of the Real Property;
- (ii) any lease being executed with a new or existing tenant of the Real Property;
- (iii) any breach, default or late payment by any of the Borrowers, the Beneficial Owner or the Corporate Covenantor, as applicable, in respect of any of their respective obligations to third parties;
- (iv) any material adverse change in the financial condition of the Loan Parties or the B&B Entities; and/or
- (v) any other change that has impacted or is reasonably likely to impact the Real Property or the Birch Property, or the Lender in respect of either such property.

5.2 Payment of Professional Expenses

Each of the Loan Parties covenants and agrees to pay the Lender the outstanding professional fees it has incurred to the date of this Agreement as such fees are set out in Section 2.1(a), which professional fees will be added to the principal amount secured by the Security.

Each of the Loan Parties hereby covenants and agrees with the Lender to reimburse the Lender for all reasonable costs and expenses incurred in connection with this Agreement, including, without limitation, legal fees and other professional expenses that the Lender, or the Servicer, in acting on behalf of the Lender, has incurred or will incur arising out of its dealings with the Loan Parties and in the protection, preservation and enforcement of the Loan and Security Documents, including without limitation, the fees and expenses of the Servicer's solicitors, including those of Cassels Brock & Blackwell LLP (the "**Professional Expenses**"), and that the Professional Expenses shall be for the account of the Loan Parties, on a joint and several basis, and all such amounts shall constitute Obligations, interest shall accrue thereon and shall constitute Obligations, and shall be secured by the Security. Nothing in this Agreement, shall derogate from the Loan Parties' obligation to pay for all of the Professional Expenses or shall constitute a cap on Professional Expenses (whether incurred before or after the Effective Date). The Lender shall add all of the Professional Expenses to the Obligations.

5.3 Operational Obligations

- (a) For the duration of the Forbearance Period each of the Loan Parties, as applicable, hereby covenants and agrees with the Lender as follows:
 - (i) the Loan Parties, as applicable, shall maintain their respective existence as valid and subsisting entities and shall not merge, amalgamate or consolidate with any other corporation(s), except with the prior consent of the Servicer, on behalf of the Lender, in its sole discretion;
 - (ii) except as specifically provided for herein, each of the Loan Parties shall comply in all respects with all terms and provisions of the Loan and Security Documents and this Agreement;
 - (iii) each of the Loan Parties shall cooperate with the Lender, the Servicer, and their solicitors, as applicable, in rectifying any deficiencies in the Loan and Security Documents, as applicable;

- 13 -

- (iv) the Loan Parties shall not encumber, mortgage, hypothec, pledge or otherwise cause any form of lien or charge on any of their property or assets, including without limitation any of the Real Property or any intangible or contingent assets, without the prior written consent of the Lender;
 - (v) the Loan Parties shall maintain and preserve all of their respective property, assets and undertaking (including without limitation the Real Property) in good condition and repair, including continuing to operate its business in the ordinary course of business consistent with past practice and in a commercially reasonable manner and maintain in good standing all of its insurance policies as required by the Loan Parties under the Loan and Security Documents and otherwise from time to time;
 - (vi) the Loan Parties shall pay by the due date therefor all Priority Payables;
 - (vii) each of the Loan Parties shall give to the Lender immediate notice of any Forbearance Termination Event; and
 - (viii) unless otherwise agreed to herein, the Loan Parties shall not do any act or thing which may have the effect of defeating or delaying the enforcement of the Lender's rights and remedies under the Loan and Security Documents; and
- (b) the Loan Parties on behalf of themselves and one another represent and warrant to the Lender that, as of the date of this Agreement, the obligations of the Loan Parties with respect to employee wages and vacation pay have been paid by the due date therefor and shall continue to be paid on the dates they become due throughout the Forbearance Period.

ARTICLE 6

FORBEARANCE TERMINATION EVENTS

6.1 Forbearance Termination Events

The Forbearance Period shall forthwith terminate, at the option of the Lender, or the Servicer on behalf of the Lender, upon the occurrence of any one of the following events (each a **"Forbearance Termination Event"**):

- (a) any representation, warranty or statement made by the Loan Parties in this Agreement was untrue or incorrect when made, or becomes untrue or incorrect;
- (b) any of the Loan Parties fails to perform or comply with any of its respective covenants or obligations contained in this Agreement when required to be performed;
- (c) except for the Existing Defaults, any default occurs under any of the Loan and Security Documents on or after the date of this Agreement; provided, however, failure to make regular interest payments under the Loan during the Forbearance Period shall not constitute a Forbearance Termination Event (although such amounts constitute Obligations and interest thereon continues to accrue);
- (d) Loan Parties, or any one or more of them, fails to maintain and keep current payments of Priority Payables, which may result in any Claim ranking in priority to or *pari passu* with the Obligations;

- 14 -

- (e) the Security (or any of it) ceases to constitute a valid and perfected security interest against the collateral subject to such Security;
- (f) the occurrence of any other event which has or could reasonably be expected to materially and adversely impact the priority or enforceability of the Security granted by the Loan Parties, or materially and adversely impact the realizable value of the collateral subject to such Security;
- (g) the loss, damage, destruction, deterioration or confiscation of any of the Loan Parties' property or assets or any part thereof, unless, upon such event, the Loan Parties pay to the Lender forthwith such amount as the Lender, in its sole and absolute discretion, determines is satisfactory (whether under an insurance policy or otherwise);
- (h) any person takes possession of any property of any of the Loan Parties by way of or in contemplation of enforcement of security, or a distress or execution or similar process levied or enforced against any material property of any of the Loan Parties;
- (i) any change of ownership, control or management of any of the Loan Parties, as applicable, without the Lender's **prior written consent**;
- (j) a material adverse change occurs in the business, affairs, financial condition or operations of any of the Loan Parties, or the value of the collateral secured by the Security, for any reason whatsoever;
- (k) the Loan Parties, or any one or more of them, fails to maintain insurance coverages or other material contracts, in each case as required by the terms of the Loan and Security Documents;
- (l) without the Lender's **prior written consent**, any of the Loan Parties ceases to carry on business in the normal course in the same manner as such business has previously been carried on;
- (m) without limiting the generality of Section 6.1(c) above, any of the Loan Parties (i) commits any act of bankruptcy or (ii) takes any action or commences any proceeding or any action or proceeding is taken or commenced by another person or persons against any one or more of the Loan Parties, or an affiliate thereof, (A) relating to or in respect of the collateral secured by the Security, (B) for the appointment of a receiver, interim receiver, or receiver and manager of any one or more of the Loan Parties or any of their respective property and assets, (C) for the reorganization, compromise or settlement of the debts owed by any one or more of the Loan Parties to their creditors including without limitation under the BIA (including filing of a proposal or notice of intention to file a proposal thereunder), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or the debt reorganization provisions of any federal or provincial corporate legislation, or (D) under any similar legislation, by any person other than the Lender;
- (n) the filing or commencement by any person of any Claim, action, application or other form of court process seeking any order or relief that would or could reasonably be expected to (i) adversely affect, impact or impair, directly or indirectly, the Lender's rights, remedies and/or entitlements under this Agreement or the Loan and Security Documents, or (ii) adversely affect, impact or impair, directly or indirectly, the rights and/or

- 15 -

entitlements of the Loan Parties to sell or otherwise deal with the collateral subject to the Security, or (iii) interfere or impair in any manner, directly or indirectly, with the actions, efforts, strategies or processes of the Loan Parties or the Lender, the Servicer, on behalf of the Lender, or any court appointed receiver to sell any of the collateral subject to the Security;

- (o) any mortgage, charge, lien, notice of lien or other encumbrance is registered or granted against any of the collateral subject to the Security after the date hereof without the consent of the Lender in its sole discretion; and
- (p) any of the collateral subject to the Security is transferred, sold, conveyed or assigned in whole or in part after the date hereof without the consent of the Lender in its sole discretion.

ARTICLE 7

GENERAL PROVISIONS

7.1 Independent Legal Advice

The Loan Parties and the B&B Entities agree that they have read and understand the terms of this Agreement and have had the opportunity to seek, and have either obtained or waived their right to obtain, independent legal advice with respect to the matters addressed in this Agreement. The Loan Parties and the B&B Entities fully understand and accept the terms of this Agreement, and confirm that they are executing it freely, voluntarily and without duress, and agree that their failure to obtain independent legal advice shall not be used by any of the Loan Parties and/or the B&B Entities as a defence to the enforcement of this Agreement.

7.2 Effect of this Agreement

Except as modified pursuant hereto, no other changes or modifications to the terms of the Loan and Security Documents are intended or implied and in all other respects, the terms of the Loan and Security Documents are confirmed.

7.3 Further Assurances

Each of the Loan Parties and the B&B Entities shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, as may be requested by the Lender, or the Servicer on behalf of the Lender, from time to time, all at the sole expense of the Loan Parties and the B&B Entities, as applicable.

7.4 Binding Effect

This Agreement shall be binding upon (a) each of the Loan Parties and (b) subject only to court approval in the B&B Entities CCAA Proceedings, each of the B&B Entities, and in each case, their respective successors and permitted assigns, and shall enure to the benefit of the Lender and its successors and permitted assigns in accordance with the terms of the Loan and Security Documents. No Loan Party or the B&B Entities can assign any of its rights or obligations hereunder without the prior written consent of the Lender. No person or entity which is not a party to this Agreement has any rights under this Agreement or the right to any benefits of this Agreement, except for the Releasees each of which is entitled to rely

on this Agreement and the releases and indemnities delivered by the Loan Parties and the B&B Entities hereunder.

7.5 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Lender, or the Servicer on behalf of the Lender, or any closing shall affect the representations and warranties or the rights of the Lender to rely upon such representations and warranties.

7.6 Disclosure of Information to Third Parties

The Lender, the Servicer and their respective professional advisors shall be at liberty, in their sole and absolute discretion, to disclose any information obtained from any of the Loan Parties and/or the B&B Entities or any information maintained by the Lender (whether or not obtained from the Loan Parties and/or the B&B Entities to any party or parties (including any franchisor or potential franchisee) in order to recover amounts owed to the Lender by the Loan Parties and/or the B&B Entities.

7.7 Release and Indemnity

In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Loan Parties hereby absolutely, unconditionally and irrevocably waive, release, remise and forever discharge the Lender, Portage and the Servicer and their respective successors and assigns, participants, affiliates, predecessors, directors, officers, attorneys, employees, lenders, investors in the Obligations and other representatives and advisors (collectively the **"Releasees"** and each individually, a **"Releasee"**), of and from all demands, actions, causes of action, suits, damages, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a **"Claim"** and collectively, **"Claims"**) of every name and nature, whether known or unknown, suspected or unsuspected, both arising at law and in equity, which any of the Loan Parties and/or the B&B Entities or any of their successors, heirs, executors, administrators, permitted assigns and legal representatives, as applicable, may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, any of the Loan and Security Documents, the transactions thereunder or related thereto or the disclosure of information by the Lender or the Servicer in accordance with Section 7.6 of this Agreement.

In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Loan Parties hereby agrees to indemnify and hold harmless (absolutely, unconditionally and irrevocably) the Releasees from and against any and all Claims of every name and nature, whether known or unknown, both arising at law and in equity, suffered or incurred by any of the Loan Parties by reason of any matter or thing whatsoever incurred by or asserted against the Lender or the Servicer as a result of or in connection with any matter, thing, action, inaction, or transaction whatsoever contemplated by this Agreement or any of the Loan and Security Documents, except in the event that any such Claim is caused directly by the gross negligence or willful misconduct of the Lender or the Servicer, as applicable, as

- 17 -

proven by a court of competent jurisdiction pursuant to an order in respect of which the period for any permitted appeal has expired.

The releases and indemnities contained herein do and shall survive the expiry or other termination of the Forbearance Period and/or this Agreement and the repayment of the Obligations to the Lender.

7.8 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in any of the Loan and Security Documents but the same shall remain in full force and effect save to the extent amended by this Agreement.

7.9 Notice

Without prejudice to any other method of giving notice, any notice, request, demand or other communication hereunder required or permitted to be given to a party pursuant to this Agreement will be conclusively deemed to have been received by such party on the day of the sending of the notice by prepaid private courier to such party at its, his or her address noted below or by email at its, his or her email address noted below. Any party may change its, his or her address for service or address by notice given in the foregoing manner. Any notice, request, demand or other communication hereunder delivered or sent by email after 5 p.m. PT on any Business Day or on any day which is not a Business Day shall be deemed to be received by the recipient on the next following Business Day. For the purposes of this Section 7.9, "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia.

Notices to the Loan Parties and/or the B&B Entities shall be sent to:

670-1665 West Broadway
Vancouver, BC V6J 1X1

Attention: Anthony James Pappajohn
Email: tony@jamesoncorp.ca

with a copy to:

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

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

Notices to the Lender or the Servicer shall be sent to:

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

and to

- 18 -

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

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

with a copy to:

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

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

7.10 Binding on Execution

Each representation, warranty, covenant, agreement or obligation in this Agreement given, made or incurred by the Loan Parties and/or the B&B Entities shall be given, made or incurred by the Loan Parties and/or the B&B Entities, as applicable, and this Agreement shall be effective upon each of the Loan Parties and the B&B Entities who have executed it notwithstanding that it may not have been executed by all of the them. All obligations of each of the Loan Parties and the B&B Entities under this Agreement shall be on a joint and several basis.

7.11 Execution in Counterparts and by Electronic Transmission

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed and delivered either in original or portable document format ("**PDF**") form and the parties adopt any signatures received by emailed PDF as original signatures of the parties.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first written above.

**CMLS FINANCIAL LTD., on behalf of
COMPUTERSHARE TRUST COMPANY OF CANADA**

By: 
Name: Neil Xue
Title: Senior Director, Commercial Servicing

By: _____
Name:
Title:

- 2 -

NO. 198 CATHEDRAL VENTURES LTD.

By: _____

Name: _____

Title: _____

5186 INVESTMENTS LTD.

By: _____

Name: _____

Title: _____

4354 INVESTMENTS LTD.

By: _____

Name: _____

Title: _____

1060485 B.C. LTD.

By: _____

Name: _____

Title: _____

JAMES HOLDINGS LTD.

By: _____

Name: _____

Title: _____

JAMESON BROADWAY & BIRCH LIMITED
 PARTNERSHIP, by its general partner, JAMESON
 BROADWAY & BIRCH GENERAL PARTNER LTD.

By: _____

Name: _____

Title: _____

- 3 -

JAMESON BROADWAY & BIRCH GENERAL
PARTNER LTD.

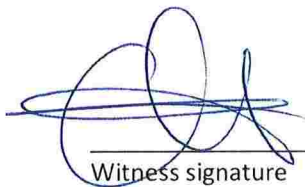
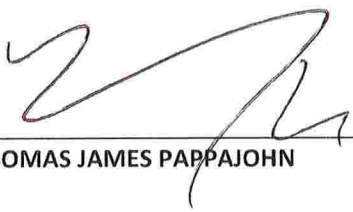
By: 

Name: THOMAS PAPPAJOHN
Title: DIRECTOR

1061511 B.C. LTD.

By: 

Name: THOMAS PAPPAJOHN
Title: DIRECTOR


Witness signatureName: CHARMAINE HOLDER
ANTHONY JAMES PAPPAJOHN
Witness signatureName: CHARMAINE HOLDER
JOHN GEORGE JAMES PAPPAJOHN
Witness signatureName: CHARMAINE HOLDER
THOMAS JAMES PAPPAJOHN

[Signature page to the Forbearance Agreement]

SCHEDULE A
LOAN AND SECURITY DOCUMENTS

Commitment Letter

1. commitment letter issued by Portage and accepted by the Borrowers and the Guarantors dated November 5, 2021; and
2. renewal letter issued by Portage and accepted by the Loan Parties dated April 24, 2024.

Guarantee

1. guarantee by the Beneficial Owner in favour of the Lender dated November 23, 2021;
2. guarantee by Anthony Pappajohn in favour of the Lender dated November 23, 2021;
3. guarantee by John Pappajohn in favour of the Lender dated November 23, 2021; and
4. guarantee by Thomas Pappajohn in favour of the Lender dated November 23, 2021.

Security Entered into in Connection with the Commitment Letter

1. second-ranking mortgage by the Borrowers in favour of the Lender registered in the New Westminster Land Title Office as Instrument No. CA9557378 on December 3, 2021 (the **"Original Mortgage"**);
2. general assignment of rents by the Borrowers in favour of the Lender registered in the New Westminster Land Title Office as Instrument No. CA9557379 on December 3, 2021;
3. general security agreement by the Borrowers and the Beneficial Owner in favour of the Lender dated November 23, 2021 (the **"Borrower GSA"**);
4. beneficial authorization and charge agreement granted by 5186 Investments Ltd., as nominee, and the Beneficial Owner, as beneficial owner, dated November 23, 2021;
5. beneficial authorization and charge agreement granted by No. 198 Cathedral Ventures Ltd., as nominee, and the Beneficial Owner, as beneficial owner, dated November 23, 2021;
6. a beneficial authorization and charge agreement granted by 4354 Investments Ltd., as nominee, and the Beneficial Owner, as beneficial owner, dated November 23, 2021;
7. modification of mortgage by the Borrowers in favour of the Lender registered in the New Westminster Land Title Office as Instrument No. CB1635714 on October 4, 2024;
8. second-ranking mortgage by 4354 Investments Ltd. in favour of the Lender registered in the New Westminster Land Title Office as Instrument Nos. CB1605013-CB1605014 on September 19, 2024 (the **"4534 Mortgage"**);
9. second-ranking mortgage by 1060485 B.C. Ltd. in favour of the Lender registered in the New Westminster Land Title Office as Instrument Nos. CB2356066-CB2356067 on September 23, 2025 (the **"106 Mortgage"** and together with the Original Mortgage and the 4534 Mortgage, the **"Mortgage"**);
10. general security agreement by 4354 Investments Ltd. in favour of the Lender dated September 17, 2024 (the **"4354 GSA"**);

- 2 -

11. general security agreement by the Corporate Covenantor in favour of the Lender dated September 17, 2024 (the Corporate Covenantor GSA, together with the Borrower GSA and the 4354 GSA, the "GSAs");
12. beneficial authorization and charge agreement granted by the Corporate Covenantor, as nominee, and the Beneficial Owner, as beneficial owner, in favour of the Lender dated September 17, 2024;
13. beneficial authorization and charge agreement granted by 4354 Investments Ltd., as nominee, and the Beneficial Owner, as beneficial owner, in favour of the Lender dated September 17, 2024;
14. specific assignment of net proceeds granted by the Beneficial Owner in favour of Portage dated September 17, 2024; and
15. undertaking and irrevocable direction to pay granted by the Beneficial Owner in favour of Portage dated October 29, 2025.

**SCHEDULE B
REAL PROPERTY**

Cathedral Ventures Property

Municipal Address: 1520 West 13th Avenue, Vancouver
Legal Description: Lot 9 Block 430 District Lot 526 Plan 1949
PID: 014-174-685
Registered Owner: No. 198 Cathedral Ventures Ltd.

Municipal Address: 1520 West 13th Avenue, Vancouver
Legal Description: Lot 10 Block 430 District Lot 526 Plan 1949
PID: 014-174-707
Registered Owner: No. 198 Cathedral Ventures Ltd.

Municipal Address: 2903-2915 Granville Street, Vancouver
Legal Description: Lot 11 Block 430 District Lot 526 Plan 1949
PID: 014-174-207
Registered Owner: No. 198 Cathedral Ventures Ltd.

4354 Investments Property

Municipal Address: 3050-3088 Granville Street, Vancouver
Legal Description: Parcel C Except: Part subdivided by Plan BCP23566; Block 451 District Lot 526 Group 1 New Westminster District Plan BCP8982
PID: 025-836-471
Registered Owner: 4354 Investments Ltd.

Municipal Address: PH1, 1477 15th Avenue, Vancouver
Legal Description: Strata Lot 32 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875
PID: 026-682-672
Registered Owner: 4354 Investments Ltd.

- 2 -

5186 Investments Property

Municipal Address: 2933-2935 Granville Street, Vancouver

Legal Description: Lot A District Lot 526 Group 1 New Westminster District Plan EPP672

PID: 027-480-917

Registered Owner: 5186 Investments Ltd.

106 BC Property

Municipal Address: 204, 1477 15th Avenue, Vancouver

Legal Description: Strata Lot 11 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

PID: 026-682-460

Registered Owner: 1060485 B.C. Ltd.

Municipal Address: PH9, 1477 15th Avenue, Vancouver

Legal Description: Strata Lot 30 District Lot 526 Group 1 New Westminster District Strata Plan BCS1875

PID: 026-682-656

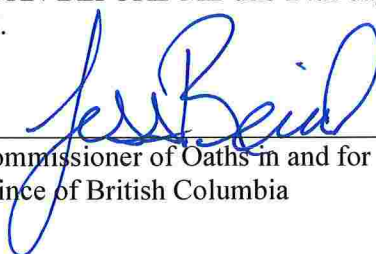
Registered Owner: 1060485 B.C. Ltd.

(the foregoing properties with municipal addresses known as 2093-2915 Granville Street, 1520 West 13th Avenue, 2933-2935 Granville Street and 3050-3088 Granville Street, Vancouver, collectively, the "**Primary Properties**", PH1, 1477 15th Avenue, 204, 1477 15th Avenue and PH9, 1477 15th Avenue, Vancouver, collectively, the "**Secondary Properties**", and the Primary Properties collectively with the Secondary Properties, the "**Real Property**")

EXHIBIT "V"

This is Exhibit "V" referred to in the First Affidavit of Jeffrey Burt.

SWORN BEFORE ME this 24th day of July, 2026.



A Commissioner of Oaths in and for the
Province of British Columbia

Jess Reid

From: Jeff Burt <Jeff.Burt@cmls.ca>
Sent: Monday, July 20, 2026 9:42 AM
To: Jess Reid
Cc: Malcolm, Glen; Ward, Evan; William E. J. Skelly
Subject: RE: Supporting Materials
Attachments: 50769 Payoff Figures.xlsx

[EXTERNAL MESSAGE]

Hi Jess,

Please find attached and below. Let us know if a formal statement is required:

Payoff quote:

Statement Due Date	20-Jul-26
Date of Last Payment	1-Nov-25
Outstanding Principal Balance	21,500,000.00
Accrued Interest from November 01, 2025 to July 20, 2026 (inclusive)	1,856,166.67
Accrued Late Interest	71,598.33
Administration Fee	515.00
Forbearance Fee	100,000.00
Return Item Fee	135.00
LEGAL FEES (billed and paid to date)	212,313.23
Net Amount Required for Discharge on October 1, 2024	23,740,728.23
Interest Per diem	7,166.67
Late Charge Per diem	573.36

Arrears Balance:

Precision LM: Payment Information for Loan# 50769							
Due Date	Paid Date	Days Late	Total Due	Interest Due	NSF Fee	Late Charge Due	Late Charge Per Deim
7/1/2026		19	216,361.73	215,000.00	0	1,361.73	71.67
6/1/2026		49	218,511.83	215,000.00	0	3,511.83	71.67
5/1/2026		80	220,733.60	215,000.00	0	5,733.60	71.67
4/1/2026		110	222,883.70	215,000.00	0	7,883.70	71.67
3/1/2026		141	225,105.47	215,000.00	0	10,105.47	71.67
2/1/2026		169	227,112.23	215,000.00	0	12,112.23	71.67
1/1/2026		200	229,334.00	215,000.00	0	14,334.00	71.67

12/1/2025		231	231,690.77	215,000.00	135	16,555.77	71.67
			1,791,733.33	1,720,000.00	135	71,598.33	573.36
Forbearance Fee			100,000.00				
Legal Fees			212,313.23				
TOTAL Arrears			2,104,046.56				

Thank you,
Jeff



Jeff Burt, CPA, CA

Director, Special Servicing and Loan Workouts

Directeur, Gestion spéciale et restructuration de prêts

T: 604-639-9439 — Vancouver

cmls.ca | [email confidentiality notice](#)

FSRA license No. 11749

From: Jess Reid <jreid@mltaikins.com>

Sent: Monday, July 20, 2026 8:56 AM

To: Jeff Burt <Jeff.Burt@cmls.ca>

Cc: Malcolm, Glen <glen.malcolm@rbc.com>; Ward, Evan <evan.ward@rbc.com>; William E. J. Skelly <wskelly@mltaikins.com>

Subject: RE: Supporting Materials

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

ATTENTION: Ce courriel provient de l'extérieur de l'organisation. Ne cliquez pas sur des liens et n'ouvrez pas les pièces jointes à moins de reconnaître l'expéditeur et de savoir que le contenu est sécuritaire.

Good morning Jeff,

Could you please provide me with the loan balance and arrears for the James Holdings Ltd. facility in a fresh email? I'm not able to read the below chart.

Jess Reid (she/her)

Lawyer

P: (604) 608-5768 | **E:** jreid@mltaikins.com

MLT Aikins LLP

Suite 2600 - 1066 West Hastings Street
Vancouver, BC V6E 3X1

[BIO](#) | [VCARD](#)



Our offices are located on the territories of Indigenous peoples, including the First Nations of Treaties 1, 4, 6 and 7, the Coast Salish peoples, as well as other non-Treaty First Nations and Métis. We are committed to reconciliation.

[EXTERNAL MESSAGE]

[illegible]

RBC recueille des renseignements fournis par vous et par votre appareil, de même que par l'utilisation de témoins, dans le but d'améliorer votre expérience numérique et de mesurer l'efficacité de nos canaux numériques. Vous pouvez obtenir des renseignements supplémentaires [ici](#).