

This is the 2nd Affidavit of Yu-Chiao (Joy) Chiang
in this case and was made on April 12, 2020

No. S217202
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

THE BANK OF NOVA SCOTIA

PETITIONER

AND:

COMMUNITY MARINE CONCEPTS LTD., VICTORIA INTERNATIONAL MARINA
LTD. ETERNALAND YUHENG INVESTMENT HOLDING LTD., AND 0736657 B.C.
LTD.

RESPONDENTS

AFFIDAVIT

I, Yu-Chiao (Joy) Chiang, of Forrester & Company Law Corporation, 300-171 Water Street, in the City of Vancouver. in the Province of British Columbia, AFFIRM THAT:

1. I am a paralegal at Forrester & Company, counsel for the Applicant in respect of the Application filed in this matter on April 7, 2022. As such, I have personal knowledge of the facts and matters hereinafter deposed to by me except where stated to be made upon information and belief and where so stated I believe those facts and matters to be true.
2. In this affidavit, I adopt the defined terms set out in the Affidavit #1 of Huai Yin (Alyssa) Zhang, made April 4, 2022 (the "Zhang Affidavit").
3. As set out in the Zhang Affidavit and at paragraphs 6 and 8 of the draft order submitted in respect of this application, the Applicant seeks authorization to sign such documents as are required to complete the loans with the First Lender and the Second Lender. In addition to those documents described in the Zhang Affidavit, to complete the loans with the First Lender and the Second Lender, the Applicant will be required to execute further similar documents as described below.
4. By letter dated March 30, 2022, counsel for the First Lender wrote counsel for the Applicant. further to the March 18, 2022. letter from counsel for the First Lender to counsel for the

Applicant described at paragraphs 20-21 and attached as Exhibit "9" of the Zhang Affidavit. The March 30, 2022, letter lists several additional or replacement documents to those listed in the March 18 letter, which are required to close the loan described in the 1129057 Commitment Letter. Now shown to me and attached hereto as **Exhibit "1"** is a true copy of the March 30, 2022, letter from counsel for the First Lender to counsel for the Applicant.

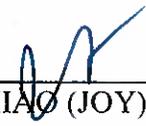
5. By letter dated March 29, 2022, counsel for the Second Lender wrote counsel for the Applicants, setting out various documents required to be signed by the Applicant to close the loan described in the Amber Mortgage Commitment Letter. Now shown to me and attached hereto as **Exhibit "2"** is a true copy of the March 29, 2022, letter from counsel for the Second Lender to counsel for the Applicant.

AFFIRMED BEFORE ME at the City of)
Vancouver, in the Province of British)
Columbia, Canada this 12th day of April, 2022)



A Notary Public or a Commissioner)
for taking affidavits in the Province of BC)

Mark J. Cochrane
Barrister & Solicitor
Waterfront Family Law
#300 - 171 Water Street
Vancouver, BC V6B 1A7



YU-CHIAO (JOY) CHIANG



Suite 1609 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V5C 3L2
T: 604.685.3456

This is Exhibit "1" referred to in the
Affidavit of Yu-Chiao (Joy) Chiang
sworn (or affirmed) before me at
Vancouver, B.C.
this 12 day of April, 2022.

A Commissioner/Notary Public for the
Province of British Columbia

March 30, 2022

BY EMAIL

Tegan Law Corporation
200 – 6061 No. 3 Road
Richmond, BC V6Y 2B2

Attention: Tadhg Egan

Dear Sirs and Mesdames:

Brenda M. Lightbody
D: 604.631.9165
F: 604.669.1620
blightbody@lawsonlundell.com

\$5,000,000.00 loan (the "Loan") by 1129057 B.C. Ltd. (the "Lender") to 0736657 B.C. Ltd. (the "Nominee") and Community Marine Concepts Ltd. (the "Beneficial Owner" and together with the Nominee, the "Borrowers")

Further to the above-noted matter and our letter to you dated March 18, 2022, we enclose the following replacement and additional documents reflecting the additional leases to be mortgaged, as follows:

1. replacement \$5,000,000.00 Form B mortgage and assignment of rents in favour of the Lender charging Lot 3, Lot 4, the Nominee's leasehold interest in Block A and the Nominee's leasehold interest under Lease ED35862 for execution by the Nominee;
2. unregistered \$5,000,000.00 Form B mortgage and assignment of rents in favour of the Lender charging the Nominee's leasehold interest under Lease W18371388 for execution by the Nominee;
3. replacement equitable mortgage and estoppel agreement for execution by the Nominee, as nominee, and the Beneficial Owner, as beneficial owner of the Lands;
4. replacement general security agreement for execution by the Borrowers, Victoria International Marina Ltd. ("Victoria") and Eternaland Yuheng Investment Holding Ltd. ("Eternaland" and together with Victoria, the "Corporate Guarantors") and Dong Xia Zhang and Huai Yin Zhang (together, the "Personal Guarantors"). **Please attach an updated executed declaration of trust agreement as Schedule B;**
5. replacement joint and several covenantor agreement for execution by the Corporate Guarantors and the Personal Guarantors, with acceptance of subordination by the Borrowers;

Page 2

6. replacement environmental warranty and indemnity agreement in respect of the Lands for execution by the Borrowers, the Corporate Guarantors and the Personal Guarantors;
7. replacement assignment of cash collateral for execution by the Borrowers;
8. replacement certificate of officer for execution by a director and/or officer of the Nominee. **Please attach all exhibits;**
9. replacement certificate of officer for execution by a director and/or officer of the Beneficial Owner. **Please attach all exhibits;**
10. replacement certificate of officer for execution by a director and/or officer of Victoria. **Please attach all exhibits;**
11. replacement certificate of officer for execution by a director and/or officer of Eternaland. **Please attach all exhibits;**
12. replacement form of solicitors' opinion to be completed by you on your firm's letterhead.

If in order, kindly attend to completion and execution of the documents by the parties indicated and return *one fully executed copy by PDF* to our office with originals to follow via courier. Please ensure that all documents are dated and completed where required.

Please do not hesitate to contact the undersigned should you have any questions or concerns with respect to any of the enclosed or foregoing.

Yours very truly,

LAWSON LUNDELL LLP



Brenda M. Lightbody

/ld

Encls.

cc. Lender

SCHEDULE A

Lands

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008 ("**Lot 3**")

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008 ("**Lot 4**")

Leasehold interest pursuant to Lease CA7061361 registered over PID: 030-296-561, Block A District Lot 119 Esquimalt District ("**Block A**")

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C. as more particularly described therein ("**Lease W18371388**")

Leasehold interest in respect of certain parking stalls pursuant to registered Lease ED35862 registered against the common property of Strata Plan VIS1889 ("**Lease ED35862**")

RICHARDS
BUELL
SUTTON

Established in 1871

4

March 29, 2022

Tegan Law Corporation
Barristers & Solicitors
6061 No. 3 Road,
Richmond, BC V6Y 2B2

This is Exhibit "2" referred to in the
Affidavit of Yu-Chiao (Joy) Chiang
sworn (or affirmed) before me at

Vancouver, B.C.

this 12 day of April, 2022.


A Commissioner/Notary Public for the
Province of British Columbia

Direct Line: 604.661.9234

E-mail: wglover@rbs.ca

Our File: 46700-40

BY EMAIL

Attention: Tadhg Egan

Re: **Loan (the "Loan") in the principal amount of \$5,000,000.00 to COMMUNITY MARINE CONCEPTS LTD. (the "Beneficial Owner") and 0736657 B.C. LTD. (the "Nominee") (the Beneficial Owner and the Nominee collectively the "Borrower")**

Guaranteed by VICTORIA INTERNATIONAL MARINA LTD., ETERNALAND YUHENG INVESTMENT HOLDING LTD., DONG XIA ZHANG and HUAI YIN ZHANG (collectively the "Guarantor")

All Indebtedness Mortgages granted by the Nominee and Beneficial Owner Agreement to secure the Loan to be granted by the Beneficial Owner to Amber Mortgage Investment Corp. (the "Lender") charging the real property described in Schedule "A" hereto (collectively the "Land")

We have been instructed by the Lender in connection with making a mortgage loan on the security of the Land. We enclose copies of the title searches and PPSA searches together with the following documents for execution and return in duplicate:

1. Commitment Letter;
2. (Registered) Inter-alia Form B - Mortgage and Assignment of Rents;
3. Unregistered Form B - Mortgage and Assignment of Rents;
4. Beneficial Owner Agreement;
[Please ensure to attach an executed copy of the Declaration of Bare Trust and Agency Agreement to this Agreement.]
5. Environmental and Building Condition Indemnity Agreement;
6. General Security Agreement;
7. Authority to Pay;
8. Covenantor Agreement;
9. Promissory Note;

11305307.1

700 - 401 W. Georgia Street, Vancouver, BC, Canada V6B 5A1
TEL: 604.682.3664 FAX: 604.688.3830 | RBS.CA

VANCOUVER | SURREY



10. Assignment of Insurance Policies;
11. Assignment of Interest Reserve;
12. Resolutions for passage by the Borrower and corporate Guarantor;

[Please retain the Original Resolutions and return only the certified Resolutions in duplicate, both originally signed.]
13. Director's Certificates for the Borrower;

[Please attach an executed copy of the Declaration of Trust as Schedule "B" and the relevant constating documents including Central Securities Register as Schedule "C" to each of the Director's Certificate.]
14. Director's Certificates for the corporate Guarantor;

[Please the relevant constating documents including Central Securities Register as Schedule "B" to each of the Director's Certificates.]
15. Form of solicitor's opinion letters to be typed on letterhead, signed and returned for the Borrower and corporate Guarantor;

[Please provide each of the opinions in duplicate, both originally signed.]
16. Assignment and Postponement for execution by all of the shareholders of the Borrower and corporate Guarantor;

[Please make appropriate copies and have each shareholder complete and execute the Assignment and Postponement.]
17. Statutory Declaration re: ownership of the shares of the Borrower and corporate Guarantor;

[Please attach the applicable Central Securities Register as Schedule "A" to each Statutory Declaration.]
18. Statutory Declaration re: first mortgage balance and no further advances under the first mortgage;
19. Consent and Non-Disturbance Agreement for execution by the Nominee and Her Majesty the Queen In Right of the Province of BC;
20. Consent and Non-Disturbance Agreement for execution by the Nominee and Her Majesty the Queen In Right of Canada (re Lease Agreement No. W18371388);
21. Form 10 - Conflict of Interest Disclosure Statement;
22. Fixed Credit Disclosure Statement; and
23. Waiver of Time Period.

In order to save time and costs, documents have been emailed to you and we note that the red wafer seal we have affixed to the Beneficial Owner Agreement, Environmental and Building Condition Indemnity Agreement, Promissory Note and Covenantor Agreement does not appear on your documents. When returning documents we ask that you please ensure a red wafer seal is affixed to each of these documents, **if documents are returned without the red wafer seal we will assume we have your authority to affix same unless you advise us otherwise.**

PLEASE RETURN 2 COPIES OF ALL DOCUMENTS, UNLESS OTHERWISE REQUESTED. IF A DOCUMENT CONTAINS A RED SEAL, ALWAYS RETURN THE ORIGINALLY SEALED DOCUMENT AND ONE COPY.

PLEASE NOTE that:

1. Any and all insertions and/or deletions **must** be initialled by the parties to the agreement in question.
2. The corporate seal (if any) of the Borrower **must** be affixed to the Promissory Note.
3. The corporate seal (if any) of the corporate Guarantor **must** be affixed to the Covenantor Agreement.

Please attend on your client in connection with the execution of the enclosed documents which should then be returned to us. Our client's instructions call for the production to us of:

- (a) proof of insurance coverage as specified in the commitment letter. We confirm that the insurance coverage must be reviewed and approved by the Lender prior to ordering funds for the mortgage advance.

IF POSSIBLE, PLEASE FAX OR EMAIL THE INSURANCE BINDER PRIOR TO RETURNING THE MORTGAGE DOCUMENTS.

- (b) property tax information certificate evidencing that there are no taxes and utilities due or unpaid, or your written undertaking to pay them and give us a receipt for such payment,
- (c) confirmation that the speculation and vacancy tax declaration has been submitted and no tax is payable pursuant to the filed declaration for the Land (if applicable),
- (d) solicitor certified true copy of the Declaration of Bare Trust and Agency Agreement,
- (e) title insurance policy in favour of the Lender from First Canadian Title Insurance Company,
[Please ensure that the beneficial owner endorsement and superpriority lien endorsement are added to the title insurance policy.]
- (f) a copy of the first mortgage in favour of 1129057 B.C. Ltd. [received],
- (g) a summary and the status of the court actions in which the Borrower, Victoria International Marina Ltd. and Dong Xia Zhang are parties as shown in the CSO searches previously provided to you,
- (h) evidence that each of the Borrower and corporate Guarantor are up to date with the filing of its annual reports with the Registrar of Companies,

- (i) your undertaking to pay or cause to be paid all money due to the following persons, to obtain and register or cause to be registered a discharge of such charges and to advise us of discharge particulars within a reasonable period of time:

Mortgage No. CA59826848 as extended by No, CA8757113, Assignment of Rent No. CA59826849 as extended by No.8757114 and Security Agreement Base Nos. 925819J, 928835J, 925829J, 925830J, 928837J and 971780K in favour of The Bank of Nova Scotia,

Claim of Builders Liens Nos. CA6861663 and CA6861664 (collectively the "Liens") in favour of Blue Water Systems Ltd.

[In respect of the Liens, please confirm the arrangements for release of same following your discussion with the Receiver's counsel]

- (j) copies of the payout statements for each Mortgage, Assignment of Rents and Liens being discharged,
- (k) evidence that you possess an executed Discharge of the Liens in advance;
- (l) copy of the Court order providing the requisite approvals and authority for the borrowing of the Loan and the signing of the documents for the Loan by the Borrower and Guarantor;
- (m) confirmation of discharge of the Receiver for the Borrower and corporate Guarantor in the form of a Receiver's certificate or other satisfactory evidence of discharge upon funding of the Loan.

Please note that all conditions for funding as set out in the enclosed commitment letter must be met prior to lending. We plan to disburse the mortgage proceeds as directed by the Authority to Pay when we have received all requested items, all of the Lender's conditions have been met, and application to register the mortgage has been made and we have a post application search satisfactory to us. We will provide an estimate of our fees, disbursements and taxes shortly. Upon completion of this transaction, we will provide you with our statement of account.

We request that all documentation be in our office one full working day prior to the completion date.

Please note that while we have prepared the Form B Mortgage and Assignment of Rents for e-filing we require originals of the related security documents and ask that you ensure originals are returned to us by courier.

Should you wish to make any inquiry with respect to the documents or the contents of this letter, please contact me or Carol Chan at 604.661.9265.

Yours truly,

RICHARDS BUELL SUTTON LLP



Winsome Glover

WBG/csc
Enclosures

Schedule "A"

1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561,
Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as
transferred by CA499250 and CA5860951, registered against the Common Property of
Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the
Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C.
Ltd. made the first day of January, 2018 in respect of certain lands covered by water in
Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters
squared, more or less, as more particularly described therein.



1. Application

Carol Chan, Paralegal, Richards Buell Sutton LLP
700 - 401 West Georgia Street
Vancouver BC V6B 5A1
604-661-9265

46700-0040 (0736657 B.C. Ltd. and Community Marine Concepts Ltd.)

2. Description of Land

PID/Plan Number	Legal Description
011-570-253	LOT 3 DISTRICT LOT 119 ESQUIMALT DISTRICT PLAN 47008
011-570-270	LOT 4 DISTRICT LOT 119 ESQUIMALT DISTRICT PLAN 47008
030-296-561	BLOCK A DISTRICT LOT 119 ESQUIMALT DISTRICT
VIS1889	COMMON PROPERTY STRATA PLAN VIS1889

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

0736657 B.C. LTD.
 2959 KINGSWAY
 VANCOUVER BC V5R 5J4

BC0736657

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

AMBER MORTGAGE INVESTMENT CORP.
 #415 - 5900 NO. 3 ROAD
 RICHMOND BC V6X 3P7

BC1087596

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
See Schedule	See Schedule	See Schedule
Interest Calculation Period	Payment Dates	First Payment Date
Monthly	See Schedule	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
See Schedule	See Schedule % per annum	N/A
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	On Demand
If yes, page and paragraph number: pages 32-34, paragraph 20		

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes



8. Interest Mortgaged

Fee Simple
Other: See Schedule

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

First Mortgage and Assignment of Rents in favour of 1129057 B.C. LTD.

AS TO PID: 011-570-253

Undersurface and Other Exc & Res No. R81023, Statutory Building Scheme No. S105293

Statutory Right of Way Nos. EB35516 and CA2207313 and Covenant CA2207311

AS TO PID: 011-570-270

Undersurface and Other Exc & Res No. R81023, Statutory Building Scheme No. S105293

Covenant CA2207311 and Statutory Right of Way No. CA2207313

AS TO PID: 030-296-561 Undersurface and Other Exc & Res No. CA6415295

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)

Barrister & Solicitor

YYYY-MM-DD

0736657 B.C. LTD.
 By their Authorized Signatory

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.

LAND TITLE ACT
FORM E

SCHEDULE

Page 3

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

5. PAYMENT PROVISIONS:**(a) Principal Amount:**

This Mortgage secures payment, observance, performance and satisfaction of the Secured Obligations.

(b) Interest Rate:

Such rate or rates of interest as may be agreed to in writing from time to time with respect to the Secured Obligations, and payable after as well as before maturity, default and judgment.

(c) Interest Adjustment Date:

The interest adjustment date as may be set forth in the Loan Agreement.

(e) Payment Dates:

The dates when the Secured Obligations are required to be paid, observed, performed and satisfied.

(g) Amount of each periodic payment:

The payment amount as may be agreed to in writing by the Mortgagor and the Mortgagee from time to time.

(h) Interest Act (Canada) Statement:

The equivalent rate of interest calculated half yearly or yearly, not in advance, is as set forth in the applicable Loan Document.

8. Interest Mortgaged

Fee Simple (PID: 011-570-253 and PID: 011-570-270)

Lease CA7061361 (as to PID: 030-296-561)

Lease ED35862 as transferred by CA499250 and CA5860951 (as to Common Property Strata Plan VIS1889)

MORTGAGE PART 2

1.00 DEFINITIONS

1.01 In these mortgage terms:

- (a) "**Balance Due Date**" means the date specified as the "Balance Due Date" in the Mortgage Form.
- (b) "**Borrower**" means any Person other than the Mortgagor to whom the Credit Facility has been made available.
- (c) "**Business Day**" means any day of the week that the Mortgagee's mortgage administration office located in British Columbia is open for business.
- (d) "**Court**" means a court having jurisdiction in any matter arising out of This Mortgage.
- (e) "**Covenantor**" means a Person who, as a covenantor or a guarantor, has entered into or may, from time to time, enter into a Covenantor Agreement.
- (f) "**Covenantor Agreement**" means each covenantor agreement or guarantee agreement or instrument howsoever named or titled or any documentation similar in form, content or intent to any of the above irrespective of the name or title of such documentation or form of instrument and any renewals, amendments, or substitutions therefor, under which a Covenantor promises, among other things, to pay all or part of the Principal Amount, Interest, Other Money and other Secured Obligations.
- (g) "**Credit Facility**" means the financing arrangements set forth in the Loan Agreement.
- (h) "**Date of Advance**" means the earliest of:
 - (i) the date of any advance or readvance of money under This Mortgage,
 - (ii) the date on which the Mortgagee has at the Mortgagor's or any Borrower's request, made funds available to the Mortgagee's solicitors to make an advance or re-advance to the Mortgagor or any Borrower,
 - (iii) the date on which the Mortgagor or any Borrower incurs any contingent liability to the Mortgagee,
 - (iv) the date on which the Mortgagee advances or causes its solicitors to advance money under This Mortgage into escrow,
 - (v) the date of issuance of any letter of credit by the Mortgagee, and
 - (vi) the date on which any interest reserve is established by the Mortgagee.
- (i) "**Default**" includes each of the events of default specified in article 13.00 and all other events of default specified in This Mortgage.

- (j) "**Development**" means all buildings and all other improvements (including without limitation the Premises) to be constructed upon the Land, substantially as contemplated in the Loan Agreement and the Plans.
- (k) "**Financial Statements**" means the annual financial statements of the Person who pursuant to the terms of the Loan Agreement must provide such financial statements to the Mortgagee including the annual balance sheet of such Person, and if such Person is an individual including the personal net worth statements of such Person, all prepared using Canadian "generally accepted accounting principles" consistently applied by an independent firm of chartered accountants or certified general accountants satisfactory to the Mortgagee, prepared on a Notice to Reader, Review Engagement or Audited basis as required by the Mortgagee.
- (l) "**Interest**" means any and all interest accruing under This Mortgage at the Interest Rate.
- (m) "**Interest Act**" means the Interest Act, R.S.C., 1985, C.1-15.
- (n) "**Interest Adjustment Date**" means the date specified as the "Interest Adjustment Date" in the Mortgage Form.
- (o) "**Interest Calculation Period**" means the period or periods for the calculation of Interest specified as the "Interest Calculation Period" in the Mortgage Form.
- (p) "**Interest Rate**" means the rate of interest specified as the "Interest Rate" in the Mortgage Form or such other rate as may be agreed to in writing by the Mortgagor and Mortgagee from time to time in any applicable Loan Document.
- (q) "**Land**" means the "Mortgaged Land" described in the Mortgage Form, including but not limited to all buildings, improvements, fixtures and equipment that are now or later become attached to, used or enjoyed in connection with the Land including without limitation, the Premises, all items mentioned in section 10 of the Land Transfer Form Act, R.S.B.C., 1996, c.252 and every present and future right, title, interest, estate, benefit and/or privilege of the Land and of the Mortgagor in and to the Land including without limitation, any benefiting easement now or in the future registered in the Land Title Office as a legal notation appurtenant to the Land and the leasehold estate (if any) of the Mortgagor in and to the Land pursuant to the Mortgagor Lease.
- (r) "**Laws**" means all federal and provincial statutes, regulations, orders, directions and requirements; all civic and municipal by-laws, orders and regulations; all orders, directions, regulations and requirements of any body, board, authority or Person (including but not limited to a fire marshal, a manager appointed under any environmental legislation, an inspector and any official, Person, delegate or body appointed under any by-law, order, statute or regulation having authority with respect to the Land), concerning any matter occurring on or affecting the Land or its use or any act or activity occurring on or about the Land, including without limitation all such statutes and regulations which prohibit or restrict the use and cultivation of illegal drugs and substances and the conduct of illegal activities whether or not the breach of which could result in a forfeiture of the

Land or Premises and/or a security interest therein to the federal or provincial Crown or applicable law enforcement branch.

- (s) **"Lease"** or **"Leases"** means each and every present and future, written or unwritten agreement to lease, lease, lease renewal, tenancy agreement, licence and right of occupancy made or to be made with respect to the Land or any part thereof and in the case where This Mortgage is a mortgage by way of sublease of a Mortgagor Lease, "Lease" or "Leases" shall include any and all subleases of the Mortgagor Lease.
- (t) **"Loan Agreement"** means the commitment letter and any amendments thereto and renewals, restatements and replacements thereof, issued by the Mortgagee to the Mortgagor and/or any Borrower from time to time in connection with the Credit Facility which is secured by among other things, This Mortgage.
- (u) **"Loan Document"** means any and all agreements and/or documents required by the Mortgagee in the Loan Agreement as a condition of the Mortgagee agreeing to provide the Credit Facility to the Mortgagor and/or the Borrower, including but not limited to the Loan Agreement itself, any mortgage, assignment of rents or leases, promissory note, beneficial owner agreement, tripartite-attornment and non-disturbance agreement, personal property security agreement, environmental indemnity agreement, letter of credit indemnity agreement, indemnity of any other kind, letter of credit agreement, assignment of construction contracts, assignment of management agreements, assignment of material agreements, assignment of plans, permits and licences, assignment of deposits and contracts of purchase and sale, assignment of securities or deposits, assignment of interest reserve, assignment of insurance policies, assignment of any other kind, right of first refusal to mortgage, pledge agreement, Covenantor Agreement, priority agreement, standstill agreement, subrogation and postponement agreement, including without limitation each of the above howsoever named or titled or any documentation similar in form, content or intent to any of the above irrespective of the name or title of such documentation and any other form of collateral security, or other documentation required by the Mortgagee, including without limitation any renewal documentation respecting a renewal of any of the above.
- (v) **"Loan Payment"** or **"Loan Payments"** means the payments specified as the "Amount of each periodic payment" in the Mortgage Form or the amount of each periodic payment for the Credit Facility as may be agreed to in writing by the Mortgagor and Mortgagee from time to time in the Loan Agreement or any other applicable Loan Document;
- (w) **"Mortgage Form"** means the Form B referred to under the Land Title (Transfer Forms) Regulation (B.C. Reg. 53/90) and all schedules and addenda to the Form B.
- (x) **"Mortgagee"** means the person or persons named in the Mortgage Form as a Mortgagee, and their permitted affiliates, successors and assigns.
- (y) **"Mortgagee Address"** means the postal address of the Mortgagee specified in the Mortgage Form or the most recent address stipulated in a written notice given by the Mortgagee to the Mortgagor.

- (z) **"Mortgagor"** means the Person or Persons named in the Mortgage Form as a Mortgagor and their permitted successors and assigns and includes save and except to the extent specifically stated to be otherwise, any owners of the beneficial estate of the Land who are not the Person or Persons named in the Mortgage Form as a Mortgagor and their permitted successors and assigns.
- (aa) **"Mortgagor Address"** means the postal address of the Mortgagor specified in the Mortgage Form or the most recent address stipulated by a written notice given by the Mortgagor to the Mortgagee.
- (bb) **"Mortgagor Lease"** means the lease or sub-lease of the Land under which the Mortgagor is the lessee or sub-lessee and all of the Mortgagor's present and future leasehold interest in and to the Land pursuant to such lease or sub-lease.
- (cc) **"Operating Statements"** means financial statements prepared using Canadian "generally accepted accounting principles" consistently applied, by an independent firm of chartered accountants or certified general accountants satisfactory to the Mortgagee, relating to any business being conducted on or about the Land by the Mortgagor or Borrower including without limitation, annually updated comprehensive records of all revenues and expenses and an annually updated comprehensive rent roll.
- (dd) **"Other Money"** means all money other than the Principal Amount and Interest, which is owed to the Mortgagee under This Mortgage, the Loan Agreement or any other Loan Documents, including without limitation, all arrears of Loan Payments, all present and future debts and liabilities, matured or not, direct or indirect, absolute or contingent, now or at any time and from time to time hereafter due or owing to the Mortgagee pursuant to the Loan Agreement, from or by the Mortgagor whether as principal or surety, and whether incurred by the Mortgagor alone or jointly with any other Person or otherwise, including, without limitation all amounts required to be paid by the Mortgagor under This Mortgage including all amounts comprising any prepayment indemnity required to be paid to the Mortgagee in the event the Mortgagee allows a prepayment to occur under This Mortgage, the Loan Agreement and/or the Loan Documents including without duplication, all amounts for which the Mortgagor has agreed to indemnify and hold the Mortgagee harmless under This Mortgage, the Loan Agreement and/or the Loan Documents.
- (ee) **"Person"** includes any individual, a partnership, a limited partnership, a real estate investment trust, an income trust, a mutual fund, a corporation, a joint stock company, a co-operative, a trust, an unincorporated association, a society, a joint venture, or other entity.
- (ff) **"Place of Payment"** means the place specified as the "Place of Payment" in the Mortgage Form, or any other place stipulated by a written notice given by the Mortgagor to the Mortgagee under This Mortgage.
- (gg) **"Plans"** means the final plans, architectural drawings and specifications for the construction of the Development (as prepared by the applicable architect and approved by the Mortgagee) and all amendments and modifications thereof made by change orders approved in writing by the Mortgagee.

- (hh) **"Premises"** means all buildings and improvements located from time to time upon the Land including without limitation all erections, fixtures, chattels, installations and equipment brought or placed upon the Land for the particular use and enjoyment thereof or as an integral part of or especially adapted for the Premises, including without limitation, all piping, plumbing, aerials, refrigerators, stoves, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, and water heating equipment, cooking and refrigerating equipment, electrical equipment, lighting, wiring, distribution panels, breaker boxes/panels, transformers and switches, elevators and all component parts of any of the foregoing and the same shall become or be deemed to be fixtures and an accession to the freehold and a part of the Land.
- (ii) **"Prime"** means the floating annual rate of interest designated as such by the Mortgagee, from time to time, as a reference rate for purposes of determining rates of interest it shall charge on loans, and in the event the Interest Rate under This Mortgage is stated to be related to Prime the Interest rate shall increase or decrease concurrently with an increase or decrease in Prime.
- (jj) **"Principal Amount"** means the amount of money specified as the "Principal Amount" in the Mortgage Form and from time to time the balance of such amount outstanding under This Mortgage, which for greater certainty shall include all conditional and unconditional advances and re-advances of money including without limitation the establishment of any interest reserves by the Mortgagee, the face amounts of all letters of credit whether or not such letters of credit have been drawn upon, all hold back amounts and all escrow fundings of any kind.
- If This Mortgage is granted in support of a Covenantor Agreement in respect of a Credit Facility made available by the Mortgagee to a Borrower, the Principal Amount shall include the amount which the Mortgagor (as Covenantor) has agreed to pay to the Mortgagee under the Covenantor Agreement.
- (kk) **"Prior Charge"** includes any charge or lien asserted by the federal or provincial Crown or any other Person, mortgage or claim against the Mortgagor or the Land which at any time has priority over or ranks pari-passu with This Mortgage, or in respect of which priority or equal ranking is claimed, including without limitation all encumbrances shown as "Prior Encumbrances Permitted by Lender" on the Mortgage Form.
- (ll) **"Prohibited Act"** means any act, activity or conduct occurring on or affecting the Land which has resulted or might result in a breach of the Laws.
- (mm) **"Receiver"** means a receiver or receiver manager appointed under This Mortgage or any of the Loan Document or by a Court with respect to the Mortgagor, any Borrower or any Covenantor or any material part of their respective assets including without limitation the Land and/or any income generated by the Land.
- (nn) **"Rent"** means all rents and other payments due or accruing due or at any time hereafter to become due pursuant to the Leases, the benefit of all guarantees of payment and all covenants to pay therein contained and the proceeds of all

policies of insurance engaged in connection with the Leases resulting from the occurrence of any insured casualty.

- (oo) **"Revolving Loan Agreement"** means all business and/or commercial operating loan applications and/or agreements and agreements of similar effect howsoever named or titled or any documentation similar in form, content or intent to any of the above irrespective of the name or title of such documentation or form of instrument signed by the Mortgagor in favour of the Mortgagee and any renewals, amendments, or substitutions therefor.
- (pp) **"Secured Obligations"** means all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the Mortgagor to the Mortgagee or remaining unpaid by the Mortgagor to the Mortgagee heretofore or hereafter incurred or arising and whether incurred or arising from agreement or dealings between the Mortgagor and the Mortgagee or from any agreement or dealings with a third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor or however otherwise incurred or arising and whether the Mortgagor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, including, without limitation: (a) the unpaid principal amount of, and Interest on, all advances of a Credit Facility, all accrued and unpaid Interest on advances of a Credit Facility and on accrued and unpaid Interest, and all Interest which accrues after the commencement of any bankruptcy or insolvency proceeding with respect to the Mortgagor or any Covenantor whether or not allowable; (b) all commitment and other fees and all accrued and unpaid fees, expenses, costs, indemnities, increased costs and other amounts payable to the Mortgagee; (c) the Other Money; and (d) all other obligations of the Mortgagor arising under the Loan Agreement, any other Loan Documents and other security executed by the Mortgagor in favour of the Mortgagee in respect of the Land and Premises.
- (qq) **"Strata Lot"** or **"Strata Lots"** means one or more of the strata lots to be created from the Land upon completion of the Development substantially as contemplated in the Loan Agreement and the deposit of the Strata Plan in the Land Title Office.
- (rr) **"Taxes"** means all taxes, rates or assessments of every kind which are lawfully payable by the Mortgagor in connection with This Mortgage or the Land or its use and occupation, including without limitation, all taxes, rates or assessments which are levied, charged or assessed upon or in respect of:
 - (i) the Land and/or any machinery and equipment on the Land,
 - (ii) local improvements, water, garbage, natural gas, hydro and sewers in relation to the Land,
 - (iii) a Credit Facility,
 - (iv) any transaction between the Mortgagor and the Mortgagee,

- (v) the provision of materials and services including legal services rendered in connection with This Mortgage or the Land,
- (vi) workers' compensation assessments, and
- (vii) goods and services taxes, harmonized taxes and Canada Revenue Agency ("CRA") deductions, assessments and taxes,

and all penalties, interest and other moneys added to the foregoing.

- (ss) **"This Mortgage"** means the combination of the Mortgage Form and these Part 2 express mortgage terms.

2.00 GRANT OF MORTGAGE

2.01 In consideration of the Mortgagee making available the Credit Facility on the terms of the Loan Agreement and all financial and other accommodations to or for the benefit of the Mortgagor and each Borrower, the Mortgagor grants and mortgages the Land to the Mortgagee as security for the payment and performances of the Principal Amount, Interest and Other Money and the Mortgagor releases to the Mortgagee all its claims on the Land subject to the proviso in paragraph 2.02 of these mortgage terms.

2.02 Provided that the Secured Obligations have been paid and performed in full or otherwise released by the Mortgagee, This Mortgage is not in Default and the Mortgagee has no obligation to make any further advance or readvance of money or otherwise make available any Credit Facility to the Mortgagor or any Borrower, the Mortgagor will be entitled, within a reasonable time and at the Mortgagor's cost, to receive a discharge of This Mortgage in accordance with article 9.00.

3.00 INTEREST

3.01 The outstanding balance of the Secured Obligations shall bear Interest both before and after Default, judgment or maturity.

3.02 Interest on (i) all or any part of the Principal Amount accrues from the Date of Advance, and (ii) each other Secured obligation accrues from the date on which such Secured Obligation is incurred; provided, however, that Interest in respect of any letter of credit issued by the Mortgagee on behalf of or to the benefit of the Mortgagor shall only accrue on the amount represented by such letter of credit as of the date such letter of credit is drawn upon pursuant to its terms. For greater certainty however, any such letter of credit issued by the Mortgagee pursuant to a Credit Facility will be considered an advance under the Credit Facility and to be secured by This Mortgage for all purposes, as of the date of its issuance regardless of when or whether or not it is drawn upon. Interest payable on any part of the Principal Amount advanced before the Interest Adjustment Date is due and payable to the Mortgagee on the Interest Adjustment Date.

3.03 Interest on Other Money accrues from the date that it is paid or otherwise incurred by the Mortgagee or which otherwise has become due to the Mortgagee under the terms of This Mortgage, the Loan Agreement or other applicable Loan Documents.

3.04 If the Interest Rate is for any reason found by a Court to exceed the rate allowable under the Criminal Code of Canada or to be prohibited under the Interest Act (Canada) then the Interest Rate shall be the highest rate of interest which does not exceed the

rate of interest allowable under the Criminal Code or the rate which is not prohibited under the Interest Act (Canada).

3.05 If This Mortgage provides for an increase in the Interest Rate at any time and the increased Interest Rate is not allowed by a Court for any reason then the lower Interest Rate provided for in This Mortgage will prevail.

4.00 INTEREST ON INTEREST

4.01 If the Mortgagor does not make any payment when it becomes due, Interest shall accrue on the Interest payable on such unpaid amount and be payable both before and after maturity and judgment. At the end of each Interest Calculation Period unpaid accrued Interest and unpaid Interest on Interest may in the Mortgagee's discretion be added to the Principal Amount and bear Interest.

5.00 COVENANT TO PAY

5.01 The Mortgagor covenants to pay the Mortgagee at the Place of Payment, all payments required to be paid by it under This Mortgage without set off, abatement or deduction in the manner and at the times stipulated under This Mortgage, including without limitation, the Loan Payments, the Principal Amount, Interest, Other Money and all other Secured Obligations.

6.00 PAYMENT

6.01

- (a) The outstanding balance of the Principal Amount shall be paid on the Balance Due Date.
- (b) The Loan Payments shall be paid on each "Payment Date" specified in the Mortgage Form or if not specified, as provided for in the Loan Agreement or any other Loan Document.
- (c) In addition to the Loan Payments, if not otherwise specifically provided under This Mortgage, the Loan Agreement or any other Loan Documents, Interest on any money from each applicable Date of Advance shall be calculated to and paid on the earliest of:
 - (i) the next Date of Advance,
 - (ii) the Interest Adjustment Date, or
 - (iii) the first day of each month after such Date of Advance.
- (d) Other Money and all other Secured Obligations shall be paid on demand, if not otherwise specifically provided under This Mortgage, the Loan Agreement or any other Loan Documents.

Save and except as otherwise agreed herein, all payments made by the Mortgagor to the Mortgagee including without limitation, the Loan Payments shall be applied towards the outstanding balance of the Secured Obligations in any manner or order that the Mortgagee chooses.

It is further understood and agreed that in the case where the Land has been subdivided or stratified with the approval of the Mortgagee and the Mortgagee receives the sales proceeds resulting from the sale of such subdivided or stratified lots, that the Mortgagee shall be entitled to apply the sales proceeds towards the outstanding balance of the Secured Obligations in any manner or order that the Mortgagee chooses.

6.02 Any amount payable to the Mortgagee by the Mortgagor shall be paid before 1:00 PM (Vancouver time) on the date on which the amount is due. If a payment is made on a day after 1:00 PM (Vancouver time) it is treated for calculating Interest as made on the next Business Day. Any amount to be paid to the Mortgagee by the Mortgagor shall on request by the Mortgagee be made by certified cheque or bank draft.

7.00 PREPAYMENT

7.01 Except as may be provided elsewhere in This Mortgage or in the Loan Agreement or later agreed to in writing by the Mortgagee, the Mortgagor has no right to prepay all or any part of the Principal Amount.

8.00 MORTGAGOR'S COVENANTS

8.01 The Mortgagor covenants with the Mortgagee that:

- (a) the Mortgagor will pay or cause to be paid all Taxes when due,
- (b) the Mortgagor, on demand, will pay to the Mortgagee:
 - (i) an amount estimated by the Mortgagee to be sufficient to permit the Mortgagee to pay the annual property taxes including local improvements levies and utilities (collectively the "Annual Property Taxes"), in respect of the Land when they are due and,
 - (ii) the amount by which the Annual Property Taxes in respect of the Land exceeded the money paid to the Mortgagee on account of Annual Property Taxes in respect of the Land,
- (c) the Mortgagor, will arrange for the payment of the Loan Payments and, if requested in accordance with paragraph 8.01(b) above, the estimated Annual Property Taxes in respect of the Land, to be made by pre-authorized payment or in such other manner as may be required by the Mortgagee from time to time,
- (d) the Mortgagor will deliver annually to the Mortgagee within 30 calendar days after the property tax due date, receipted property tax bills for the Land (if the Mortgagee allows the Mortgagor to pay such Annual Property Taxes directly) and from time to time on request of the Mortgagee will deliver to the Mortgagee receipts for payment of all of the Taxes and all notices or statements with respect to the Taxes,
- (e) the Mortgagee shall have the right, in its sole discretion, to request and receive information from the relevant property taxation office or property taxing authority indicating the status of the property tax account pertaining to the Land and the Mortgagee shall be entitled to charge a servicing fee for each such written enquiry, together with any costs payable to such office or authority in procuring

such information and the costs and expenses so incurred by the Mortgagee will be Other Money under This Mortgage and bear Interest,

- (f) the Mortgagor has or at time of registration of This Mortgage in the Land Title Office will have good title in fee simple to the Land free from all encumbrances except those specified as "Prior Encumbrances Permitted by Lender" on the Mortgage Form and except those encumbrances which are to be discharged when money is advanced by the Mortgagee under This Mortgage,
- (g) the Mortgagor has the right to convey and mortgage the Land to the Mortgagee,
- (h) on Default, the Mortgagee shall at its sole option, have possession of the Land free from all encumbrances other than those shown as "Prior Encumbrances Permitted by Lender" on the Mortgage Form,
- (i) the Mortgagor will comply with all the covenants, terms and conditions of This Mortgage, any Loan Document, any Prior Charge and all other present and future mortgages or agreements granted, entered into or assumed by the Mortgagor in favour of any Person in respect of the Land and/or in favour of the Mortgagee whether or not made in respect of the Land,
- (j) the Mortgagor will keep the Land in good condition and repair,
- (k) the Mortgagor will make all repairs to the Land with reasonable dispatch and in a good and workmanlike manner as reasonably required by the Mortgagee,
- (l) the Mortgagor will sign any other document that the Mortgagee reasonably requires to ensure that payment of the Principal Amount, Interest and Other Money are secured in favour of the Mortgagee,
- (m) the Mortgagor will not allow title to the Land to become further encumbered or charged in any manner whatsoever without the Mortgagee's prior written consent unless such encumbrance is in favour of the City of Victoria in connection with the development of the Land,
- (n) the Mortgagor will not do anything so that the value of the Land is decreased and particularly will not without the Mortgagee's prior written consent:
 - (i) demolish any building or part of any building forming part of the Land, or
 - (ii) make any alteration, addition or improvement to any building forming part of the Land or construct any building on the Land except as agreed with the Mortgagee and in accordance with all pre-approved plans, specifications and drawings, all Laws including without limitation all relevant building codes and accepted construction standards and municipal or government requirements, building and development permits,
- (o) upon written request of the Mortgagee and in any event within 90 calendar days from the Mortgagor's fiscal year end if the Mortgagor has a year end or if the Mortgagor is an individual then on April 30th in each year during the term and any renewal terms of This Mortgage, the Mortgagor will deliver to the Mortgagee current Operating Statements and the Mortgagor's current Financial Statements

and the Mortgagee may attend at the Land and/or the Mortgagor's place of business for the purposes of examining such statements and all information pertinent to such statements,

- (p) upon written request of the Mortgagee and in any event if the Land is owned beneficially by a Person other than the Mortgagor, then within 90 calendar days from such Person's fiscal year end if such Person has a year end or if such Person is an individual then on April 30th in each year during the term and any renewal terms of This Mortgage, the Mortgagor will deliver to the Mortgagee such Person's current Financial Statements,
- (q) intentionally deleted,
- (r) intentionally deleted,
- (s) the Mortgagor will insure the Land, and keep it insured, in compliance with the Mortgagee's and the Mortgagee's insurance consultant's requirements as set out in the Loan Agreement or any other Loan Document, including any scheduled insurance requirements attached thereto, with such variations, additions and changes in the amounts and types of coverage as the Mortgagee may from time to time notify the Mortgagor in writing. If the Mortgagor fails to insure the Land as stipulated above, the Mortgagee may, but shall not be obliged to obtain such insurance, and any costs incurred, including the premium will be Other Money under This Mortgage and bear Interest,
- (t) the Mortgagor hereby grants and assigns to the Mortgagee the benefits and a security interest in the benefits under all policies of insurance which it is required by the Mortgagee to provide in respect of the Land and hereby irrevocably appoints the Mortgagee its attorney to exercise the rights under such policies of insurance. Notwithstanding such appointment the Mortgagee shall not be obliged or bound to enforce any right under such policies of insurance or comply in respect of any obligations under such policies of insurance,
- (u) the Mortgagor will send or cause to be sent a copy of each certificate of insurance and annual renewal certificate to the Mortgagee at the Mortgagee Address,
- (v) the Mortgagor hereby waives the rights and benefits available to it under the Insurance Act R.S.B.C. 1996, c. 226 and amendments thereto, and the Fires Prevention (Metropolis) Act, 1774. The Mortgagor further agrees that in the event of the occurrence of an insured casualty in respect of the Land, the Mortgagor shall notify the Mortgagee in writing of same, make a claim in accordance with the insurance policy, and ensure that the proceeds are paid to the Mortgagee. Despite any Law to the contrary, the Mortgagee may require that the proceeds of all such insurance policies be used either to:
 - (i) reduce the Principal Amount, Interest or Other Money, even though any of such amounts may not then be due, or
 - (ii) restore the Land to the condition it was in prior to the occurrence of the insured casualty,

- (w) the Mortgagor will pay to the Mortgagee, when requested to do so, and hereby agrees to indemnify and save the Mortgagee harmless in respect of all costs and expenses of any kind incurred by the Mortgagee in connection with This Mortgage including without limitation, those costs and expenses incurred to protect the Mortgagee's security interest in the Land and incurred in respect of any claims made by third parties against the Land or Premises including without limitation, any claim made by the federal or provincial Crown or applicable law enforcement branch in respect of a breach of the Laws occurring on the Land or Premises or incurred to preserve the Land in any other respect. If the Mortgagor fails to pay to the Mortgagee such costs and expenses, they will be Other Money under This Mortgage and bear Interest. Such costs and expenses include but are not limited to the payment of the Mortgagee's application fees, processing fees, commitment fees, renewal fees, draw processing fees, document execution fees, letter of credit fees and discharge fees levied in connection with This Mortgage, any insurance consultant's fee, any quantity surveyor's fees, the cost of any environmental audit, the cost of any building condition assessment, the cost of all appraisals, protective disbursements incurred by the Mortgagee to protect the Mortgagee's interest under This Mortgage and to preserve the Land generally including without limitation as contemplated in paragraph 10.05 of these mortgage terms.

The above indemnity shall include any legal fees and disbursements incurred by the Mortgagee on an indemnity basis and the cost of the time and services of the Mortgagee and the Mortgagee's agents and employees plus any service charges of the Mortgagee in respect of any of the above including without limitation, for:

- (i) preparing and registering This Mortgage, any Loan Document and any offer of financing made by the Mortgagee including all necessary steps to advance the Principal Amount and secure the Principal Amount, Interest and Other Money,
 - (ii) collecting and attempting to collect any money due under This Mortgage,
 - (iii) enforcing the terms of This Mortgage including efforts to cause the Mortgagor to perform all of the Mortgagor's obligations under This Mortgage,
 - (iv) doing anything which the Mortgagor has agreed to do but has not done,
 - (v) preserving the Land and the Mortgagee's security interest in the Land in any respect including without limitation, from and against third party claims including without limitation, any claim made by the federal or provincial Crown or applicable law enforcement branch in respect of a breach of the Laws occurring on the Land or Premises, and
 - (vi) doing anything at the request of the Mortgagor which the Mortgagee is not required to do, including without limitation providing any statement, entering into any agreement and giving any consent or approval,
- (x) the Mortgagor will pay to the Mortgagee, when requested to do so, and hereby agrees to indemnify and save the Mortgagee harmless in respect of any and all costs and expenses of any kind, including disbursements and legal fees on an

indemnity basis incurred by the Mortgagee as a result of a breach of the Mortgagor's covenants and agreements contained in This Mortgage and any Loan Document. If the Mortgagor fails to pay to the Mortgagee such costs and expenses, they will be Other Money under This Mortgage and bear Interest,

- (y) the Land and its use complies, and the Mortgagor will at all times cause the Land and its use to comply with all Laws,
- (z) the Mortgagor will and will cause any occupant of the Land or Premises to, at all times comply with all Laws,
- (aa) every building and improvement on the Land including without limitation, the Premises and their use complies, and the Mortgagor will at all times cause every building and improvement on the Land including without limitation, the Premises and their use to comply with all Laws,
- (bb) if the Mortgagor, as landlord, leases or subleases all or any part of the Premises, the Mortgagor will comply with the terms of such Leases and will not in respect of any such Leases:
 - (i) accept Rent more than one month in advance, with the exception of the last month's Rent, and

unless the Mortgagor has received the Mortgagee's prior written consent which consent shall not be unreasonably withheld,
 - (ii) agree to their subletting or assignment,
 - (iii) alter or modify their terms, or
 - (iv) accept their surrender,
- (cc) the Mortgagor must obtain the prior written consent of the Mortgagee before entering into a Lease:
 - (i) with a tenant for 20% or more of the net rentable area of the Premises or in respect of which the Rent will be 20% or more of the gross income being generated from the Premises, or
 - (ii) with a non-arms length tenant, or
 - (iii) for a Rent and upon terms which are not commercially reasonable for similar premises, taking into account all of the Mortgagee's usual lease underwriting considerations including without limitation, the inducements being offered, the credit worthiness of the financial covenant of the tenant, the square footage of the area to be leased, the term of the Lease and for such purposes the Mortgagee may require that the Rent and terms be made without taking into consideration the fact that the tenant in question and the Mortgagor have entered into or are in the course of entering into one or more leases with each other in respect of premises not located on the Land, or
 - (iv) which contains a right of set off in respect of the Rent, or

- (v) which contains a right of early cancellation or the right to cancel on the occurrence of a particular event,
- (dd) during the term and any renewal terms of This Mortgage, the Mortgagor will obtain and deliver to the Mortgagee, within 30 calendar days of execution and at the time of any renewal of the term of This Mortgage:
 - (i) copies of all renewals for current Leases of the Premises,
 - (ii) copies of all new Leases for ongoing, new or replacement tenants of the Premises,
 - (iii) tenant executed estoppel certificates in the Mortgagee's usual form, and
for Leases or Lease renewals pursuant to which the tenant occupies 20% or more of the net rentable area of the Premises or pays 20% or more of the gross income being generated from the Premises:
 - (iv) specific assignments of such Leases or Lease renewals, and
 - (v) tenant executed tripartite-attornment and non-disturbance agreements in the Mortgagee's usual form,
- (ee) the Mortgagor will not at any time during the term and any renewal terms of This Mortgage, pledge, or otherwise encumber any Lease and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with any Lease without the prior written consent of the Mortgagee,
- (ff) the Mortgagor, will not agree to amending or discharging any easement agreements registered in relation to the Land without having first received the prior written consent of the Mortgagee, which consent the Mortgagee shall not unreasonably withhold or delay.

9.00 MORTGAGEE'S COVENANTS

9.01 The Mortgagee covenants with the Mortgagor to:

- (a) apply any payments made to it on account of Taxes in payment of Taxes when due so long as the Mortgagor is not in Default. If the Mortgagor is in Default the Mortgagee may apply any payments made to it on account of Taxes against the Principal Amount, Interest and Other Money in any manner or order that the Mortgagee chooses,
- (b) provide within a reasonable time, at the Mortgagor's cost, a discharge of This Mortgage and any Loan Document (save and except an environmental indemnity agreement, the terms of which are stated to survive the discharge of This Mortgage) when the conditions under paragraphs 2.02 and 24.01 have been satisfied.

10.00 GENERAL AGREEMENTS

10.01 If the Mortgagor acquires any additional interest in the Land including without limitation if the Mortgagor's interest in the Land consists of a leasehold interest under a Mortgagor Lease which interest is subsequently increased or converted to an interest in the fee simple of the Land or if the Mortgagor has or acquires an interest in other land which is subsequently consolidated with the Land, This Mortgage shall at the Mortgagee's sole option extend to and charge such additional interest and land and should the Mortgagee or its solicitors deem same to be necessary, the Mortgagor will at the Mortgagor's cost grant to the Mortgagee an extension or modification agreement and such other agreements as are reasonably necessary to better secure to the Mortgagee such additional interest.

10.02 The Mortgagor hereby grants and assigns to the Mortgagee the benefits in respect of and a security interest in the benefits of any and all rights in respect of the Land including without limitation any rights under an encumbrance of the Land, a right to any repayment of Annual Property Taxes, a right to occupy, use or enjoy a benefit over adjacent or other land in connection with the Land, a license, an encroachment agreement, a right to park, a right to require any Person to make good a defect in the Land or pay any loss which the Mortgagee may suffer because of such defect, a warranty, a right to require anyone to provide a service for maintaining or repairing the Land, and the full benefit of the Mortgagor's rights in connection with these rights, including a guarantee, indemnity, letter of credit, bond or security and a right to insurance and the Mortgagor hereby appoints the Mortgagee its attorney to exercise such rights. Notwithstanding such appointment the Mortgagee shall not be obliged or bound to enforce any such benefits or rights or comply with any obligations associated with such benefits or rights.

10.03 The Mortgagee may but shall not be obliged to repair or finish the construction of any building or improvement forming part of the Land which the Mortgagor has failed to repair or finish and the costs and expenses so incurred by the Mortgagee will be Other Money under This Mortgage and bear Interest.

10.04 The Mortgagee shall not be responsible to maintain or preserve the Land or to account for any money not actually received by the Mortgagee.

10.05 The Mortgagee may cure in whole or in part any Default under This Mortgage, the Loan Agreement or any other Loan Document and any default under a Prior Charge or pay any money expressed to be due under a claim of lien, pay protective disbursements including without limitation, Taxes when due, and the costs and expenses associated with any remediation of the Land to meet the regulatory guidelines and requirements as stipulated in any environmental audit of the Land and in the applicable environmental Laws as amended from time to time and as the Mortgagee may reasonably require from time to time, when considered by the Mortgagee in its discretion to be appropriate and any money so paid by the Mortgagee shall be paid by the Mortgagor to the Mortgagee on demand. Any money paid by the Mortgagee pursuant to this paragraph will be Other Money under This Mortgage and bear Interest.

In the event that the Mortgagor abandons or neglects the Land and the Mortgagee considers its security to be thereby impaired or at peril or the insurance of the Land to be at risk, the Mortgagee may (directly or by the actions of a receiver), but is not obliged to, take all reasonable and necessary steps to physically secure the Land, including but not limited to changing the locks, barring any access to and from the Land, installing a security alarm system and/or employing the services of a security firm and the Mortgagee may take any other actions

it deems necessarily incidental to such matters. All costs of the Mortgagee incurred in inspecting and physically securing the Land shall be paid by the Mortgagor. Any money paid by the Mortgagee pursuant to this paragraph will be Other Money under This Mortgage and bear Interest.

10.06 Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered or certified mail to the Mortgagor Address or the Mortgagee Address as the case may be and such notice, if given by actual delivery shall be deemed received on the day it is delivered and if given by registered or certified mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.

10.07 The Mortgagee may deduct from any advance of money secured by This Mortgage any amounts which the Mortgagor is required to pay directly to any Person in connection with This Mortgage and the Loan Agreement and any amounts which the Mortgagee requires the Mortgagor to pay to or on behalf of the Mortgagee in connection with This Mortgage and the Loan Agreement including but not limited to:

- (a) any unpaid Taxes,
- (b) any Taxes to become due in the year in which such advance is made,
- (c) Interest to any Date of Advance and the Mortgagee may, at any time, make an advance of money under This Mortgage to pay Interest,
- (d) the face amount of any letters of credit and any interest reserves and holdbacks established by the Mortgagee in connection with This Mortgage, and
- (e) all costs and expenses mentioned in This Mortgage.

10.08 The Mortgagor agrees that neither the execution nor the registration of This Mortgage nor the advance or readvance of any portion of the money secured by This Mortgage shall oblige the Mortgagee to advance or readvance money or further money or accept any other obligations. The Mortgagee will decide, in the Mortgagee's sole discretion whether or not any advance or readvance will be made and the amount and date of any advance or readvance.

10.09 If the Land or any part of it is expropriated, all compensation or payment made for such expropriation together with the Mortgagee's entitlement to prepayment indemnity in respect of the early prepayment of such money shall at the sole option of and on terms required by the Mortgagee be paid to the Mortgagee towards payment of the Principal Amount, Interest and Other Money and the Mortgagor hereby assigns the right to receive such compensation or payment to the Mortgagee.

10.10 If any provision, covenant or agreement contained in This Mortgage is invalid or unenforceable in whole or in part then such invalid or unenforceable provision, covenant or agreement or part thereof shall be severed from and not affect the validity or enforceability of the remainder of This Mortgage.

10.11 Nothing done by the Mortgagee or any Receiver pursuant to its rights hereunder including the exercise of any powers of the Receiver as set out herein or in a Court order nor any provision of This Mortgage shall make the Mortgagee a mortgagee in possession.

10.12 If the Mortgagee holds any other security for payment of the Principal Amount, Interest and Other Money, This Mortgage shall be held as additional security and the Mortgagee may take any or all lawful steps and proceedings to realize on any or all securities held in such order as the Mortgagee chooses.

10.13 The granting of This Mortgage is not in substitution for or satisfaction of any of the terms and agreements provided in the Loan Documents and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under any of the Loan Documents and will not in any way prejudice or limit the obligations of the Mortgagor under any security of the Loan Documents and the Mortgagee may take any or all lawful steps and proceedings to realize on any or all of the Loan Documents in such order as the Mortgagee chooses.

10.14 The terms of any Loan Document shall not merge into This Mortgage and shall survive the execution, delivery and registration of This Mortgage. Where there is an inconsistency between the terms of This Mortgage and any Loan Document or as between any of the Loan Documents, the agreement which provides greater rights to the Mortgagee will prevail and if there is any disagreement as to which agreement ought to prevail the determination will be made by the Mortgagee in its sole discretion.

10.15 The Mortgagor will not change its name without first advising the Mortgagee in sufficient time to allow the Mortgagee to make or give such necessary filings or notices to protect or preserve any security for repayment of the Principal Amount, Interest and Other Money or the priority of such security and the Mortgagor agrees to pay the cost of so doing including the fees and disbursements of the Mortgagee's solicitors on an indemnity basis.

10.16 The Mortgagor hereby consents to the Mortgagee entering into servicing or administration, participation, co-lending, syndication or securitization agreements with other mortgagees or Persons in connection with This Mortgage and any Loan Document.

Any information received by the Mortgagee including without limitation any information in respect of This Mortgage, any Loan Document, the Land, the Mortgagor, any Borrower and any Covenantor may be disclosed by the Mortgagee to any parties associated with the transfer, assignment or other dealing of This Mortgage and any Loan Document. Everything to facilitate a transfer or dealing that may be requested in writing will be done at the expense of the Person requesting it.

10.17 The Mortgagor is not currently and at all times during the term and any renewal terms of This Mortgage will not become a "non-resident of Canada" ("Non-Resident") as that term is used in Section 116 of the Income Tax Act, R.S.C. 1985 c. 1 (5th supplement). If the Mortgagor becomes a Non-Resident during the term and any renewal terms of This Mortgage, the Principal Amount, Interest and Other Money shall, at the Mortgagee's sole option, immediately be paid.

Without in any way limiting the rights of the Mortgagee set forth above, if at any time during the term or any renewal terms of This Mortgage the Mortgagor becomes a Non-Resident then:

- (a) Any and all payments by or on account of any obligation of the Mortgagor hereunder shall be made free and clear of and without deduction for any taxes arising in respect of the Mortgagor under or in connection with the Income Tax Act ("Withholding Taxes") provided that if the Mortgagor shall be required to deduct any Withholding Taxes from such payments, then:

- (i) the sum payable shall be increased as necessary so that after making all required deductions the Mortgagee receives an amount equal to the sum it would have received had no such deductions been made,
 - (ii) the Mortgagor shall make such deductions, and
 - (iii) the Mortgagor shall pay the full amount deducted to CRA in accordance with the Income Tax Act.
- (b) The Mortgagee may but will not be obliged under any circumstances to pay any Withholding Taxes to CRA which are payable to CRA by the Mortgagor but which the Mortgagor fails or refuses to pay. The Mortgagor shall, without limitation, indemnify and reimburse the Mortgagee within 10 calendar days after written demand therefor, for the full amount of any Withholding Taxes paid by the Mortgagee (and any penalties, interest and reasonable expenses arising therefrom or with respect thereto), to the extent such Withholding Taxes were paid by the Mortgagee acting reasonably and in good faith. Any money paid by the Mortgagee pursuant to this paragraph will be Other Money under This Mortgage and bear Interest.
- (c) Within 90 calendar days from the Mortgagor's fiscal year end, in each year during the term and any renewal terms of This Mortgage, the Mortgagor covenants and agrees to deliver to the Mortgagee:
- (i) evidence satisfactory to the Mortgagee that:
 - (A) the property manager of the Land (the "Property Manager") is a resident of Canada,
 - (B) the Property Manager has filed documentation with CRA to withhold tax on the net income of the Mortgagor from the Land after specified expenses, which specified expenses include Interest accrued under This Mortgage, and
 - (C) the Property Manager has prepared or caused to be prepared and filed with CRA each year during the term and any renewal terms of This Mortgage an income tax return in respect of all income of the Mortgagor earned from the Land, if any, and paid or caused to be paid any income taxes owing with respect thereto, and
 - (ii) on a confidential basis copies of all applications, returns and other documentation in connection the above.

10.18 The Mortgagor will manage the Land in a manner which is commensurate with a prudent, commercial property owner to the satisfaction of the Mortgagee acting reasonably. In the event that the Property Manager is unacceptable to the Mortgagee acting reasonably or the management of the Land becomes unsatisfactory to the Mortgagee, acting reasonably, then after giving the Mortgagor 30 calendar days notice to change the Property Manager or to correct any deficiency or failure to manage as required by the Mortgagee, the Mortgagee may (but shall not be obliged to) appoint alternate property management with all ongoing costs and the costs associated with such appointment to be borne by the Mortgagor.

10.19 The Mortgagee or its agent or consultants may enter upon the Land from time to time to examine its condition, to conduct appraisals or update existing appraisals, to conduct tests, to take samples and to monitor activities but in doing so the Mortgagee shall cause as little disruption to the Mortgagor and its tenants as practical. The Mortgagor will allow the Mortgagee or its agents or consultants reasonable access to the Land and shall provide information in respect of the Land and the business operated thereon by the Mortgagor reasonably required by the Mortgagee including but not limited to, sale agreements, rent rolls, leases and revenue and expense statements for such purposes. Nothing done by the Mortgagee or its agent or consultants pursuant to its rights under this paragraph shall make the Mortgagee a mortgagee in possession.

10.20 Nothing done or required by the Mortgagee in relation to This Mortgage shall place the Mortgagee under a duty of care to the Mortgagor. Any appraisals, insurance policies, building condition reports, surveys, environmental assessments, and similar studies or documentation required by the Mortgagee in respect of the Land shall not be relied upon by the Mortgagor and the Mortgagee makes no representation or warranty in respect of their content, accuracy or adequacy.

10.21 The Mortgagor will deliver to the Mortgagee copies of all documents relating to the Land which are currently or at any time during the term and any renewal terms of This Mortgage in its possession and control including without limitation, documents affecting title to the Land (excepting those registered in the Land Title Office), appraisals, insurance policies, building condition reports, surveys, and environmental assessments.

10.22 No waiver or failure to enforce any of the Mortgagee's rights under This Mortgage shall prejudice the rights of the Mortgagee on any future occasion.

10.23 If the Mortgagor is more than one Person all covenants under This Mortgage shall be joint and several.

10.24 This Mortgage is neither assignable nor transferrable by the Mortgagor without the Mortgagee's prior written consent, which may be withheld in the Mortgagee's sole discretion. This Mortgage shall be binding on the Mortgagor and the Mortgagor's executors, administrators, permitted assigns and successors in title.

10.25 The use of the singular or either gender in This Mortgage shall include the plural, other gender, body corporate or politic where appropriate.

10.26 Any reference in This Mortgage to a statute or a regulation shall include any successor statute or regulation and its and their amendments and associated regulations in force from time to time.

10.27 Except where This Mortgage specifically provides otherwise, all amounts of money referred to in This Mortgage are expressed in Canadian money and are payable in Canadian money.

10.28 This Mortgage may be executed in any number of counterparts, each of which, when delivered will be deemed to be an original for all purposes and will constitute one and the same instrument, binding all the parties, notwithstanding that all the parties are not signatories of the same counterpart.

11.00 DISPOSITION OF LAND

11.01 If the Mortgagor:

- (a) amalgamates or merges with another Person, or
- (b) issues or transfers any of its shares such that in the reasonable opinion of the Mortgagee, the effective control of the Mortgagor changes, or
- (c) directly or indirectly sells, conveys, transfers or disposes or agrees to sell, convey, transfer or dispose of all or part of the Land or any interest in the Land, (any such incident is a "Transfer")

the Mortgagor will 30 calendar days prior to completion of the Transfer, provide the Mortgagee with the following:

- (i) the date and particulars of the consideration for the Transfer,
- (ii) an executed copy of any applicable contract,
- (iii) the full name and address of each Person who is a transferee (the "Transferee")

(the term Transferee shall include all amalgamating companies as well as the amalgamated company if the Transfer involves an amalgamation, all trustees, nominees, agents and beneficiaries if the Transfer involves a trust or nominee/agency agreement, all new shareholders if the Transfer involves a share purchase or issuance, the purchaser of the Land if the Transfer involves a purchase of the Land),

- (iv) for each Transferee, a copy of the most recent Financial Statements and in the case of an amalgamation including the pro forma Financial Statements for the amalgamated company,

and unless the Mortgagee provides its written consent to the Transfer prior to its completion, which consent may be withheld or granted in the Mortgagee's sole discretion, then the outstanding balance of the Principal Amount, Interest, Other Money and all other Secured Obligations shall, at the Mortgagee's sole option, immediately become due and payable without notice and all rights, powers and remedies of the Mortgagee under This Mortgage shall be exercisable at the Mortgagee's Option.

The Mortgagee may require compliance with whatever conditions it deems appropriate before providing its consent to a Transfer including without limitation, a requirement that the Mortgagor, any Borrower, any Covenantors and the Transferee enter into an assumption agreement in the Mortgagee's usual form and any new Covenantors deemed requisite by the Mortgagee enter into Covenantor Agreements in the Mortgagee's usual form.

The Mortgagor, any Borrower and any Covenantors, unless the Mortgagee agrees otherwise in writing, shall continue to be liable for their obligations under

each of the Loan Documents despite the occurrence of a Transfer and the Mortgagee's consent thereto.

11.02 If the Mortgagor further encumbers the Land to secure additional debt, without the Mortgagee's prior written consent, which consent may be withheld or granted in the Mortgagee's sole discretion, the outstanding balance of the Principal Amount, Interest, Other Money and all other Secured Obligations shall, at the Mortgagee's sole option, immediately become due and payable. As a term of providing its consent the Mortgagee may require the encumbrancer to grant to it a registrable priority or priority/standstill agreement on terms satisfactory to the Mortgagee at the Mortgagor's expense.

11.03 All costs and fees arising in connection with the Mortgagee providing or refusing to provide the written consent required by paragraph 11.01 and 11.02 of these mortgage terms and all costs and fees arising in connection with the preparation and execution of any assumption agreement and/or other documentation required by the Mortgagee as a condition of providing its consent shall be paid by the Mortgagor to the Mortgagee. Any costs and fees incurred by the Mortgagee pursuant to this paragraph which have not been paid by the Mortgagor will be Other Money under This Mortgage and bear Interest.

12.00 MONEY OWING AS A RESULT OF BREACH, DEFAULT OR ACCELERATION

12.01 Upon the occurrence of a breach, Default or acceleration for any reason whatsoever under This Mortgage, the Mortgagor shall at the Mortgagee's sole option, upon demand of the Mortgagee forthwith pay to the Mortgagee the outstanding balance of the Secured Obligations, including the following:

- (a) the Principal Amount outstanding under This Mortgage as of the date of the breach, Default or acceleration;
- (b) accrued Interest under This Mortgage to and including the date of payment;
- (c) all Other Money payable or secured under This Mortgage.

13.00 DEFAULTS

13.01 A Default occurs under This Mortgage if:

- (a) the Mortgagor breaches any term, covenant or agreement contained in This Mortgage, the Loan Agreement or in any other Loan Document, or the Mortgagee has made demand of any Credit Facility,
- (b) the Mortgagor breaches any covenant or agreement contained in any other mortgage or agreement made or assumed by the Mortgagor in favour of any Person in connection with the Land and/or any other mortgage or agreement made or assumed by the Mortgagor in favour of the Mortgagee whether or not such mortgage or agreement was made in connection with This Mortgage or the Land,
- (c) a resolution is passed or an order is made for the liquidation or winding up of the Mortgagor or any Covenantor or the Mortgagor or any Covenantor makes a proposal or general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Mortgagor or any Covenantor or the Mortgagor or any Covenantor

shall be subject to any proceeding under any other provision of the Bankruptcy and Insolvency Act or any other Act for the benefit of creditors which is not being disputed in good faith by the Mortgagor or any Covenantor,

- (d) the Land is abandoned or left unoccupied, or any act of waste in respect of the Land or any part thereof is committed or permitted,
- (e) the construction of improvements upon the Land is delayed beyond the original projections agreed upon by the Mortgagee and the Mortgagor,
- (f) the Land or any part of it is expropriated,
- (g) the Mortgagor sells or leases or agrees to sell or lease all or any part of the Land without the prior written consent of the Mortgagee,
- (h) the Land or the Premises are being used in any manner which constitutes a breach of the Laws,
- (i) the Mortgagor does not within 30 calendar days of learning of the existence of any unregistered Prior Charge not specifically approved of by the Mortgagee cause such Prior Charge to be discharged,
- (j) the Mortgagor does not within 30 calendar days of the date of application for registration in the Land Title Office of any claim of lien made by the federal or provincial Crown or any Person, judgment, caveat or certificate of pending litigation cause to be discharged such claim of lien, judgment, caveat or certificate of pending litigation from title to the Land,
- (k) a Receiver is appointed in respect of the Mortgagor or any one of them and/or the Land,
- (l) in the Mortgagee's reasonable opinion there has been;
 - (i) a material adverse change in the risk to the Mortgagee in lending to the Mortgagor or any Borrower,
 - (ii) a decreased ability of the Mortgagor or of any beneficial owner of the Land or of any interest therein or of any Borrower to perform the covenants contained in the Loan Agreement or any other Loan Document, or
 - (iii) a material misrepresentation made to the Mortgagee in connection with This Mortgage or the application therefor,
- (m) any Borrower or Covenantor breaches any term, covenant or agreement or commits a default under the Loan Agreement or any other Loan Document.

13.02 If a Default occurs under This Mortgage, it will constitute a default under any other mortgage or agreement between the Mortgagor and the Mortgagee and after Default, the Mortgagee shall be entitled to consolidate This Mortgage with all of the other mortgages granted or assumed by the Mortgagor in favour of the Mortgagee so that the Mortgagor must redeem all or none of the mortgages.

14.00 MORTGAGEE'S REMEDIES

14.01 If a Default occurs the Mortgagee may at the Mortgagee's sole option and in any order that the Mortgagee chooses, do any one or more of the following:

- (a) declare the outstanding balance of the Principal Amount, Interest, Other Money and all other Secured Obligations to be immediately due and payable,
- (b) sue the Mortgagor, Borrower and/or Covenantor for payment of any Loan Payment, the Principal Amount, Interest, Other Money and any other Secured Obligations,
- (c) take all legal steps and proceedings to cause the Mortgagor, Borrower and/or Covenantor to keep all their respective covenants and agreements,
- (d) lease or sell the Land (or any part thereof) by public auction or private sale, for such prices and on such terms as the Mortgagee deem appropriate,
- (e) apply to the Court to foreclose the interest in the Land of the Mortgagor and any successor in title to the Land and in any other property mortgaged or pledged to the Mortgagee,
- (f) apply to the Court for an order that the Land be sold on terms approved by the Court, and
- (g) appoint a Receiver.

14.02 If the Mortgagee obtains a Court order or judgment against the Mortgagor or the Land as a result of a Default, the remedies described in paragraph 14.01 of these mortgage terms may continue to be used by the Mortgagee and the Mortgagee will continue to be entitled to receive Interest on each of the Principal Amount, Interest, Other Money and any other Secured Obligations until the judgment is paid in full and the Court order is complied with.

14.03 If the Mortgagee holds any other security for payment of the Principal Amount, Interest, Other Money and any other Secured Obligations, the Mortgagee may take any or all lawful steps and proceedings, in such order as the Mortgagee chooses, to realize on all securities held.

15.00 RECEIVER

15.01 The Mortgagor appoints both the Mortgagee and any agent of the Mortgagee as the Mortgagor's attorney to appoint a Receiver of the Mortgagor and or the Land and the Mortgagee or the Mortgagee's agent may after any Default, appoint a Receiver of the Mortgagor and or the Land and the Receiver shall have power either in the name of the Mortgagor or in the name of the Mortgagee to:

- (a) demand, recover and receive income from the Land and take and carry out any step or Court proceeding to collect that income,
- (b) give receipts for any income that the Receiver receives,
- (c) carry on the Mortgagor's business on the Land,

- (d) market, or advertise for sale or lease or sublease, sell, lease or sub-lease, amend or terminate any lease of or sub-lease of, all or part of the Land on such terms and conditions as the Receiver chooses,
- (e) take possession of all or part of the Land and the Mortgagor's business on the Land,
- (f) take possession of all records and documents respecting the Land and any business and income associated with the Land,
- (g) manage the Land and maintain it in good condition,
- (h) make improvements to the Land including without limitation taking any and all action as the Receiver in its sole discretion deems requisite to complete the construction of the Development substantially as contemplated in the Loan Agreement, and
- (i) repair, maintain and improve or complete the construction of any building or improvement forming part of the Land,

and to achieve the above the Receiver may from time to time take such action and employ the services of such Persons as it deems appropriate including but not limited to employing the services of agents (including but not limited to real estate agents, lawyers and property managers), and may enter into, amend and terminate contracts, leases and other commercial agreements, and commence, defend and settle legal actions as and when appropriate.

15.02 The Receiver shall be the agent of the Mortgagor who shall be solely responsible for the Receiver's acts or omissions. In the event that a Court decides that the Receiver is liable for any acts or omissions, the Mortgagor hereby agrees that the Receiver will only be liable for acts or omissions of gross negligence.

15.03 From income received, the Receiver may, in any order that the Receiver chooses:

- (a) retain sufficient funds to meet all legitimate expenses and obligations which have been incurred or may in the future be incurred, in connection with the Land and/or the receivership,
- (b) pay the Receiver's reasonable fees and disbursements,
- (c) pay the costs and expenses of collecting income and to pay or recover other costs and expenses,
- (d) pay the cost and expense of maintaining the Land in good condition and of repairing, maintaining, improving and completing the construction of any building or improvement forming part of the Land,
- (e) pay for any and all goods, services and utilities furnished or supplied to the Land or the Receiver,
- (f) pay for any and all steps taken to preserve the Land from damage by any cause,

- (g) pay the costs and expenses, including any legal fees and disbursements, of protecting the Land or Premises and the Mortgagee's security, including This Mortgage, from claims made by third parties including without limitation any claim made by the federal or provincial Crown or applicable law enforcement branch in respect of a breach of the Laws occurring on the Land or Premises, whether or not made in insolvency proceedings,
- (h) pay any money which if not paid might result in a default under any Prior Charge,
- (i) pay Taxes,
- (j) pay all professional and related fees, commissions and charges related to the management, leasing, improvement, repair and sale of the Land or to protecting the Land and enforcing contracts and Leases associated with the Land,
- (k) pay the Loan Payments, Principal Amount, Interest, Other Money and other Secured Obligations,
- (l) pay any money owed by the Mortgagor under a Prior Charge,
- (m) file Goods and Services Tax and/or Harmonized Tax rebate applications and related documentation in connection with the Land on behalf of the Mortgagor and the Mortgagor hereby appoints the Receiver its attorney and agent for that express purpose.

15.04 The Receiver may borrow money and grant security therefore and repay such borrowed money to do anything which the Receiver is entitled to do under This Mortgage.

15.05 The Receiver may borrow money from and repay such borrowed money to the Mortgagee on the terms required by the Mortgagee, if the Mortgagee is willing to lend such money to the Receiver.

15.06 Any money borrowed by the Receiver from the Mortgagee (unless new security was granted therefor) and any interest thereon and all the costs and expenses of borrowing will be Other Money under This Mortgage and bear Interest.

15.07 A Receiver appointed by the Mortgagee may be discharged by the Mortgagee or the Mortgagee's agent and the Mortgagee or the Mortgagee's agent may appoint another Receiver on one or more occasions.

15.08 Any money paid by the Mortgagee to the Receiver for the Receiver's fees and disbursements shall be Other Money and bear Interest.

16.00 STRATA TITLE PROVISIONS

16.01 If the Land, or any part thereof, is or becomes stratified under the Strata Property Act, S.B.C. 1998, c.43 the following provisions shall apply:

- (a) the Mortgagor shall pay when due all money owing to the strata corporation in respect of the Land (the "Strata Corporation"),

- (b) the Mortgagor shall comply with, observe and perform all of the provisions of the Strata Property Act, S.B.C. 1998, c.43 and the by-laws, rules and regulations of the Strata Corporation,
- (c) the Mortgagor grants to the Mortgagee the Mortgagor's power to vote and hereby irrevocably appoints the Mortgagee its attorney at all meetings of the Strata Corporation so far as the Strata Property Act, S.B.C. 1998, c.43 permits but if the Mortgagee does not exercise such power the Mortgagor may do so. Notwithstanding such appointment the Mortgagee shall not be obliged or bound to exercise such power or comply in respect of any obligations under such power,
- (d) the Mortgagee may give the Mortgagor instructions on how to vote at meetings of the Strata Corporation and the Mortgagor agrees to attend such meetings and comply with the Mortgagee's instructions,
- (e) the Mortgagee is not required to attend any meeting of the Strata Corporation, to vote at any meeting or to protect the Mortgagor's interest,
- (f) at the request of the Mortgagee the Mortgagor shall deliver promptly to the Mortgagee copies of every notice of meeting, every notice in respect of a matter involving a vote of the owners, any and all assessments, rules, financial statements, and a copy of every other document to which the Mortgagor is entitled under the Strata Property Act, S.B.C. 1998, c.43 including but not limited to the by-laws of the Strata Corporation,
- (g) the Mortgagor appoints the Mortgagee to be the Mortgagor's agent to inspect or obtain copies of all records or other documents of the Strata Corporation that the Mortgagor is entitled to inspect or obtain,
- (h) if the Strata Corporation transfers, charges or adds to its common property or amends its by-laws without the consent of the Mortgagee and if, in the opinion of the Mortgagee, the value of the Land is thereby reduced, the Principal Amount, Interest, Other Money and all other Secured Obligations shall at the Mortgagee's sole option, become immediately due and payable,
- (i) the Mortgagee shall have the right but not the obligation to pay the Mortgagor's share of common expenses, in which case the amount so paid will be Other Money under This Mortgage and bear Interest,
- (j) the Mortgagor agrees with the Mortgagee that the Principal Amount, Interest, Other Money and all other Secured Obligations shall, at the Mortgagee's sole option, immediately become due and payable if the Strata Corporation fails to comply with a material obligation under the Strata Property Act, S.B.C. 1998, c.43, a Court makes a judgment against the Strata Corporation, the Strata Corporation seriously fails to manage the Land in a prudent manner, a Court appoints an inspector, administrator or similar officer under the Strata Property Act, S.B.C. 1998, c.43, the Strata Corporation becomes insolvent, there is substantial damage to the complex comprising the Premises, a substantial increase in the common expenses or a substantial special assessment is made by the Strata Corporation.

17.00 SUBDIVISION

17.01 If the Land, or any part thereof, is subdivided into Strata Lots or otherwise:

- (a) This Mortgage shall charge each parcel, lot or Strata Lot into which the Land is subdivided as security for payment of the Principal Amount, Interest, Other Money and all other Secured Obligations, and
- (b) the Mortgagee is not required to discharge This Mortgage as a charge against title to any parcel, lot or Strata Lot unless the conditions under paragraph 2.02 have been satisfied.

17.02 Even though the Mortgagee is not required to discharge This Mortgage in respect of any parcel, lot or Strata Lot, the Mortgagee may agree to do so in return for payment of part of the Principal Amount, Interest, and Other Money and other Secured Obligations as the Mortgagee may stipulate and upon satisfaction of such additional requirements as the Mortgagee may stipulate. If the Mortgagee discharges This Mortgage in respect of a parcel, lot or Strata Lot, This Mortgage will continue to charge all parcels, lots and Strata Lots which have not been specifically discharged.

18.00 READVANCES

18.01 The Mortgagor and the Mortgagee agree that:

- (a) whether or not This Mortgage is made in support of a Revolving Loan Agreement, the Principal Amount or any portion thereof may, on one or more occasions, be advanced or readvanced under This Mortgage,
- (b) This Mortgage will be security for payment of the Principal Amount, Interest, Other Money and other Secured Obligations owed to the Mortgagee as secured, advanced and/or readvanced from time to time,
- (c) This Mortgage remains as effective security even though from time to time there is no money outstanding and secured under This Mortgage, until the Mortgagor has received a discharge,
- (d) This Mortgage has and will have priority over every mortgage and other charge or encumbrance of the Land created after This Mortgage was created. The priority extends to advances of a direct, indirect, contingent or absolute nature to the Mortgagor or any Borrower, the readvance of money to the Mortgagor or any Borrower by the Mortgagee from time to time, the issuance of any letters of credit, interest reserves and holdbacks established by the Mortgagee and escrow fundings of any kind in connection with This Mortgage, before and after a subsequent mortgage and other charge or encumbrance of the Land was created and or was registered in the Land Title Office.

If the circumstances are such that the Laws limit the priority of This Mortgage after the Mortgagee is given notice of an interest in the Land by another Person, a notice is not valid unless it is in writing, is handed personally to a senior officer of the Mortgagee, clearly refers to This Mortgage, and clearly states its purpose. Every Person acquiring an interest in the Land must be taken to agree to this provision, and

- (e) pursuant to section 27(1)(b) of the Land Title Act, R.S.B.C. 1996, c. 250, paragraph 18.01 of these mortgage terms shall be notice of This Mortgage and the contents hereof to every Person dealing with the title to the Land.

19.00 RENEWALS

19.01 Although it is understood and agreed that the Mortgagee does not hereby agree to give the Mortgagor any right to renew, modify or extend This Mortgage in the future, if the Mortgagee does agree with the Mortgagor at any time in the future to renew, modify or extend This Mortgage and/or to change the terms in respect of the payment obligations under This Mortgage, including without limitation extending the time for repayment of the Principal Amount, Interest, Other Money and other Secured Obligations and changing the Interest Rate or changing the amount of the monthly Loan Payments:

- (a) This Mortgage secures the payment obligations as changed or replaced,
- (b) the priority of This Mortgage includes priority for any subsequent agreement made in respect of This Mortgage whether or not such agreement was registered in the Land Title Office,

If the circumstances are such that the Laws limit the priority of This Mortgage after the Mortgagee is given notice of an interest in the Land by another Person, a notice is not valid unless it is in writing, is handed personally to a senior officer of the Mortgagee, clearly refers to This Mortgage, and clearly states its purpose. Every Person acquiring an interest in the Land must be taken to agree to this provision.

- (c) all disbursements, including but not limited to fees, costs and expenses associated with appraisals, building condition reports, environmental audits, quantity surveys, insurance consulting and legal services on an indemnity basis and administrative costs in connection with renewals of This Mortgage shall be paid by the Mortgagor to the Mortgagee, and
- (d) pursuant to section 27(1)(b) of the Land Title Act, R.S.B.C. 1996, c. 250, paragraph 19.01 of these mortgage terms shall be notice of This Mortgage and the contents hereof to every Person dealing with the title to the Land.

20.00 ASSIGNMENT OF RENTS

In consideration of the Mortgagee making available a Credit Facility on the terms of the Loan Agreement and all financial and other accommodations to or for the benefit of the Mortgagor and each Borrower, the Mortgagor hereby agrees with the Mortgagee as follows:

20.01 The Mortgagor will, without demand, promptly deliver to the Mortgagee a true copy of each of the Leases and give to the Mortgagee full information relating to each of the Leases.

20.02 The Mortgagor hereby assigns to the Mortgagee all Rent, for the Mortgagee to have and to hold as security for the payment and performance of the Principal Amount, Interest and Other Money and all other Secured Obligations, subject to the proviso in paragraph 2.02 of these mortgage terms of the Mortgagor in respect of This Mortgage have been fully paid and satisfied.

20.03 The Mortgagor hereby grants to the Mortgagee full power and authority to enter upon the Land to collect the Rent, to serve demands on the holders of the Leases in respect of payment of the Rent and to demand, collect, sue for, distrain for, recover and give receipts for the Rent, and to enforce payment of the Rent and performance of any guarantees of payment and covenants to pay, in the Mortgagee's own name or in the name of and as agent for the Mortgagor, as the Mortgagee may elect, and hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions.

20.04 Although this assignment of rents is a present and absolute assignment, (subject to the proviso in paragraph 2.02 of these mortgage terms), the Mortgagor, as agent for the Mortgagee, will be entitled to collect and retain the Rent as and when they become due and payable according to the terms of the Leases until there is a Default in the observance or performance by the Mortgagor of any term, covenant, agreement, proviso or condition of This Mortgage, the Loan Agreement or of any of the Loan Documents; PROVIDED that this paragraph shall not relieve the Mortgagor from the observance and performance of the Mortgagor's obligations hereunder.

20.05 In the event of Default by the Mortgagor under This Mortgage, proceedings may, at the sole option of the Mortgagee, be taken under this assignment of rents either independently or in conjunction with the other rights and remedies of the Mortgagee under This Mortgage.

20.06 Nothing herein contained shall be deemed to have the effect of making the Mortgagee responsible for the collection of the Rent or for the observance or performance of any of the provisions of the Leases either by the Mortgagor or by any holders of the Leases, or of rendering the Mortgagee a mortgagee in possession of the Land or in any way accountable or liable as such, or of imposing any obligation on the Mortgagee to take any action or exercise any remedy in the collection or recovery of the Rent.

20.07 The Mortgagee will be liable to account for only such money as it actually receives pursuant to this assignment of rents, less all costs and expenses incurred by it in the course of exercising its rights and remedies under this assignment of rents, including without limitation legal fees and disbursements on an indemnity basis.

20.08 The giving of this assignment of rents is by way of additional and collateral security for the Secured Obligations and not in substitution for or satisfaction of the Loan Agreement or any of the Loan Documents and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under the Loan Agreement or any of the Loan Documents and will not in any way prejudice or limit the obligations of the Mortgagor under the Loan Agreement or any of the Loan Documents.

20.09 The Mortgagor will not at any time during the existence of This Mortgage pledge, or otherwise encumber any Lease or the Rent, and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with any Lease without the prior written consent of the Mortgagee.

20.10 The Mortgagor will not at any time during the existence of This Mortgage in respect of any Lease:

- (a) accept Rent more than one month in advance, with the exception of the last month's Rent, and

unless the Mortgagor has received the Mortgagee's prior written consent which consent shall not be unreasonably withheld,

- (b) agree to its subletting or assignment, or
- (c) alter or modify its terms, or
- (d) terminate, cancel or accept its surrender.

20.11 The Mortgagor will execute and deliver such further assurances, assignments, notices or other documents as the Mortgagee may reasonably require from time to time to render this assignment of rents effective.

20.12 At the request of the Mortgagee from time to time, the Mortgagor will give any other party to any of the Leases actual written notice of this assignment of rents and will use the Mortgagor's best efforts to obtain from such party an acknowledgment of any such notice but nothing in this paragraph shall oblige the Mortgagee to make any such request.

20.13 To the knowledge of the Mortgagor there are no existing or future rights of set-off, assignment, communication or prepayment with respect to the Rent.

20.14 To the knowledge of the Mortgagor, there have been no defaults under any of the existing Leases by the Mortgagor or by any of the holders of the Leases, and there are no outstanding disputes pursuant to such Leases.

20.15 The Mortgagor will at all times observe and perform all the Mortgagor's obligations under the Leases.

20.16 The Mortgagor now has good and sufficient power, authority and right to assign the Rent and other benefits referred to herein in the manner aforesaid according to the true intent and meaning of this assignment of rents.

21.00 MORTGAGE OF LEASEHOLD

21.01 If the Mortgagor's interest in the Land consists of a leasehold interest under a Mortgagor Lease, then, in addition to all other terms, covenants and agreements of This Mortgage, article 21.00 of these mortgage terms shall apply.

21.02 Paragraph 2.01 of these mortgage terms shall not apply to the extent of the Mortgagor's leasehold interest under the Mortgagor Lease, and this paragraph 21.02 shall apply to the same extent:

In consideration of the Mortgagee making available a Credit Facility on the terms of the Loan Agreement and all financial and other accommodations to or for the benefit of the Mortgagor and each Borrower, the Mortgagor grants and mortgages by way of sub-lease the Land (including without limitation the Mortgagor Lease) and all of the Mortgagor's present and future interest in and to the Mortgagor Lease and the Land to the Mortgagee, for the entire residue of the term of the Mortgagor Lease and any renewals thereof except the last month thereof, as security for the payment and performance of the Principal Amount, Interest, Other Money and all other Secured Obligations, and the Mortgagor releases to the Mortgagee all its claims on the Land subject to the proviso in paragraph 2.02 of these mortgage terms.

The Mortgagor declares that it is a trustee for the last month of the term of the Mortgagor Lease for the Mortgagee (subject to the right of redemption pursuant to the proviso in paragraph 2.02 of these mortgage terms) and grants to the Mortgagee power to remove the Mortgagor as trustee and appoint another trustee in its place and the Mortgagor irrevocably appoints the Mortgagee its attorney to assign to the Mortgagee or a Person of the Mortgagee's choosing the immediate reversion.

21.03 The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgagor Lease is not in default and is in good standing and has not been surrendered, forfeited, amended or become void or voidable,
- (b) the Mortgagor has complied with all the terms, covenants, conditions and provisos contained in the Mortgagor Lease including the payment of all Rent due under the Mortgagor Lease,
- (c) the Mortgagor has the right to mortgage the Mortgagor Lease to the Mortgagee in the manner herein provided, and if required, has obtained all required consents, including without limitation, the consent of the lessor under the Mortgagor Lease to This Mortgage,
- (d) all Rent due and payable throughout the term of the Mortgagor Lease has been paid and there is no further obligation on the part of the Mortgagor to pay Rent at any time for or during the balance of the unexpired term of the Mortgagor Lease, and
- (e) the Mortgagor Lease is a valid and subsisting Lease for the term therein set forth and the Mortgagor has a valid and subsisting leasehold estate as the lessee under the Mortgagor Lease, subject only to the terms of the Mortgagor Lease, free from all encumbrances except those specified as "Prior Encumbrances Permitted by Lender" on the Mortgage Form and except those encumbrances which are to be discharged when money is advanced by the Mortgagee under This Mortgage.

21.04 The Mortgagor covenants and agrees with the Mortgagee that:

- (a) any default by the Mortgagor under the Mortgagor Lease will constitute a Default under This Mortgage,
- (b) the Mortgagee may but shall not be obliged to perform any obligation or agreement of the Mortgagor under the Mortgagor Lease including the failure on the Mortgagor's part to pay Rent due under the Mortgagor Lease and in so doing the Mortgagee will not be or be considered to be a mortgagee in possession and any cost and expense so incurred by the Mortgagee shall be Other Money under This Mortgage and bear Interest,
- (c) it will take no action nor give any notice which would have the effect of terminating or permitting the termination of the Mortgagor Lease and that it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or termination of the Mortgagor Lease,

- (d) it will not enter into any agreement purporting to modify, alter or amend the Mortgagor Lease without the prior written consent of the Mortgagee which consent may be granted or withheld by the Mortgagee in its sole and unfettered discretion,
- (e) it will not, assign, transfer, mortgage, surrender or sublet the Mortgagor Lease and will not cancel or agree to a cancellation of the Mortgagor Lease without the prior written consent of the Mortgagee which consent may be granted or withheld by the Mortgagee in its sole and unfettered discretion,
- (f) it will preserve its title to and interest in the Land pursuant to the Mortgagor Lease and defend same for the benefit of the Mortgagee against the claims of all Persons,
- (g) no sale, transfer, assignment or other dealing by the Mortgagor with the Mortgagor Lease or any part thereof and 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 Mortgagor Lease or any part thereof, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable to repay all amounts hereby secured,
- (h) in the event the value of Premises should become payable to the Mortgagor, or pursuant to the terms of the Mortgagor Lease upon the same being paid to the Mortgagor, the amount so paid shall at the sole option of the Mortgagee, if the same is by the terms of the Mortgagor Lease not required to be expended on the Premises or the Land, become due on account of the amounts secured hereby,
- (i) in the event that the Mortgagor shall refuse or neglect to renew the Mortgagor Lease or any renewals thereof granted hereafter, then, and as often as it shall happen, the Mortgagee may effect such renewals in its own name, in the Mortgagor's name or otherwise, and every renewal of the Mortgagor Lease and the mortgaged property thereby demised shall remain and be security to the Mortgagee for the full amount secured hereunder,
- (j) it will at its cost, without expense to the Mortgagee, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered each and every further act, deed, conveyance, mortgage, non-disturbance agreement, assignment, transfer and assurance as the Mortgagee shall reasonably require for the better assuring, granting, mortgaging, charging, assigning, transferring, setting over and confirming unto the Mortgagee the Land pursuant to the Mortgagor Lease, including any property and any interest of the Mortgagor therein which may be or may hereafter become subject to This Mortgage,
- (k) it will comply with all the terms, covenants, conditions and provisos of the Mortgagor Lease and not do anything that could permit the Mortgagor Lease to be cancelled,
- (l) it will give to the Mortgagee a copy of any notice or demand received from the lessor of the Mortgagor Lease immediately after it is received by the Mortgagor, and

- (m) it will notify the Mortgagee immediately if lessor of the Mortgagor Lease advises the Mortgagor of its intention to cancel the Mortgagor Lease.

22.00 LICENCED PREMISES

In the event that the Premises are licensed to the Mortgagor for the carrying on of a business or for a use of any kind the following provisions shall be applicable:

22.01 The Mortgagor does hereby covenant and agree that all existing licences, permits and authorities issued by any body or authority having licensing jurisdiction, in connection with any business or use of any kind carried on upon the Land, shall as of and from the date hereof stand as security for and shall be held by the Mortgagor for the benefit of the Mortgagee without liability on the Mortgagee's part to perform any obligation thereunder, as security for the observance, performance and carrying out of the terms and conditions of This Mortgage until the monies secured herein are fully paid and satisfied.

22.02 The Mortgagor covenants and agrees that it has not and will not do or omit to do any act having the effect of terminating, cancelling or preventing the renewal of existing licences, permits and authorities issued by any body or authority having licensing jurisdiction in connection with the aforementioned business or special use of any kind carried on upon the Land, and the Mortgagor does further covenant with the Mortgagee that the Mortgagor shall comply with, observe, perform and carry out all of the provisions of all Laws governing and controlling and affecting the carrying on of the business or the use being carried on at the Premises as well as complying, observing, performing and carrying out all the provisions of all the rules, regulations and directions required to keep the said licences, permits and authorities in full force and effect. It is acknowledged that failure to observe, perform and carry out the terms and conditions of this provision, resulting in cancellation of the licences, permits and authorities issued for the Land shall at the sole option of the Mortgagee, constitute a Default under the terms of This Mortgage and the whole of the Principal Amount, Interest and all Other Money hereby secured shall, at the sole option of the Mortgagee, forthwith become due and payable.

22.03 The Mortgagor further agrees and acknowledges that, in the event of a Default of payment of any monies secured by This Mortgage as and when such payments become due, or in the event of failure of the Mortgagor to observe, perform or carry out any of the covenants and agreements in This Mortgage contained, including the conditions contained in the within paragraph, such event shall and does hereby operate to constitute the Mortgagee as a successor and assign, subject to the approval of the body or authority or board or commission having licensing jurisdiction in connection with the aforesaid business or use carried on upon the Land such approval being for all existing licences, permits and authorities issued by the said body or authority or board or commission having such licensing jurisdiction in connection with the aforementioned business or use carried on upon the Land; provided however, this assignment is taken only as security for the due payment of the Principal Amount, Interest and Other Money hereby secured and as security for the due observance, performance and carrying out of the terms and conditions hereof, and subject to the reservation that none of the rights or remedies of the Mortgagee shall be merged or prejudiced in any way by the acceptance of this assignment as security.

22.04 In the event of any proceedings being taken by the Mortgagee by the reason of a Default being made in payment of the monies hereby secured, then in such event the Mortgagor shall be deemed to be in Default hereunder and the Mortgagee shall be entitled to exercise its rights hereunder, and to have the Mortgagee or its nominee or assignee become holder of the

above mentioned licences, permits and authorities and to apply to the body or authority or board or commission having the necessary jurisdiction for the approval of the transfer to the Mortgagee or its nominee or assignee of all the licences, permits and authorities now or hereafter in existence in connection with any business or use carried on or being made of the Land.

22.05 This indenture further witnesses that the Mortgagor and the Covenantor (if any) does hereby irrevocably constitute and appoint the Mortgagee their attorney in respect of the Land to do and perform all acts, matters and things necessary to effectively transfer the said licences, permits and authorities and to vest the same in the Mortgagee or its nominees or assignees to all intents and purposes as the Mortgagor itself could do; it being agreed that this power of attorney is only exercisable on a Default by the Mortgagor. A statutory declaration that a Default has occurred under and in respect of This Mortgage, and that such Default still continues, entitling the Mortgagee to exercise its rights hereunder, shall be conclusive evidence of the Mortgagee's rights to exercise the power of attorney hereby given.

23.00 CONSTRUCTION LOAN PROVISIONS

If any part of a Credit Facility advanced and secured under This Mortgage is to be used in the course and for the purpose of demolishing, repairing, improving and/or constructing the Development upon the Land:

23.01 The Mortgagor shall construct all buildings and other improvements on the Land in accordance with the Plans and to the satisfaction of all governmental and regulatory authorities having jurisdiction and carry on diligently to completion the buildings and other improvements. All buildings and other improvements now or later on the Land shall form part of the security for the payment and performance of the Principal Amount, Interest, Other Money and all other Secured Obligations secured by This Mortgage.

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

23.03 Provided that should construction on the Development cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Mortgagor excepted), for a period of five (5) consecutive Business Days, then, at the sole option of the Mortgagee, This Mortgage shall, immediately become due and payable. In the event that construction does cease, then the Mortgagee shall have the right, at its sole option but under no circumstances shall the Mortgagee be obliged, to assume some part or complete control of the construction of the Development in such manner and on such terms as it deems advisable. The cost and expenses of completion of the Development by the Mortgagee and all expenses incidental thereto together with a management fee of fifteen percent (15%) of the costs and expenses of the construction completed by the Mortgagee will be Other Money under This Mortgage and bear Interest.

23.04 At all times there shall be sufficient funds unadvanced under This Mortgage and retained by the Mortgagee to complete the construction.

23.05 This Mortgage will be advanced in stages as construction upon the Land proceeds or as the conditions as enumerated by the Loan Agreement are complied with.

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

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

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

23.09 The Mortgagee may at its sole option, withhold from any advances for which the Mortgagor may have qualified, such amounts as the Mortgagee, in its sole discretion, considers advisable to protect its position under the provisions of the Builders Lien Act, S.B.C. 1997, c. 45, so as to secure its priority over all liens, until the Mortgagee is fully satisfied that all lien periods have expired and that there are no liens outstanding. Nothing in this clause shall be construed to make the Mortgagee an "owner" as defined under the Builders Lien Act, S.B.C. 1997, c. 45, nor shall there be, or be deemed to be, any obligation by the Mortgagee to retain any holdback which may be required to be made by the owner which shall remain solely the Mortgagor's obligation. The Mortgagor hereby covenants and agrees to comply in all respects with the provisions of the Builders Lien Act, S.B.C. 1997, c. 45, and further agrees to provide the Mortgagee with evidence of such compliance satisfactory to the Mortgagee, including particulars of all funds held back in a holdback account in accordance with the requirements of the Builders Lien Act, S.B.C. 1997, c. 45.

23.10 The Mortgagor shall at the Mortgagee's request promptly deliver to the Mortgagee all home warranty provider and home warranty provider consultant reports in its possession from time to time.

23.11 The Mortgagee may at anytime during the construction of the Development appoint a monitor to monitor the construction process and advise the Mortgagee on the state of construction and construction related affairs including without limitation:

- (a) the detailed costs involved in completing the Development in accordance with the Plans, including the outstanding payables owing to the various trades and consultants;

- (b) the estimated time frame required to complete the Development;
- (c) the estimated statement of affairs of the Mortgagor, including details of all of its assets and liabilities, including holdback accounts, and deposits held with third parties;
- (d) if applicable, an assessment of the likelihood of the current pre-sales contracts of the Strata Lots completing and an assessment of the current market value of the individual Strata Lots;
- (e) an assessment of the likely recovery to the Mortgagee based on a successful completion of the Development assuming if applicable, (1) that all the existing pre-sales contracts of the Strata Lots complete at their current selling price and the remainder of the Strata Lots are sold at current market value and (2) all pre-sales contracts of the Strata Lots do not complete and that all of the Strata Lots are not sold at current market value;
- (f) an assessment of the current construction management team and recommendations for improvement, including (1) the manner in which the Mortgagee can ensure that the Development can be completed on both a timely basis and within an agreed budget, (2) the manner in which funds can be advanced and the appropriate trades paid, and holdback accounts set up;
- (g) any other matters which appear to the monitor to be relevant to the satisfactory completion of the Development, including warranty inspection reports, consultants and other construction related reports.

23.12 For the purposes set forth in paragraph 23.11, the Mortgagor will:

- (a) grant the monitor full access to the Land, its business operations, and books and records; and
- (b) endeavour to provide and assist in the provision to the monitor of access to representatives of its general contractor or project manager, all trades and contractors, consultants and other parties involved in the Development including warranty service providers.

23.13 The Mortgagor agrees that all costs incurred by the Mortgagee arising from the appointment of the monitor including the monitor's charge for services and all expenses incurred by the monitor and charged to the Mortgagee in the course of attending to its services will for every intent and purpose be considered a protective disbursement and will be Other Money under This Mortgage and bear Interest.

24.00 CANADA REVENUE AGENCY CLEARANCE CERTIFICATE

24.01 As a condition of the Mortgagee providing an executed and registerable discharge of This Mortgage, the Mortgagor must provide the Mortgagee with written confirmation from Canada Revenue Agency satisfactory to the Mortgagee that all goods and services tax and payroll source deduction payments and remittances are current and paid in full as of the date of the Mortgagee's request for the discharge of This Mortgage, which written confirmation from Canada Revenue Agency must be dated not more than thirty (30) days before the date that the Mortgage is repaid in full. This clearance certificate process can take a considerable amount of time and therefore the Mortgagee is advised to make arrangements for

obtaining this clearance certificate as soon as possible in advance of the anticipated repayment and discharge of this Mortgage.

25.00 REFERENCE DATE

This Mortgage is dated for reference the 11th day of April, 2022.

END OF DOCUMENT



1. Application

Carol Chan, Paralegal, Richards Buell Sutton LLP
700 - 401 West Georgia Street
Vancouver BC V6B 5A1
604-661-9265

46700-0040 (0736657 B.C. Ltd. and Community Marine Concepts Ltd.)

2. Description of Land

PID/Plan Number	Legal Description
No PID/Plan	ALL THAT REAL PROPERTY COVERED BY WATER IN VICTORIA HARBOUR, IN THE PROVINCE OF BRITISH COLUMBIA, COMPRISING THREE PARCELS FOR A COMBINED AREA OF 36.18 METERS SQUARED, MORE OR LESS, AND MORE PARTICULARLY SHOWN AS INSET "DETAIL A", "DETAIL B" AND "DETAIL C" ON SITE PLAN OF BLOCK A, DISTRICT LOT 119, ESQUIMALT DISTRICT, SURVEYED BY J.E. ANDERSON & ASSOCIATES, CERTIFIED CORRECT DATED NOVEMBER 16TH, 2017 BY RYAN P. HOURSTON BCL, ATTACHED TO THIS MORTGAGE AND ENTITLED "SITE PLAN", WHICH LANDS ARE THE SUBJECT OF LEASE W18371388 MADE THE 1ST DAY OF JANUARY, 2018 BETWEEN HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER OF TRANSPORT, AND THE MORTGAGOR DESCRIBED IN ITEM 3 OF PART 1 OF THIS MORTGAGE

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

0736657 B.C. LTD.
 2959 KINGSWAY
 VANCOUVER BC V5R 5J4

BC0736657

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

AMBER MORTGAGE INVESTMENT CORP.
 #415 - 5900 NO. 3 ROAD
 RICHMOND BC V6X 3P7

BC1087596

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
See Schedule	See Schedule	See Schedule
Interest Calculation Period	Payment Dates	First Payment Date
Monthly	See Schedule	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
See Schedule	See Schedule % per annum	N/A
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	On Demand
If yes, page and paragraph number: pages 32-34, paragraph 20		



6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes

8. Interest Mortgaged

Other: of Lease W18371388 described in Item 2 of this Form B

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

First Mortgage and Assignment of Rents in favour of 1129057 B.C. LTD.

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)

Barrister & Solicitor

YYYY-MM-DD

0736657 B.C. LTD.
 By their Authorized Signatory

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.

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LAND TITLE ACT
FORM E

SCHEDULE

Page 3

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

5. PAYMENT PROVISIONS:**(a) Principal Amount:**

This Mortgage secures payment, observance, performance and satisfaction of the Secured Obligations.

(b) Interest Rate:

Such rate or rates of interest as may be agreed to in writing from time to time with respect to the Secured Obligations, and payable after as well as before maturity, default and judgment.

(c) Interest Adjustment Date:

The interest adjustment date as may be set forth in the Loan Agreement.

(e) Payment Dates:

The dates when the Secured Obligations are required to be paid, observed, performed and satisfied.

(g) Amount of each periodic payment:

The payment amount as may be agreed to in writing by the Mortgagor and the Mortgagee from time to time.

(h) Interest Act (Canada) Statement:

The equivalent rate of interest calculated half yearly or yearly, not in advance, is as set forth in the applicable Loan Document.

MORTGAGE PART 2

1.00 DEFINITIONS

1.01 In these mortgage terms:

- (a) "**Balance Due Date**" means the date specified as the "Balance Due Date" in the Mortgage Form.
- (b) "**Borrower**" means any Person other than the Mortgagor to whom the Credit Facility has been made available.
- (c) "**Business Day**" means any day of the week that the Mortgagee's mortgage administration office located in British Columbia is open for business.
- (d) "**Court**" means a court having jurisdiction in any matter arising out of This Mortgage.
- (e) "**Covenantor**" means a Person who, as a covenantor or a guarantor, has entered into or may, from time to time, enter into a Covenantor Agreement.
- (f) "**Covenantor Agreement**" means each covenantor agreement or guarantee agreement or instrument howsoever named or titled or any documentation similar in form, content or intent to any of the above irrespective of the name or title of such documentation or form of instrument and any renewals, amendments, or substitutions therefor, under which a Covenantor promises, among other things, to pay all or part of the Principal Amount, Interest, Other Money and other Secured Obligations.
- (g) "**Credit Facility**" means the financing arrangements set forth in the Loan Agreement.
- (h) "**Date of Advance**" means the earliest of:
 - (i) the date of any advance or readvance of money under This Mortgage,
 - (ii) the date on which the Mortgagee has at the Mortgagor's or any Borrower's request, made funds available to the Mortgagee's solicitors to make an advance or re-advance to the Mortgagor or any Borrower,
 - (iii) the date on which the Mortgagor or any Borrower incurs any contingent liability to the Mortgagee,
 - (iv) the date on which the Mortgagee advances or causes its solicitors to advance money under This Mortgage into escrow,
 - (v) the date of issuance of any letter of credit by the Mortgagee, and
 - (vi) the date on which any interest reserve is established by the Mortgagee.
- (i) "**Default**" includes each of the events of default specified in article 13.00 and all other events of default specified in This Mortgage.

- (j) "**Development**" means all buildings and all other improvements (including without limitation the Premises) to be constructed upon the Land, substantially as contemplated in the Loan Agreement and the Plans.
- (k) "**Financial Statements**" means the annual financial statements of the Person who pursuant to the terms of the Loan Agreement must provide such financial statements to the Mortgagee including the annual balance sheet of such Person, and if such Person is an individual including the personal net worth statements of such Person, all prepared using Canadian "generally accepted accounting principles" consistently applied by an independent firm of chartered accountants or certified general accountants satisfactory to the Mortgagee, prepared on a Notice to Reader, Review Engagement or Audited basis as required by the Mortgagee.
- (l) "**Interest**" means any and all interest accruing under This Mortgage at the Interest Rate.
- (m) "**Interest Act**" means the Interest Act, R.S.C., 1985, C.1-15.
- (n) "**Interest Adjustment Date**" means the date specified as the "Interest Adjustment Date" in the Mortgage Form.
- (o) "**Interest Calculation Period**" means the period or periods for the calculation of Interest specified as the "Interest Calculation Period" in the Mortgage Form.
- (p) "**Interest Rate**" means the rate of interest specified as the "Interest Rate" in the Mortgage Form or such other rate as may be agreed to in writing by the Mortgagor and Mortgagee from time to time in any applicable Loan Document.
- (q) "**Land**" means the "Mortgaged Land" described in the Mortgage Form, including but not limited to all buildings, improvements, fixtures and equipment that are now or later become attached to, used or enjoyed in connection with the Land including without limitation, the Premises, all items mentioned in section 10 of the Land Transfer Form Act, R.S.B.C., 1996, c.252 and every present and future right, title, interest, estate, benefit and/or privilege of the Land and of the Mortgagor in and to the Land including without limitation, any benefiting easement now or in the future registered in the Land Title Office as a legal notation appurtenant to the Land and the leasehold estate (if any) of the Mortgagor in and to the Land pursuant to the Mortgagor Lease.
- (r) "**Laws**" means all federal and provincial statutes, regulations, orders, directions and requirements; all civic and municipal by-laws, orders and regulations; all orders, directions, regulations and requirements of any body, board, authority or Person (including but not limited to a fire marshal, a manager appointed under any environmental legislation, an inspector and any official, Person, delegate or body appointed under any by-law, order, statute or regulation having authority with respect to the Land), concerning any matter occurring on or affecting the Land or its use or any act or activity occurring on or about the Land, including without limitation all such statutes and regulations which prohibit or restrict the use and cultivation of illegal drugs and substances and the conduct of illegal activities whether or not the breach of which could result in a forfeiture of the

Land or Premises and/or a security interest therein to the federal or provincial Crown or applicable law enforcement branch.

- (s) **"Lease"** or **"Leases"** means each and every present and future, written or unwritten agreement to lease, lease, lease renewal, tenancy agreement, licence and right of occupancy made or to be made with respect to the Land or any part thereof and in the case where This Mortgage is a mortgage by way of sublease of a Mortgagor Lease, "Lease" or "Leases" shall include any and all subleases of the Mortgagor Lease.
- (t) **"Loan Agreement"** means the commitment letter and any amendments thereto and renewals, restatements and replacements thereof, issued by the Mortgagee to the Mortgagor and/or any Borrower from time to time in connection with the Credit Facility which is secured by among other things, This Mortgage.
- (u) **"Loan Document"** means any and all agreements and/or documents required by the Mortgagee in the Loan Agreement as a condition of the Mortgagee agreeing to provide the Credit Facility to the Mortgagor and/or the Borrower, including but not limited to the Loan Agreement itself, any mortgage, assignment of rents or leases, promissory note, beneficial owner agreement, tripartite-attornment and non-disturbance agreement, personal property security agreement, environmental indemnity agreement, letter of credit indemnity agreement, indemnity of any other kind, letter of credit agreement, assignment of construction contracts, assignment of management agreements, assignment of material agreements, assignment of plans, permits and licences, assignment of deposits and contracts of purchase and sale, assignment of securities or deposits, assignment of interest reserve, assignment of insurance policies, assignment of any other kind, right of first refusal to mortgage, pledge agreement, Covenantor Agreement, priority agreement, standstill agreement, subrogation and postponement agreement, including without limitation each of the above howsoever named or titled or any documentation similar in form, content or intent to any of the above irrespective of the name or title of such documentation and any other form of collateral security, or other documentation required by the Mortgagee, including without limitation any renewal documentation respecting a renewal of any of the above.
- (v) **"Loan Payment"** or **"Loan Payments"** means the payments specified as the "Amount of each periodic payment" in the Mortgage Form or the amount of each periodic payment for the Credit Facility as may be agreed to in writing by the Mortgagor and Mortgagee from time to time in the Loan Agreement or any other applicable Loan Document;
- (w) **"Mortgage Form"** means the Form B referred to under the Land Title (Transfer Forms) Regulation (B.C. Reg. 53/90) and all schedules and addenda to the Form B.
- (x) **"Mortgagee"** means the person or persons named in the Mortgage Form as a Mortgagee, and their permitted affiliates, successors and assigns.
- (y) **"Mortgagee Address"** means the postal address of the Mortgagee specified in the Mortgage Form or the most recent address stipulated in a written notice given by the Mortgagee to the Mortgagor.

- (z) **"Mortgagor"** means the Person or Persons named in the Mortgage Form as a Mortgagor and their permitted successors and assigns and includes save and except to the extent specifically stated to be otherwise, any owners of the beneficial estate of the Land who are not the Person or Persons named in the Mortgage Form as a Mortgagor and their permitted successors and assigns.
- (aa) **"Mortgagor Address"** means the postal address of the Mortgagor specified in the Mortgage Form or the most recent address stipulated by a written notice given by the Mortgagor to the Mortgagee.
- (bb) **"Mortgagor Lease"** means the lease or sub-lease of the Land under which the Mortgagor is the lessee or sub-lessee and all of the Mortgagor's present and future leasehold interest in and to the Land pursuant to such lease or sub-lease.
- (cc) **"Operating Statements"** means financial statements prepared using Canadian "generally accepted accounting principles" consistently applied, by an independent firm of chartered accountants or certified general accountants satisfactory to the Mortgagee, relating to any business being conducted on or about the Land by the Mortgagor or Borrower including without limitation, annually updated comprehensive records of all revenues and expenses and an annually updated comprehensive rent roll.
- (dd) **"Other Money"** means all money other than the Principal Amount and Interest, which is owed to the Mortgagee under This Mortgage, the Loan Agreement or any other Loan Documents, including without limitation, all arrears of Loan Payments, all present and future debts and liabilities, matured or not, direct or indirect, absolute or contingent, now or at any time and from time to time hereafter due or owing to the Mortgagee pursuant to the Loan Agreement, from or by the Mortgagor whether as principal or surety, and whether incurred by the Mortgagor alone or jointly with any other Person or otherwise, including, without limitation all amounts required to be paid by the Mortgagor under This Mortgage including all amounts comprising any prepayment indemnity required to be paid to the Mortgagee in the event the Mortgagee allows a prepayment to occur under This Mortgage, the Loan Agreement and/or the Loan Documents including without duplication, all amounts for which the Mortgagor has agreed to indemnify and hold the Mortgagee harmless under This Mortgage, the Loan Agreement and/or the Loan Documents.
- (ee) **"Person"** includes any individual, a partnership, a limited partnership, a real estate investment trust, an income trust, a mutual fund, a corporation, a joint stock company, a co-operative, a trust, an unincorporated association, a society, a joint venture, or other entity.
- (ff) **"Place of Payment"** means the place specified as the "Place of Payment" in the Mortgage Form, or any other place stipulated by a written notice given by the Mortgagor to the Mortgagee under This Mortgage.
- (gg) **"Plans"** means the final plans, architectural drawings and specifications for the construction of the Development (as prepared by the applicable architect and approved by the Mortgagee) and all amendments and modifications thereof made by change orders approved in writing by the Mortgagee.

- (hh) **"Premises"** means all buildings and improvements located from time to time upon the Land including without limitation all erections, fixtures, chattels, installations and equipment brought or placed upon the Land for the particular use and enjoyment thereof or as an integral part of or especially adapted for the Premises, including without limitation, all piping, plumbing, aerials, refrigerators, stoves, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, and water heating equipment, cooking and refrigerating equipment, electrical equipment, lighting, wiring, distribution panels, breaker boxes/panels, transformers and switches, elevators and all component parts of any of the foregoing and the same shall become or be deemed to be fixtures and an accession to the freehold and a part of the Land.
- (ii) **"Prime"** means the floating annual rate of interest designated as such by the Mortgagee, from time to time, as a reference rate for purposes of determining rates of interest it shall charge on loans, and in the event the Interest Rate under This Mortgage is stated to be related to Prime the Interest rate shall increase or decrease concurrently with an increase or decrease in Prime.
- (jj) **"Principal Amount"** means the amount of money specified as the "Principal Amount" in the Mortgage Form and from time to time the balance of such amount outstanding under This Mortgage, which for greater certainty shall include all conditional and unconditional advances and re-advances of money including without limitation the establishment of any interest reserves by the Mortgagee, the face amounts of all letters of credit whether or not such letters of credit have been drawn upon, all hold back amounts and all escrow fundings of any kind.
- If This Mortgage is granted in support of a Covenantor Agreement in respect of a Credit Facility made available by the Mortgagee to a Borrower, the Principal Amount shall include the amount which the Mortgagor (as Covenantor) has agreed to pay to the Mortgagee under the Covenantor Agreement.
- (kk) **"Prior Charge"** includes any charge or lien asserted by the federal or provincial Crown or any other Person, mortgage or claim against the Mortgagor or the Land which at any time has priority over or ranks pari-passu with This Mortgage, or in respect of which priority or equal ranking is claimed, including without limitation all encumbrances shown as "Prior Encumbrances Permitted by Lender" on the Mortgage Form.
- (ll) **"Prohibited Act"** means any act, activity or conduct occurring on or affecting the Land which has resulted or might result in a breach of the Laws.
- (mm) **"Receiver"** means a receiver or receiver manager appointed under This Mortgage or any of the Loan Document or by a Court with respect to the Mortgagor, any Borrower or any Covenantor or any material part of their respective assets including without limitation the Land and/or any income generated by the Land.
- (nn) **"Rent"** means all rents and other payments due or accruing due or at any time hereafter to become due pursuant to the Leases, the benefit of all guarantees of payment and all covenants to pay therein contained and the proceeds of all

policies of insurance engaged in connection with the Leases resulting from the occurrence of any insured casualty.

- (oo) **"Revolving Loan Agreement"** means all business and/or commercial operating loan applications and/or agreements and agreements of similar effect howsoever named or titled or any documentation similar in form, content or intent to any of the above irrespective of the name or title of such documentation or form of instrument signed by the Mortgagor in favour of the Mortgagee and any renewals, amendments, or substitutions therefor.
- (pp) **"Secured Obligations"** means all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the Mortgagor to the Mortgagee or remaining unpaid by the Mortgagor to the Mortgagee heretofore or hereafter incurred or arising and whether incurred or arising from agreement or dealings between the Mortgagor and the Mortgagee or from any agreement or dealings with a third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor or however otherwise incurred or arising and whether the Mortgagor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, including, without limitation: (a) the unpaid principal amount of, and Interest on, all advances of a Credit Facility, all accrued and unpaid Interest on advances of a Credit Facility and on accrued and unpaid Interest, and all Interest which accrues after the commencement of any bankruptcy or insolvency proceeding with respect to the Mortgagor or any Covenantor whether or not allowable; (b) all commitment and other fees and all accrued and unpaid fees, expenses, costs, indemnities, increased costs and other amounts payable to the Mortgagee; (c) the Other Money; and (d) all other obligations of the Mortgagor arising under the Loan Agreement, any other Loan Documents and other security executed by the Mortgagor in favour of the Mortgagee in respect of the Land and Premises.
- (qq) **"Strata Lot"** or **"Strata Lots"** means one or more of the strata lots to be created from the Land upon completion of the Development substantially as contemplated in the Loan Agreement and the deposit of the Strata Plan in the Land Title Office.
- (rr) **"Taxes"** means all taxes, rates or assessments of every kind which are lawfully payable by the Mortgagor in connection with This Mortgage or the Land or its use and occupation, including without limitation, all taxes, rates or assessments which are levied, charged or assessed upon or in respect of:
 - (i) the Land and/or any machinery and equipment on the Land,
 - (ii) local improvements, water, garbage, natural gas, hydro and sewers in relation to the Land,
 - (iii) a Credit Facility,
 - (iv) any transaction between the Mortgagor and the Mortgagee,

- (v) the provision of materials and services including legal services rendered in connection with This Mortgage or the Land,
- (vi) workers' compensation assessments, and
- (vii) goods and services taxes, harmonized taxes and Canada Revenue Agency ("CRA") deductions, assessments and taxes,

and all penalties, interest and other moneys added to the foregoing.

- (ss) **"This Mortgage"** means the combination of the Mortgage Form and these Part 2 express mortgage terms.

2.00 GRANT OF MORTGAGE

2.01 In consideration of the Mortgagee making available the Credit Facility on the terms of the Loan Agreement and all financial and other accommodations to or for the benefit of the Mortgagor and each Borrower, the Mortgagor grants and mortgages the Land to the Mortgagee as security for the payment and performances of the Principal Amount, Interest and Other Money and the Mortgagor releases to the Mortgagee all its claims on the Land subject to the proviso in paragraph 2.02 of these mortgage terms.

2.02 Provided that the Secured Obligations have been paid and performed in full or otherwise released by the Mortgagee, This Mortgage is not in Default and the Mortgagee has no obligation to make any further advance or readvance of money or otherwise make available any Credit Facility to the Mortgagor or any Borrower, the Mortgagor will be entitled, within a reasonable time and at the Mortgagor's cost, to receive a discharge of This Mortgage in accordance with article 9.00.

3.00 INTEREST

3.01 The outstanding balance of the Secured Obligations shall bear Interest both before and after Default, judgment or maturity.

3.02 Interest on (i) all or any part of the Principal Amount accrues from the Date of Advance, and (ii) each other Secured obligation accrues from the date on which such Secured Obligation is incurred; provided, however, that Interest in respect of any letter of credit issued by the Mortgagee on behalf of or to the benefit of the Mortgagor shall only accrue on the amount represented by such letter of credit as of the date such letter of credit is drawn upon pursuant to its terms. For greater certainty however, any such letter of credit issued by the Mortgagee pursuant to a Credit Facility will be considered an advance under the Credit Facility and to be secured by This Mortgage for all purposes, as of the date of its issuance regardless of when or whether or not it is drawn upon. Interest payable on any part of the Principal Amount advanced before the Interest Adjustment Date is due and payable to the Mortgagee on the Interest Adjustment Date.

3.03 Interest on Other Money accrues from the date that it is paid or otherwise incurred by the Mortgagee or which otherwise has become due to the Mortgagee under the terms of This Mortgage, the Loan Agreement or other applicable Loan Documents.

3.04 If the Interest Rate is for any reason found by a Court to exceed the rate allowable under the Criminal Code of Canada or to be prohibited under the Interest Act (Canada) then the Interest Rate shall be the highest rate of interest which does not exceed the

rate of interest allowable under the Criminal Code or the rate which is not prohibited under the Interest Act (Canada).

3.05 If This Mortgage provides for an increase in the Interest Rate at any time and the increased Interest Rate is not allowed by a Court for any reason then the lower Interest Rate provided for in This Mortgage will prevail.

4.00 INTEREST ON INTEREST

4.01 If the Mortgagor does not make any payment when it becomes due, Interest shall accrue on the Interest payable on such unpaid amount and be payable both before and after maturity and judgment. At the end of each Interest Calculation Period unpaid accrued Interest and unpaid Interest on Interest may in the Mortgagee's discretion be added to the Principal Amount and bear Interest.

5.00 COVENANT TO PAY

5.01 The Mortgagor covenants to pay the Mortgagee at the Place of Payment, all payments required to be paid by it under This Mortgage without set off, abatement or deduction in the manner and at the times stipulated under This Mortgage, including without limitation, the Loan Payments, the Principal Amount, Interest, Other Money and all other Secured Obligations.

6.00 PAYMENT

6.01

- (a) The outstanding balance of the Principal Amount shall be paid on the Balance Due Date.
- (b) The Loan Payments shall be paid on each "Payment Date" specified in the Mortgage Form or if not specified, as provided for in the Loan Agreement or any other Loan Document.
- (c) In addition to the Loan Payments, if not otherwise specifically provided under This Mortgage, the Loan Agreement or any other Loan Documents, Interest on any money from each applicable Date of Advance shall be calculated to and paid on the earliest of:
 - (i) the next Date of Advance,
 - (ii) the Interest Adjustment Date, or
 - (iii) the first day of each month after such Date of Advance.
- (d) Other Money and all other Secured Obligations shall be paid on demand, if not otherwise specifically provided under This Mortgage, the Loan Agreement or any other Loan Documents.

Save and except as otherwise agreed herein, all payments made by the Mortgagor to the Mortgagee including without limitation, the Loan Payments shall be applied towards the outstanding balance of the Secured Obligations in any manner or order that the Mortgagee chooses.

It is further understood and agreed that in the case where the Land has been subdivided or stratified with the approval of the Mortgagee and the Mortgagee receives the sales proceeds resulting from the sale of such subdivided or stratified lots, that the Mortgagee shall be entitled to apply the sales proceeds towards the outstanding balance of the Secured Obligations in any manner or order that the Mortgagee chooses.

6.02 Any amount payable to the Mortgagee by the Mortgagor shall be paid before 1:00 PM (Vancouver time) on the date on which the amount is due. If a payment is made on a day after 1:00 PM (Vancouver time) it is treated for calculating Interest as made on the next Business Day. Any amount to be paid to the Mortgagee by the Mortgagor shall on request by the Mortgagee be made by certified cheque or bank draft.

7.00 PREPAYMENT

7.01 Except as may be provided elsewhere in This Mortgage or in the Loan Agreement or later agreed to in writing by the Mortgagee, the Mortgagor has no right to prepay all or any part of the Principal Amount.

8.00 MORTGAGOR'S COVENANTS

8.01 The Mortgagor covenants with the Mortgagee that:

- (a) the Mortgagor will pay or cause to be paid all Taxes when due,
- (b) the Mortgagor, on demand, will pay to the Mortgagee:
 - (i) an amount estimated by the Mortgagee to be sufficient to permit the Mortgagee to pay the annual property taxes including local improvements levies and utilities (collectively the "Annual Property Taxes"), in respect of the Land when they are due and,
 - (ii) the amount by which the Annual Property Taxes in respect of the Land exceeded the money paid to the Mortgagee on account of Annual Property Taxes in respect of the Land,
- (c) the Mortgagor, will arrange for the payment of the Loan Payments and, if requested in accordance with paragraph 8.01(b) above, the estimated Annual Property Taxes in respect of the Land, to be made by pre-authorized payment or in such other manner as may be required by the Mortgagee from time to time,
- (d) the Mortgagor will deliver annually to the Mortgagee within 30 calendar days after the property tax due date, receipted property tax bills for the Land (if the Mortgagee allows the Mortgagor to pay such Annual Property Taxes directly) and from time to time on request of the Mortgagee will deliver to the Mortgagee receipts for payment of all of the Taxes and all notices or statements with respect to the Taxes,
- (e) the Mortgagee shall have the right, in its sole discretion, to request and receive information from the relevant property taxation office or property taxing authority indicating the status of the property tax account pertaining to the Land and the Mortgagee shall be entitled to charge a servicing fee for each such written enquiry, together with any costs payable to such office or authority in procuring

such information and the costs and expenses so incurred by the Mortgagee will be Other Money under This Mortgage and bear Interest,

- (f) the Mortgagor has or at time of registration of This Mortgage in the Land Title Office will have good title in fee simple to the Land free from all encumbrances except those specified as "Prior Encumbrances Permitted by Lender" on the Mortgage Form and except those encumbrances which are to be discharged when money is advanced by the Mortgagee under This Mortgage,
- (g) the Mortgagor has the right to convey and mortgage the Land to the Mortgagee,
- (h) on Default, the Mortgagee shall at its sole option, have possession of the Land free from all encumbrances other than those shown as "Prior Encumbrances Permitted by Lender" on the Mortgage Form,
- (i) the Mortgagor will comply with all the covenants, terms and conditions of This Mortgage, any Loan Document, any Prior Charge and all other present and future mortgages or agreements granted, entered into or assumed by the Mortgagor in favour of any Person in respect of the Land and/or in favour of the Mortgagee whether or not made in respect of the Land,
- (j) the Mortgagor will keep the Land in good condition and repair,
- (k) the Mortgagor will make all repairs to the Land with reasonable dispatch and in a good and workmanlike manner as reasonably required by the Mortgagee,
- (l) the Mortgagor will sign any other document that the Mortgagee reasonably requires to ensure that payment of the Principal Amount, Interest and Other Money are secured in favour of the Mortgagee,
- (m) the Mortgagor will not allow title to the Land to become further encumbered or charged in any manner whatsoever without the Mortgagee's prior written consent unless such encumbrance is in favour of the City of Victoria in connection with the development of the Land,
- (n) the Mortgagor will not do anything so that the value of the Land is decreased and particularly will not without the Mortgagee's prior written consent:
 - (i) demolish any building or part of any building forming part of the Land, or
 - (ii) make any alteration, addition or improvement to any building forming part of the Land or construct any building on the Land except as agreed with the Mortgagee and in accordance with all pre-approved plans, specifications and drawings, all Laws including without limitation all relevant building codes and accepted construction standards and municipal or government requirements, building and development permits,
- (o) upon written request of the Mortgagee and in any event within 90 calendar days from the Mortgagor's fiscal year end if the Mortgagor has a year end or if the Mortgagor is an individual then on April 30th in each year during the term and any renewal terms of This Mortgage, the Mortgagor will deliver to the Mortgagee current Operating Statements and the Mortgagor's current Financial Statements

and the Mortgagee may attend at the Land and/or the Mortgagor's place of business for the purposes of examining such statements and all information pertinent to such statements,

- (p) upon written request of the Mortgagee and in any event if the Land is owned beneficially by a Person other than the Mortgagor, then within 90 calendar days from such Person's fiscal year end if such Person has a year end or if such Person is an individual then on April 30th in each year during the term and any renewal terms of This Mortgage, the Mortgagor will deliver to the Mortgagee such Person's current Financial Statements,
- (q) intentionally deleted,
- (r) intentionally deleted,
- (s) the Mortgagor will insure the Land, and keep it insured, in compliance with the Mortgagee's and the Mortgagee's insurance consultant's requirements as set out in the Loan Agreement or any other Loan Document, including any scheduled insurance requirements attached thereto, with such variations, additions and changes in the amounts and types of coverage as the Mortgagee may from time to time notify the Mortgagor in writing. If the Mortgagor fails to insure the Land as stipulated above, the Mortgagee may, but shall not be obliged to obtain such insurance, and any costs incurred, including the premium will be Other Money under This Mortgage and bear Interest,
- (t) the Mortgagor hereby grants and assigns to the Mortgagee the benefits and a security interest in the benefits under all policies of insurance which it is required by the Mortgagee to provide in respect of the Land and hereby irrevocably appoints the Mortgagee its attorney to exercise the rights under such policies of insurance. Notwithstanding such appointment the Mortgagee shall not be obliged or bound to enforce any right under such policies of insurance or comply in respect of any obligations under such policies of insurance,
- (u) the Mortgagor will send or cause to be sent a copy of each certificate of insurance and annual renewal certificate to the Mortgagee at the Mortgagee Address,
- (v) the Mortgagor hereby waives the rights and benefits available to it under the Insurance Act R.S.B.C. 1996, c. 226 and amendments thereto, and the Fires Prevention (Metropolis) Act, 1774. The Mortgagor further agrees that in the event of the occurrence of an insured casualty in respect of the Land, the Mortgagor shall notify the Mortgagee in writing of same, make a claim in accordance with the insurance policy, and ensure that the proceeds are paid to the Mortgagee. Despite any Law to the contrary, the Mortgagee may require that the proceeds of all such insurance policies be used either to:
 - (i) reduce the Principal Amount, Interest or Other Money, even though any of such amounts may not then be due, or
 - (ii) restore the Land to the condition it was in prior to the occurrence of the insured casualty,

- (w) the Mortgagor will pay to the Mortgagee, when requested to do so, and hereby agrees to indemnify and save the Mortgagee harmless in respect of all costs and expenses of any kind incurred by the Mortgagee in connection with This Mortgage including without limitation, those costs and expenses incurred to protect the Mortgagee's security interest in the Land and incurred in respect of any claims made by third parties against the Land or Premises including without limitation, any claim made by the federal or provincial Crown or applicable law enforcement branch in respect of a breach of the Laws occurring on the Land or Premises or incurred to preserve the Land in any other respect. If the Mortgagor fails to pay to the Mortgagee such costs and expenses, they will be Other Money under This Mortgage and bear Interest. Such costs and expenses include but are not limited to the payment of the Mortgagee's application fees, processing fees, commitment fees, renewal fees, draw processing fees, document execution fees, letter of credit fees and discharge fees levied in connection with This Mortgage, any insurance consultant's fee, any quantity surveyor's fees, the cost of any environmental audit, the cost of any building condition assessment, the cost of all appraisals, protective disbursements incurred by the Mortgagee to protect the Mortgagee's interest under This Mortgage and to preserve the Land generally including without limitation as contemplated in paragraph 10.05 of these mortgage terms.

The above indemnity shall include any legal fees and disbursements incurred by the Mortgagee on an indemnity basis and the cost of the time and services of the Mortgagee and the Mortgagee's agents and employees plus any service charges of the Mortgagee in respect of any of the above including without limitation, for:

- (i) preparing and registering This Mortgage, any Loan Document and any offer of financing made by the Mortgagee including all necessary steps to advance the Principal Amount and secure the Principal Amount, Interest and Other Money,
 - (ii) collecting and attempting to collect any money due under This Mortgage,
 - (iii) enforcing the terms of This Mortgage including efforts to cause the Mortgagor to perform all of the Mortgagor's obligations under This Mortgage,
 - (iv) doing anything which the Mortgagor has agreed to do but has not done,
 - (v) preserving the Land and the Mortgagee's security interest in the Land in any respect including without limitation, from and against third party claims including without limitation, any claim made by the federal or provincial Crown or applicable law enforcement branch in respect of a breach of the Laws occurring on the Land or Premises, and
 - (vi) doing anything at the request of the Mortgagor which the Mortgagee is not required to do, including without limitation providing any statement, entering into any agreement and giving any consent or approval,
- (x) the Mortgagor will pay to the Mortgagee, when requested to do so, and hereby agrees to indemnify and save the Mortgagee harmless in respect of any and all costs and expenses of any kind, including disbursements and legal fees on an

indemnity basis incurred by the Mortgagee as a result of a breach of the Mortgagor's covenants and agreements contained in This Mortgage and any Loan Document. If the Mortgagor fails to pay to the Mortgagee such costs and expenses, they will be Other Money under This Mortgage and bear Interest,

- (y) the Land and its use complies, and the Mortgagor will at all times cause the Land and its use to comply with all Laws,
- (z) the Mortgagor will and will cause any occupant of the Land or Premises to, at all times comply with all Laws,
- (aa) every building and improvement on the Land including without limitation, the Premises and their use complies, and the Mortgagor will at all times cause every building and improvement on the Land including without limitation, the Premises and their use to comply with all Laws,
- (bb) if the Mortgagor, as landlord, leases or subleases all or any part of the Premises, the Mortgagor will comply with the terms of such Leases and will not in respect of any such Leases:

- (i) accept Rent more than one month in advance, with the exception of the last month's Rent, and

unless the Mortgagor has received the Mortgagee's prior written consent which consent shall not be unreasonably withheld,

- (ii) agree to their subletting or assignment,
 - (iii) alter or modify their terms, or
 - (iv) accept their surrender,
- (cc) the Mortgagor must obtain the prior written consent of the Mortgagee before entering into a Lease:
 - (i) with a tenant for 20% or more of the net rentable area of the Premises or in respect of which the Rent will be 20% or more of the gross income being generated from the Premises, or
 - (ii) with a non-arms length tenant, or
 - (iii) for a Rent and upon terms which are not commercially reasonable for similar premises, taking into account all of the Mortgagee's usual lease underwriting considerations including without limitation, the inducements being offered, the credit worthiness of the financial covenant of the tenant, the square footage of the area to be leased, the term of the Lease and for such purposes the Mortgagee may require that the Rent and terms be made without taking into consideration the fact that the tenant in question and the Mortgagor have entered into or are in the course of entering into one or more leases with each other in respect of premises not located on the Land, or
 - (iv) which contains a right of set off in respect of the Rent, or

- (v) which contains a right of early cancellation or the right to cancel on the occurrence of a particular event,
- (dd) during the term and any renewal terms of This Mortgage, the Mortgagor will obtain and deliver to the Mortgagee, within 30 calendar days of execution and at the time of any renewal of the term of This Mortgage:
 - (i) copies of all renewals for current Leases of the Premises,
 - (ii) copies of all new Leases for ongoing, new or replacement tenants of the Premises,
 - (iii) tenant executed estoppel certificates in the Mortgagee's usual form, and
for Leases or Lease renewals pursuant to which the tenant occupies 20% or more of the net rentable area of the Premises or pays 20% or more of the gross income being generated from the Premises:
 - (iv) specific assignments of such Leases or Lease renewals, and
 - (v) tenant executed tripartite-attornment and non-disturbance agreements in the Mortgagee's usual form,
- (ee) the Mortgagor will not at any time during the term and any renewal terms of This Mortgage, pledge, or otherwise encumber any Lease and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with any Lease without the prior written consent of the Mortgagee,
- (ff) the Mortgagor, will not agree to amending or discharging any easement agreements registered in relation to the Land without having first received the prior written consent of the Mortgagee, which consent the Mortgagee shall not unreasonably withhold or delay.

9.00 MORTGAGEE'S COVENANTS

9.01 The Mortgagee covenants with the Mortgagor to:

- (a) apply any payments made to it on account of Taxes in payment of Taxes when due so long as the Mortgagor is not in Default. If the Mortgagor is in Default the Mortgagee may apply any payments made to it on account of Taxes against the Principal Amount, Interest and Other Money in any manner or order that the Mortgagee chooses,
- (b) provide within a reasonable time, at the Mortgagor's cost, a discharge of This Mortgage and any Loan Document (save and except an environmental indemnity agreement, the terms of which are stated to survive the discharge of This Mortgage) when the conditions under paragraphs 2.02 and 24.01 have been satisfied.

10.00 GENERAL AGREEMENTS

10.01 If the Mortgagor acquires any additional interest in the Land including without limitation if the Mortgagor's interest in the Land consists of a leasehold interest under a Mortgagor Lease which interest is subsequently increased or converted to an interest in the fee simple of the Land or if the Mortgagor has or acquires an interest in other land which is subsequently consolidated with the Land, This Mortgage shall at the Mortgagee's sole option extend to and charge such additional interest and land and should the Mortgagee or its solicitors deem same to be necessary, the Mortgagor will at the Mortgagor's cost grant to the Mortgagee an extension or modification agreement and such other agreements as are reasonably necessary to better secure to the Mortgagee such additional interest.

10.02 The Mortgagor hereby grants and assigns to the Mortgagee the benefits in respect of and a security interest in the benefits of any and all rights in respect of the Land including without limitation any rights under an encumbrance of the Land, a right to any repayment of Annual Property Taxes, a right to occupy, use or enjoy a benefit over adjacent or other land in connection with the Land, a license, an encroachment agreement, a right to park, a right to require any Person to make good a defect in the Land or pay any loss which the Mortgagee may suffer because of such defect, a warranty, a right to require anyone to provide a service for maintaining or repairing the Land, and the full benefit of the Mortgagor's rights in connection with these rights, including a guarantee, indemnity, letter of credit, bond or security and a right to insurance and the Mortgagor hereby appoints the Mortgagee its attorney to exercise such rights. Notwithstanding such appointment the Mortgagee shall not be obliged or bound to enforce any such benefits or rights or comply with any obligations associated with such benefits or rights.

10.03 The Mortgagee may but shall not be obliged to repair or finish the construction of any building or improvement forming part of the Land which the Mortgagor has failed to repair or finish and the costs and expenses so incurred by the Mortgagee will be Other Money under This Mortgage and bear Interest.

10.04 The Mortgagee shall not be responsible to maintain or preserve the Land or to account for any money not actually received by the Mortgagee.

10.05 The Mortgagee may cure in whole or in part any Default under This Mortgage, the Loan Agreement or any other Loan Document and any default under a Prior Charge or pay any money expressed to be due under a claim of lien, pay protective disbursements including without limitation, Taxes when due, and the costs and expenses associated with any remediation of the Land to meet the regulatory guidelines and requirements as stipulated in any environmental audit of the Land and in the applicable environmental Laws as amended from time to time and as the Mortgagee may reasonably require from time to time, when considered by the Mortgagee in its discretion to be appropriate and any money so paid by the Mortgagee shall be paid by the Mortgagor to the Mortgagee on demand. Any money paid by the Mortgagee pursuant to this paragraph will be Other Money under This Mortgage and bear Interest.

In the event that the Mortgagor abandons or neglects the Land and the Mortgagee considers its security to be thereby impaired or at peril or the insurance of the Land to be at risk, the Mortgagee may (directly or by the actions of a receiver), but is not obliged to, take all reasonable and necessary steps to physically secure the Land, including but not limited to changing the locks, barring any access to and from the Land, installing a security alarm system and/or employing the services of a security firm and the Mortgagee may take any other actions

it deems necessarily incidental to such matters. All costs of the Mortgagee incurred in inspecting and physically securing the Land shall be paid by the Mortgagor. Any money paid by the Mortgagee pursuant to this paragraph will be Other Money under This Mortgage and bear Interest.

10.06 Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered or certified mail to the Mortgagor Address or the Mortgagee Address as the case may be and such notice, if given by actual delivery shall be deemed received on the day it is delivered and if given by registered or certified mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.

10.07 The Mortgagee may deduct from any advance of money secured by This Mortgage any amounts which the Mortgagor is required to pay directly to any Person in connection with This Mortgage and the Loan Agreement and any amounts which the Mortgagee requires the Mortgagor to pay to or on behalf of the Mortgagee in connection with This Mortgage and the Loan Agreement including but not limited to:

- (a) any unpaid Taxes,
- (b) any Taxes to become due in the year in which such advance is made,
- (c) Interest to any Date of Advance and the Mortgagee may, at any time, make an advance of money under This Mortgage to pay Interest,
- (d) the face amount of any letters of credit and any interest reserves and holdbacks established by the Mortgagee in connection with This Mortgage, and
- (e) all costs and expenses mentioned in This Mortgage.

10.08 The Mortgagor agrees that neither the execution nor the registration of This Mortgage nor the advance or readvance of any portion of the money secured by This Mortgage shall oblige the Mortgagee to advance or readvance money or further money or accept any other obligations. The Mortgagee will decide, in the Mortgagee's sole discretion whether or not any advance or readvance will be made and the amount and date of any advance or readvance.

10.09 If the Land or any part of it is expropriated, all compensation or payment made for such expropriation together with the Mortgagee's entitlement to prepayment indemnity in respect of the early prepayment of such money shall at the sole option of and on terms required by the Mortgagee be paid to the Mortgagee towards payment of the Principal Amount, Interest and Other Money and the Mortgagor hereby assigns the right to receive such compensation or payment to the Mortgagee.

10.10 If any provision, covenant or agreement contained in This Mortgage is invalid or unenforceable in whole or in part then such invalid or unenforceable provision, covenant or agreement or part thereof shall be severed from and not affect the validity or enforceability of the remainder of This Mortgage.

10.11 Nothing done by the Mortgagee or any Receiver pursuant to its rights hereunder including the exercise of any powers of the Receiver as set out herein or in a Court order nor any provision of This Mortgage shall make the Mortgagee a mortgagee in possession.

10.12 If the Mortgagee holds any other security for payment of the Principal Amount, Interest and Other Money, This Mortgage shall be held as additional security and the Mortgagee may take any or all lawful steps and proceedings to realize on any or all securities held in such order as the Mortgagee chooses.

10.13 The granting of This Mortgage is not in substitution for or satisfaction of any of the terms and agreements provided in the Loan Documents and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under any of the Loan Documents and will not in any way prejudice or limit the obligations of the Mortgagor under any security of the Loan Documents and the Mortgagee may take any or all lawful steps and proceedings to realize on any or all of the Loan Documents in such order as the Mortgagee chooses.

10.14 The terms of any Loan Document shall not merge into This Mortgage and shall survive the execution, delivery and registration of This Mortgage. Where there is an inconsistency between the terms of This Mortgage and any Loan Document or as between any of the Loan Documents, the agreement which provides greater rights to the Mortgagee will prevail and if there is any disagreement as to which agreement ought to prevail the determination will be made by the Mortgagee in its sole discretion.

10.15 The Mortgagor will not change its name without first advising the Mortgagee in sufficient time to allow the Mortgagee to make or give such necessary filings or notices to protect or preserve any security for repayment of the Principal Amount, Interest and Other Money or the priority of such security and the Mortgagor agrees to pay the cost of so doing including the fees and disbursements of the Mortgagee's solicitors on an indemnity basis.

10.16 The Mortgagor hereby consents to the Mortgagee entering into servicing or administration, participation, co-lending, syndication or securitization agreements with other mortgagees or Persons in connection with This Mortgage and any Loan Document.

Any information received by the Mortgagee including without limitation any information in respect of This Mortgage, any Loan Document, the Land, the Mortgagor, any Borrower and any Covenantor may be disclosed by the Mortgagee to any parties associated with the transfer, assignment or other dealing of This Mortgage and any Loan Document. Everything to facilitate a transfer or dealing that may be requested in writing will be done at the expense of the Person requesting it.

10.17 The Mortgagor is not currently and at all times during the term and any renewal terms of This Mortgage will not become a "non-resident of Canada" ("Non-Resident") as that term is used in Section 116 of the Income Tax Act, R.S.C. 1985 c. 1 (5th supplement). If the Mortgagor becomes a Non-Resident during the term and any renewal terms of This Mortgage, the Principal Amount, Interest and Other Money shall, at the Mortgagee's sole option, immediately be paid.

Without in any way limiting the rights of the Mortgagee set forth above, if at any time during the term or any renewal terms of This Mortgage the Mortgagor becomes a Non-Resident then:

- (a) Any and all payments by or on account of any obligation of the Mortgagor hereunder shall be made free and clear of and without deduction for any taxes arising in respect of the Mortgagor under or in connection with the Income Tax Act ("Withholding Taxes") provided that if the Mortgagor shall be required to deduct any Withholding Taxes from such payments, then:

- (i) the sum payable shall be increased as necessary so that after making all required deductions the Mortgagee receives an amount equal to the sum it would have received had no such deductions been made,
 - (ii) the Mortgagor shall make such deductions, and
 - (iii) the Mortgagor shall pay the full amount deducted to CRA in accordance with the Income Tax Act.
- (b) The Mortgagee may but will not be obliged under any circumstances to pay any Withholding Taxes to CRA which are payable to CRA by the Mortgagor but which the Mortgagor fails or refuses to pay. The Mortgagor shall, without limitation, indemnify and reimburse the Mortgagee within 10 calendar days after written demand therefor, for the full amount of any Withholding Taxes paid by the Mortgagee (and any penalties, interest and reasonable expenses arising therefrom or with respect thereto), to the extent such Withholding Taxes were paid by the Mortgagee acting reasonably and in good faith. Any money paid by the Mortgagee pursuant to this paragraph will be Other Money under This Mortgage and bear Interest.
- (c) Within 90 calendar days from the Mortgagor's fiscal year end, in each year during the term and any renewal terms of This Mortgage, the Mortgagor covenants and agrees to deliver to the Mortgagee:
- (i) evidence satisfactory to the Mortgagee that:
 - (A) the property manager of the Land (the "Property Manager") is a resident of Canada,
 - (B) the Property Manager has filed documentation with CRA to withhold tax on the net income of the Mortgagor from the Land after specified expenses, which specified expenses include Interest accrued under This Mortgage, and
 - (C) the Property Manager has prepared or caused to be prepared and filed with CRA each year during the term and any renewal terms of This Mortgage an income tax return in respect of all income of the Mortgagor earned from the Land, if any, and paid or caused to be paid any income taxes owing with respect thereto, and
 - (ii) on a confidential basis copies of all applications, returns and other documentation in connection the above.

10.18 The Mortgagor will manage the Land in a manner which is commensurate with a prudent, commercial property owner to the satisfaction of the Mortgagee acting reasonably. In the event that the Property Manager is unacceptable to the Mortgagee acting reasonably or the management of the Land becomes unsatisfactory to the Mortgagee, acting reasonably, then after giving the Mortgagor 30 calendar days notice to change the Property Manager or to correct any deficiency or failure to manage as required by the Mortgagee, the Mortgagee may (but shall not be obliged to) appoint alternate property management with all ongoing costs and the costs associated with such appointment to be borne by the Mortgagor.

10.19 The Mortgagee or its agent or consultants may enter upon the Land from time to time to examine its condition, to conduct appraisals or update existing appraisals, to conduct tests, to take samples and to monitor activities but in doing so the Mortgagee shall cause as little disruption to the Mortgagor and its tenants as practical. The Mortgagor will allow the Mortgagee or its agents or consultants reasonable access to the Land and shall provide information in respect of the Land and the business operated thereon by the Mortgagor reasonably required by the Mortgagee including but not limited to, sale agreements, rent rolls, leases and revenue and expense statements for such purposes. Nothing done by the Mortgagee or its agent or consultants pursuant to its rights under this paragraph shall make the Mortgagee a mortgagee in possession.

10.20 Nothing done or required by the Mortgagee in relation to This Mortgage shall place the Mortgagee under a duty of care to the Mortgagor. Any appraisals, insurance policies, building condition reports, surveys, environmental assessments, and similar studies or documentation required by the Mortgagee in respect of the Land shall not be relied upon by the Mortgagor and the Mortgagee makes no representation or warranty in respect of their content, accuracy or adequacy.

10.21 The Mortgagor will deliver to the Mortgagee copies of all documents relating to the Land which are currently or at any time during the term and any renewal terms of This Mortgage in its possession and control including without limitation, documents affecting title to the Land (excepting those registered in the Land Title Office), appraisals, insurance policies, building condition reports, surveys, and environmental assessments.

10.22 No waiver or failure to enforce any of the Mortgagee's rights under This Mortgage shall prejudice the rights of the Mortgagee on any future occasion.

10.23 If the Mortgagor is more than one Person all covenants under This Mortgage shall be joint and several.

10.24 This Mortgage is neither assignable nor transferrable by the Mortgagor without the Mortgagee's prior written consent, which may be withheld in the Mortgagee's sole discretion. This Mortgage shall be binding on the Mortgagor and the Mortgagor's executors, administrators, permitted assigns and successors in title.

10.25 The use of the singular or either gender in This Mortgage shall include the plural, other gender, body corporate or politic where appropriate.

10.26 Any reference in This Mortgage to a statute or a regulation shall include any successor statute or regulation and its and their amendments and associated regulations in force from time to time.

10.27 Except where This Mortgage specifically provides otherwise, all amounts of money referred to in This Mortgage are expressed in Canadian money and are payable in Canadian money.

10.28 This Mortgage may be executed in any number of counterparts, each of which, when delivered will be deemed to be an original for all purposes and will constitute one and the same instrument, binding all the parties, notwithstanding that all the parties are not signatories of the same counterpart.

11.00 DISPOSITION OF LAND

11.01 If the Mortgagor:

- (a) amalgamates or merges with another Person, or
- (b) issues or transfers any of its shares such that in the reasonable opinion of the Mortgagee, the effective control of the Mortgagor changes, or
- (c) directly or indirectly sells, conveys, transfers or disposes or agrees to sell, convey, transfer or dispose of all or part of the Land or any interest in the Land, (any such incident is a "Transfer")

the Mortgagor will 30 calendar days prior to completion of the Transfer, provide the Mortgagee with the following:

- (i) the date and particulars of the consideration for the Transfer,
- (ii) an executed copy of any applicable contract,
- (iii) the full name and address of each Person who is a transferee (the "Transferee")

(the term Transferee shall include all amalgamating companies as well as the amalgamated company if the Transfer involves an amalgamation, all trustees, nominees, agents and beneficiaries if the Transfer involves a trust or nominee/agency agreement, all new shareholders if the Transfer involves a share purchase or issuance, the purchaser of the Land if the Transfer involves a purchase of the Land),

- (iv) for each Transferee, a copy of the most recent Financial Statements and in the case of an amalgamation including the pro forma Financial Statements for the amalgamated company,

and unless the Mortgagee provides its written consent to the Transfer prior to its completion, which consent may be withheld or granted in the Mortgagee's sole discretion, then the outstanding balance of the Principal Amount, Interest, Other Money and all other Secured Obligations shall, at the Mortgagee's sole option, immediately become due and payable without notice and all rights, powers and remedies of the Mortgagee under This Mortgage shall be exercisable at the Mortgagee's Option.

The Mortgagee may require compliance with whatever conditions it deems appropriate before providing its consent to a Transfer including without limitation, a requirement that the Mortgagor, any Borrower, any Covenantors and the Transferee enter into an assumption agreement in the Mortgagee's usual form and any new Covenantors deemed requisite by the Mortgagee enter into Covenantor Agreements in the Mortgagee's usual form.

The Mortgagor, any Borrower and any Covenantors, unless the Mortgagee agrees otherwise in writing, shall continue to be liable for their obligations under

each of the Loan Documents despite the occurrence of a Transfer and the Mortgagee's consent thereto.

11.02 If the Mortgagor further encumbers the Land to secure additional debt, without the Mortgagee's prior written consent, which consent may be withheld or granted in the Mortgagee's sole discretion, the outstanding balance of the Principal Amount, Interest, Other Money and all other Secured Obligations shall, at the Mortgagee's sole option, immediately become due and payable. As a term of providing its consent the Mortgagee may require the encumbrancer to grant to it a registrable priority or priority/standstill agreement on terms satisfactory to the Mortgagee at the Mortgagor's expense.

11.03 All costs and fees arising in connection with the Mortgagee providing or refusing to provide the written consent required by paragraph 11.01 and 11.02 of these mortgage terms and all costs and fees arising in connection with the preparation and execution of any assumption agreement and/or other documentation required by the Mortgagee as a condition of providing its consent shall be paid by the Mortgagor to the Mortgagee. Any costs and fees incurred by the Mortgagee pursuant to this paragraph which have not been paid by the Mortgagor will be Other Money under This Mortgage and bear Interest.

12.00 MONEY OWING AS A RESULT OF BREACH, DEFAULT OR ACCELERATION

12.01 Upon the occurrence of a breach, Default or acceleration for any reason whatsoever under This Mortgage, the Mortgagor shall at the Mortgagee's sole option, upon demand of the Mortgagee forthwith pay to the Mortgagee the outstanding balance of the Secured Obligations, including the following:

- (a) the Principal Amount outstanding under This Mortgage as of the date of the breach, Default or acceleration;
- (b) accrued Interest under This Mortgage to and including the date of payment;
- (c) all Other Money payable or secured under This Mortgage.

13.00 DEFAULTS

13.01 A Default occurs under This Mortgage if:

- (a) the Mortgagor breaches any term, covenant or agreement contained in This Mortgage, the Loan Agreement or in any other Loan Document, or the Mortgagee has made demand of any Credit Facility,
- (b) the Mortgagor breaches any covenant or agreement contained in any other mortgage or agreement made or assumed by the Mortgagor in favour of any Person in connection with the Land and/or any other mortgage or agreement made or assumed by the Mortgagor in favour of the Mortgagee whether or not such mortgage or agreement was made in connection with This Mortgage or the Land,
- (c) a resolution is passed or an order is made for the liquidation or winding up of the Mortgagor or any Covenantor or the Mortgagor or any Covenantor makes a proposal or general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Mortgagor or any Covenantor or the Mortgagor or any Covenantor

shall be subject to any proceeding under any other provision of the Bankruptcy and Insolvency Act or any other Act for the benefit of creditors which is not being disputed in good faith by the Mortgagor or any Covenantor,

- (d) the Land is abandoned or left unoccupied, or any act of waste in respect of the Land or any part thereof is committed or permitted,
- (e) the construction of improvements upon the Land is delayed beyond the original projections agreed upon by the Mortgagee and the Mortgagor,
- (f) the Land or any part of it is expropriated,
- (g) the Mortgagor sells or leases or agrees to sell or lease all or any part of the Land without the prior written consent of the Mortgagee,
- (h) the Land or the Premises are being used in any manner which constitutes a breach of the Laws,
- (i) the Mortgagor does not within 30 calendar days of learning of the existence of any unregistered Prior Charge not specifically approved of by the Mortgagee cause such Prior Charge to be discharged,
- (j) the Mortgagor does not within 30 calendar days of the date of application for registration in the Land Title Office of any claim of lien made by the federal or provincial Crown or any Person, judgment, caveat or certificate of pending litigation cause to be discharged such claim of lien, judgment, caveat or certificate of pending litigation from title to the Land,
- (k) a Receiver is appointed in respect of the Mortgagor or any one of them and/or the Land,
- (l) in the Mortgagee's reasonable opinion there has been;
 - (i) a material adverse change in the risk to the Mortgagee in lending to the Mortgagor or any Borrower,
 - (ii) a decreased ability of the Mortgagor or of any beneficial owner of the Land or of any interest therein or of any Borrower to perform the covenants contained in the Loan Agreement or any other Loan Document, or
 - (iii) a material misrepresentation made to the Mortgagee in connection with This Mortgage or the application therefor,
- (m) any Borrower or Covenantor breaches any term, covenant or agreement or commits a default under the Loan Agreement or any other Loan Document.

13.02 If a Default occurs under This Mortgage, it will constitute a default under any other mortgage or agreement between the Mortgagor and the Mortgagee and after Default, the Mortgagee shall be entitled to consolidate This Mortgage with all of the other mortgages granted or assumed by the Mortgagor in favour of the Mortgagee so that the Mortgagor must redeem all or none of the mortgages.

14.00 MORTGAGEE'S REMEDIES

14.01 If a Default occurs the Mortgagee may at the Mortgagee's sole option and in any order that the Mortgagee chooses, do any one or more of the following:

- (a) declare the outstanding balance of the Principal Amount, Interest, Other Money and all other Secured Obligations to be immediately due and payable,
- (b) sue the Mortgagor, Borrower and/or Covenantor for payment of any Loan Payment, the Principal Amount, Interest, Other Money and any other Secured Obligations,
- (c) take all legal steps and proceedings to cause the Mortgagor, Borrower and/or Covenantor to keep all their respective covenants and agreements,
- (d) lease or sell the Land (or any part thereof) by public auction or private sale, for such prices and on such terms as the Mortgagee deem appropriate,
- (e) apply to the Court to foreclose the interest in the Land of the Mortgagor and any successor in title to the Land and in any other property mortgaged or pledged to the Mortgagee,
- (f) apply to the Court for an order that the Land be sold on terms approved by the Court, and
- (g) appoint a Receiver.

14.02 If the Mortgagee obtains a Court order or judgment against the Mortgagor or the Land as a result of a Default, the remedies described in paragraph 14.01 of these mortgage terms may continue to be used by the Mortgagee and the Mortgagee will continue to be entitled to receive Interest on each of the Principal Amount, Interest, Other Money and any other Secured Obligations until the judgment is paid in full and the Court order is complied with.

14.03 If the Mortgagee holds any other security for payment of the Principal Amount, Interest, Other Money and any other Secured Obligations, the Mortgagee may take any or all lawful steps and proceedings, in such order as the Mortgagee chooses, to realize on all securities held.

15.00 RECEIVER

15.01 The Mortgagor appoints both the Mortgagee and any agent of the Mortgagee as the Mortgagor's attorney to appoint a Receiver of the Mortgagor and or the Land and the Mortgagee or the Mortgagee's agent may after any Default, appoint a Receiver of the Mortgagor and or the Land and the Receiver shall have power either in the name of the Mortgagor or in the name of the Mortgagee to:

- (a) demand, recover and receive income from the Land and take and carry out any step or Court proceeding to collect that income,
- (b) give receipts for any income that the Receiver receives,
- (c) carry on the Mortgagor's business on the Land,

- (d) market, or advertise for sale or lease or sublease, sell, lease or sub-lease, amend or terminate any lease of or sub-lease of, all or part of the Land on such terms and conditions as the Receiver chooses,
- (e) take possession of all or part of the Land and the Mortgagor's business on the Land,
- (f) take possession of all records and documents respecting the Land and any business and income associated with the Land,
- (g) manage the Land and maintain it in good condition,
- (h) make improvements to the Land including without limitation taking any and all action as the Receiver in its sole discretion deems requisite to complete the construction of the Development substantially as contemplated in the Loan Agreement, and
- (i) repair, maintain and improve or complete the construction of any building or improvement forming part of the Land,

and to achieve the above the Receiver may from time to time take such action and employ the services of such Persons as it deems appropriate including but not limited to employing the services of agents (including but not limited to real estate agents, lawyers and property managers), and may enter into, amend and terminate contracts, leases and other commercial agreements, and commence, defend and settle legal actions as and when appropriate.

15.02 The Receiver shall be the agent of the Mortgagor who shall be solely responsible for the Receiver's acts or omissions. In the event that a Court decides that the Receiver is liable for any acts or omissions, the Mortgagor hereby agrees that the Receiver will only be liable for acts or omissions of gross negligence.

15.03 From income received, the Receiver may, in any order that the Receiver chooses:

- (a) retain sufficient funds to meet all legitimate expenses and obligations which have been incurred or may in the future be incurred, in connection with the Land and/or the receivership,
- (b) pay the Receiver's reasonable fees and disbursements,
- (c) pay the costs and expenses of collecting income and to pay or recover other costs and expenses,
- (d) pay the cost and expense of maintaining the Land in good condition and of repairing, maintaining, improving and completing the construction of any building or improvement forming part of the Land,
- (e) pay for any and all goods, services and utilities furnished or supplied to the Land or the Receiver,
- (f) pay for any and all steps taken to preserve the Land from damage by any cause,

- (g) pay the costs and expenses, including any legal fees and disbursements, of protecting the Land or Premises and the Mortgagee's security, including This Mortgage, from claims made by third parties including without limitation any claim made by the federal or provincial Crown or applicable law enforcement branch in respect of a breach of the Laws occurring on the Land or Premises, whether or not made in insolvency proceedings,
- (h) pay any money which if not paid might result in a default under any Prior Charge,
- (i) pay Taxes,
- (j) pay all professional and related fees, commissions and charges related to the management, leasing, improvement, repair and sale of the Land or to protecting the Land and enforcing contracts and Leases associated with the Land,
- (k) pay the Loan Payments, Principal Amount, Interest, Other Money and other Secured Obligations,
- (l) pay any money owed by the Mortgagor under a Prior Charge,
- (m) file Goods and Services Tax and/or Harmonized Tax rebate applications and related documentation in connection with the Land on behalf of the Mortgagor and the Mortgagor hereby appoints the Receiver its attorney and agent for that express purpose.

15.04 The Receiver may borrow money and grant security therefore and repay such borrowed money to do anything which the Receiver is entitled to do under This Mortgage.

15.05 The Receiver may borrow money from and repay such borrowed money to the Mortgagee on the terms required by the Mortgagee, if the Mortgagee is willing to lend such money to the Receiver.

15.06 Any money borrowed by the Receiver from the Mortgagee (unless new security was granted therefor) and any interest thereon and all the costs and expenses of borrowing will be Other Money under This Mortgage and bear Interest.

15.07 A Receiver appointed by the Mortgagee may be discharged by the Mortgagee or the Mortgagee's agent and the Mortgagee or the Mortgagee's agent may appoint another Receiver on one or more occasions.

15.08 Any money paid by the Mortgagee to the Receiver for the Receiver's fees and disbursements shall be Other Money and bear Interest.

16.00 STRATA TITLE PROVISIONS

16.01 If the Land, or any part thereof, is or becomes stratified under the Strata Property Act, S.B.C. 1998, c.43 the following provisions shall apply:

- (a) the Mortgagor shall pay when due all money owing to the strata corporation in respect of the Land (the "Strata Corporation"),

- (b) the Mortgagor shall comply with, observe and perform all of the provisions of the Strata Property Act, S.B.C. 1998, c.43 and the by-laws, rules and regulations of the Strata Corporation,
- (c) the Mortgagor grants to the Mortgagee the Mortgagor's power to vote and hereby irrevocably appoints the Mortgagee its attorney at all meetings of the Strata Corporation so far as the Strata Property Act, S.B.C. 1998, c.43 permits but if the Mortgagee does not exercise such power the Mortgagor may do so. Notwithstanding such appointment the Mortgagee shall not be obliged or bound to exercise such power or comply in respect of any obligations under such power,
- (d) the Mortgagee may give the Mortgagor instructions on how to vote at meetings of the Strata Corporation and the Mortgagor agrees to attend such meetings and comply with the Mortgagee's instructions,
- (e) the Mortgagee is not required to attend any meeting of the Strata Corporation, to vote at any meeting or to protect the Mortgagor's interest,
- (f) at the request of the Mortgagee the Mortgagor shall deliver promptly to the Mortgagee copies of every notice of meeting, every notice in respect of a matter involving a vote of the owners, any and all assessments, rules, financial statements, and a copy of every other document to which the Mortgagor is entitled under the Strata Property Act, S.B.C. 1998, c.43 including but not limited to the by-laws of the Strata Corporation,
- (g) the Mortgagor appoints the Mortgagee to be the Mortgagor's agent to inspect or obtain copies of all records or other documents of the Strata Corporation that the Mortgagor is entitled to inspect or obtain,
- (h) if the Strata Corporation transfers, charges or adds to its common property or amends its by-laws without the consent of the Mortgagee and if, in the opinion of the Mortgagee, the value of the Land is thereby reduced, the Principal Amount, Interest, Other Money and all other Secured Obligations shall at the Mortgagee's sole option, become immediately due and payable,
- (i) the Mortgagee shall have the right but not the obligation to pay the Mortgagor's share of common expenses, in which case the amount so paid will be Other Money under This Mortgage and bear Interest,
- (j) the Mortgagor agrees with the Mortgagee that the Principal Amount, Interest, Other Money and all other Secured Obligations shall, at the Mortgagee's sole option, immediately become due and payable if the Strata Corporation fails to comply with a material obligation under the Strata Property Act, S.B.C. 1998, c.43, a Court makes a judgment against the Strata Corporation, the Strata Corporation seriously fails to manage the Land in a prudent manner, a Court appoints an inspector, administrator or similar officer under the Strata Property Act, S.B.C. 1998, c.43, the Strata Corporation becomes insolvent, there is substantial damage to the complex comprising the Premises, a substantial increase in the common expenses or a substantial special assessment is made by the Strata Corporation.

17.00 SUBDIVISION

17.01 If the Land, or any part thereof, is subdivided into Strata Lots or otherwise:

- (a) This Mortgage shall charge each parcel, lot or Strata Lot into which the Land is subdivided as security for payment of the Principal Amount, Interest, Other Money and all other Secured Obligations, and
- (b) the Mortgagee is not required to discharge This Mortgage as a charge against title to any parcel, lot or Strata Lot unless the conditions under paragraph 2.02 have been satisfied.

17.02 Even though the Mortgagee is not required to discharge This Mortgage in respect of any parcel, lot or Strata Lot, the Mortgagee may agree to do so in return for payment of part of the Principal Amount, Interest, and Other Money and other Secured Obligations as the Mortgagee may stipulate and upon satisfaction of such additional requirements as the Mortgagee may stipulate. If the Mortgagee discharges This Mortgage in respect of a parcel, lot or Strata Lot, This Mortgage will continue to charge all parcels, lots and Strata Lots which have not been specifically discharged.

18.00 READVANCES

18.01 The Mortgagor and the Mortgagee agree that:

- (a) whether or not This Mortgage is made in support of a Revolving Loan Agreement, the Principal Amount or any portion thereof may, on one or more occasions, be advanced or readvanced under This Mortgage,
- (b) This Mortgage will be security for payment of the Principal Amount, Interest, Other Money and other Secured Obligations owed to the Mortgagee as secured, advanced and/or readvanced from time to time,
- (c) This Mortgage remains as effective security even though from time to time there is no money outstanding and secured under This Mortgage, until the Mortgagor has received a discharge,
- (d) This Mortgage has and will have priority over every mortgage and other charge or encumbrance of the Land created after This Mortgage was created. The priority extends to advances of a direct, indirect, contingent or absolute nature to the Mortgagor or any Borrower, the readvance of money to the Mortgagor or any Borrower by the Mortgagee from time to time, the issuance of any letters of credit, interest reserves and holdbacks established by the Mortgagee and escrow fundings of any kind in connection with This Mortgage, before and after a subsequent mortgage and other charge or encumbrance of the Land was created and or was registered in the Land Title Office.

If the circumstances are such that the Laws limit the priority of This Mortgage after the Mortgagee is given notice of an interest in the Land by another Person, a notice is not valid unless it is in writing, is handed personally to a senior officer of the Mortgagee, clearly refers to This Mortgage, and clearly states its purpose. Every Person acquiring an interest in the Land must be taken to agree to this provision, and

- (e) pursuant to section 27(1)(b) of the Land Title Act, R.S.B.C. 1996, c. 250, paragraph 18.01 of these mortgage terms shall be notice of This Mortgage and the contents hereof to every Person dealing with the title to the Land.

19.00 RENEWALS

19.01 Although it is understood and agreed that the Mortgagee does not hereby agree to give the Mortgagor any right to renew, modify or extend This Mortgage in the future, if the Mortgagee does agree with the Mortgagor at any time in the future to renew, modify or extend This Mortgage and/or to change the terms in respect of the payment obligations under This Mortgage, including without limitation extending the time for repayment of the Principal Amount, Interest, Other Money and other Secured Obligations and changing the Interest Rate or changing the amount of the monthly Loan Payments:

- (a) This Mortgage secures the payment obligations as changed or replaced,
- (b) the priority of This Mortgage includes priority for any subsequent agreement made in respect of This Mortgage whether or not such agreement was registered in the Land Title Office,

If the circumstances are such that the Laws limit the priority of This Mortgage after the Mortgagee is given notice of an interest in the Land by another Person, a notice is not valid unless it is in writing, is handed personally to a senior officer of the Mortgagee, clearly refers to This Mortgage, and clearly states its purpose. Every Person acquiring an interest in the Land must be taken to agree to this provision.

- (c) all disbursements, including but not limited to fees, costs and expenses associated with appraisals, building condition reports, environmental audits, quantity surveys, insurance consulting and legal services on an indemnity basis and administrative costs in connection with renewals of This Mortgage shall be paid by the Mortgagor to the Mortgagee, and
- (d) pursuant to section 27(1)(b) of the Land Title Act, R.S.B.C. 1996, c. 250, paragraph 19.01 of these mortgage terms shall be notice of This Mortgage and the contents hereof to every Person dealing with the title to the Land.

20.00 ASSIGNMENT OF RENTS

In consideration of the Mortgagee making available a Credit Facility on the terms of the Loan Agreement and all financial and other accommodations to or for the benefit of the Mortgagor and each Borrower, the Mortgagor hereby agrees with the Mortgagee as follows:

20.01 The Mortgagor will, without demand, promptly deliver to the Mortgagee a true copy of each of the Leases and give to the Mortgagee full information relating to each of the Leases.

20.02 The Mortgagor hereby assigns to the Mortgagee all Rent, for the Mortgagee to have and to hold as security for the payment and performance of the Principal Amount, Interest and Other Money and all other Secured Obligations, subject to the proviso in paragraph 2.02 of these mortgage terms of the Mortgagor in respect of This Mortgage have been fully paid and satisfied.

20.03 The Mortgagor hereby grants to the Mortgagee full power and authority to enter upon the Land to collect the Rent, to serve demands on the holders of the Leases in respect of payment of the Rent and to demand, collect, sue for, distrain for, recover and give receipts for the Rent, and to enforce payment of the Rent and performance of any guarantees of payment and covenants to pay, in the Mortgagee's own name or in the name of and as agent for the Mortgagor, as the Mortgagee may elect, and hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions.

20.04 Although this assignment of rents is a present and absolute assignment, (subject to the proviso in paragraph 2.02 of these mortgage terms), the Mortgagor, as agent for the Mortgagee, will be entitled to collect and retain the Rent as and when they become due and payable according to the terms of the Leases until there is a Default in the observance or performance by the Mortgagor of any term, covenant, agreement, proviso or condition of This Mortgage, the Loan Agreement or of any of the Loan Documents; PROVIDED that this paragraph shall not relieve the Mortgagor from the observance and performance of the Mortgagor's obligations hereunder.

20.05 In the event of Default by the Mortgagor under This Mortgage, proceedings may, at the sole option of the Mortgagee, be taken under this assignment of rents either independently or in conjunction with the other rights and remedies of the Mortgagee under This Mortgage.

20.06 Nothing herein contained shall be deemed to have the effect of making the Mortgagee responsible for the collection of the Rent or for the observance or performance of any of the provisions of the Leases either by the Mortgagor or by any holders of the Leases, or of rendering the Mortgagee a mortgagee in possession of the Land or in any way accountable or liable as such, or of imposing any obligation on the Mortgagee to take any action or exercise any remedy in the collection or recovery of the Rent.

20.07 The Mortgagee will be liable to account for only such money as it actually receives pursuant to this assignment of rents, less all costs and expenses incurred by it in the course of exercising its rights and remedies under this assignment of rents, including without limitation legal fees and disbursements on an indemnity basis.

20.08 The giving of this assignment of rents is by way of additional and collateral security for the Secured Obligations and not in substitution for or satisfaction of the Loan Agreement or any of the Loan Documents and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under the Loan Agreement or any of the Loan Documents and will not in any way prejudice or limit the obligations of the Mortgagor under the Loan Agreement or any of the Loan Documents.

20.09 The Mortgagor will not at any time during the existence of This Mortgage pledge, or otherwise encumber any Lease or the Rent, and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with any Lease without the prior written consent of the Mortgagee.

20.10 The Mortgagor will not at any time during the existence of This Mortgage in respect of any Lease:

- (a) accept Rent more than one month in advance, with the exception of the last month's Rent, and

unless the Mortgagor has received the Mortgagee's prior written consent which consent shall not be unreasonably withheld,

- (b) agree to its subletting or assignment, or
- (c) alter or modify its terms, or
- (d) terminate, cancel or accept its surrender.

20.11 The Mortgagor will execute and deliver such further assurances, assignments, notices or other documents as the Mortgagee may reasonably require from time to time to render this assignment of rents effective.

20.12 At the request of the Mortgagee from time to time, the Mortgagor will give any other party to any of the Leases actual written notice of this assignment of rents and will use the Mortgagor's best efforts to obtain from such party an acknowledgment of any such notice but nothing in this paragraph shall oblige the Mortgagee to make any such request.

20.13 To the knowledge of the Mortgagor there are no existing or future rights of set-off, assignment, communication or prepayment with respect to the Rent.

20.14 To the knowledge of the Mortgagor, there have been no defaults under any of the existing Leases by the Mortgagor or by any of the holders of the Leases, and there are no outstanding disputes pursuant to such Leases.

20.15 The Mortgagor will at all times observe and perform all the Mortgagor's obligations under the Leases.

20.16 The Mortgagor now has good and sufficient power, authority and right to assign the Rent and other benefits referred to herein in the manner aforesaid according to the true intent and meaning of this assignment of rents.

21.00 MORTGAGE OF LEASEHOLD

21.01 If the Mortgagor's interest in the Land consists of a leasehold interest under a Mortgagor Lease, then, in addition to all other terms, covenants and agreements of This Mortgage, article 21.00 of these mortgage terms shall apply.

21.02 Paragraph 2.01 of these mortgage terms shall not apply to the extent of the Mortgagor's leasehold interest under the Mortgagor Lease, and this paragraph 21.02 shall apply to the same extent:

In consideration of the Mortgagee making available a Credit Facility on the terms of the Loan Agreement and all financial and other accommodations to or for the benefit of the Mortgagor and each Borrower, the Mortgagor grants and mortgages by way of sub-lease the Land (including without limitation the Mortgagor Lease) and all of the Mortgagor's present and future interest in and to the Mortgagor Lease and the Land to the Mortgagee, for the entire residue of the term of the Mortgagor Lease and any renewals thereof except the last month thereof, as security for the payment and performance of the Principal Amount, Interest, Other Money and all other Secured Obligations, and the Mortgagor releases to the Mortgagee all its claims on the Land subject to the proviso in paragraph 2.02 of these mortgage terms.

The Mortgagor declares that it is a trustee for the last month of the term of the Mortgagor Lease for the Mortgagee (subject to the right of redemption pursuant to the proviso in paragraph 2.02 of these mortgage terms) and grants to the Mortgagee power to remove the Mortgagor as trustee and appoint another trustee in its place and the Mortgagor irrevocably appoints the Mortgagee its attorney to assign to the Mortgagee or a Person of the Mortgagee's choosing the immediate reversion.

21.03 The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgagor Lease is not in default and is in good standing and has not been surrendered, forfeited, amended or become void or voidable,
- (b) the Mortgagor has complied with all the terms, covenants, conditions and provisos contained in the Mortgagor Lease including the payment of all Rent due under the Mortgagor Lease,
- (c) the Mortgagor has the right to mortgage the Mortgagor Lease to the Mortgagee in the manner herein provided, and if required, has obtained all required consents, including without limitation, the consent of the lessor under the Mortgagor Lease to This Mortgage,
- (d) all Rent due and payable throughout the term of the Mortgagor Lease has been paid and there is no further obligation on the part of the Mortgagor to pay Rent at any time for or during the balance of the unexpired term of the Mortgagor Lease, and
- (e) the Mortgagor Lease is a valid and subsisting Lease for the term therein set forth and the Mortgagor has a valid and subsisting leasehold estate as the lessee under the Mortgagor Lease, subject only to the terms of the Mortgagor Lease, free from all encumbrances except those specified as "Prior Encumbrances Permitted by Lender" on the Mortgage Form and except those encumbrances which are to be discharged when money is advanced by the Mortgagee under This Mortgage.

21.04 The Mortgagor covenants and agrees with the Mortgagee that:

- (a) any default by the Mortgagor under the Mortgagor Lease will constitute a Default under This Mortgage,
- (b) the Mortgagee may but shall not be obliged to perform any obligation or agreement of the Mortgagor under the Mortgagor Lease including the failure on the Mortgagor's part to pay Rent due under the Mortgagor Lease and in so doing the Mortgagee will not be or be considered to be a mortgagee in possession and any cost and expense so incurred by the Mortgagee shall be Other Money under This Mortgage and bear Interest,
- (c) it will take no action nor give any notice which would have the effect of terminating or permitting the termination of the Mortgagor Lease and that it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or termination of the Mortgagor Lease,

- (d) it will not enter into any agreement purporting to modify, alter or amend the Mortgagor Lease without the prior written consent of the Mortgagee which consent may be granted or withheld by the Mortgagee in its sole and unfettered discretion,
- (e) it will not, assign, transfer, mortgage, surrender or sublet the Mortgagor Lease and will not cancel or agree to a cancellation of the Mortgagor Lease without the prior written consent of the Mortgagee which consent may be granted or withheld by the Mortgagee in its sole and unfettered discretion,
- (f) it will preserve its title to and interest in the Land pursuant to the Mortgagor Lease and defend same for the benefit of the Mortgagee against the claims of all Persons,
- (g) no sale, transfer, assignment or other dealing by the Mortgagor with the Mortgagor Lease or any part thereof and 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 Mortgagor Lease or any part thereof, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable to repay all amounts hereby secured,
- (h) in the event the value of Premises should become payable to the Mortgagor, or pursuant to the terms of the Mortgagor Lease upon the same being paid to the Mortgagor, the amount so paid shall at the sole option of the Mortgagee, if the same is by the terms of the Mortgagor Lease not required to be expended on the Premises or the Land, become due on account of the amounts secured hereby,
- (i) in the event that the Mortgagor shall refuse or neglect to renew the Mortgagor Lease or any renewals thereof granted hereafter, then, and as often as it shall happen, the Mortgagee may effect such renewals in its own name, in the Mortgagor's name or otherwise, and every renewal of the Mortgagor Lease and the mortgaged property thereby demised shall remain and be security to the Mortgagee for the full amount secured hereunder,
- (j) it will at its cost, without expense to the Mortgagee, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered each and every further act, deed, conveyance, mortgage, non-disturbance agreement, assignment, transfer and assurance as the Mortgagee shall reasonably require for the better assuring, granting, mortgaging, charging, assigning, transferring, setting over and confirming unto the Mortgagee the Land pursuant to the Mortgagor Lease, including any property and any interest of the Mortgagor therein which may be or may hereafter become subject to This Mortgage,
- (k) it will comply with all the terms, covenants, conditions and provisos of the Mortgagor Lease and not do anything that could permit the Mortgagor Lease to be cancelled,
- (l) it will give to the Mortgagee a copy of any notice or demand received from the lessor of the Mortgagor Lease immediately after it is received by the Mortgagor, and

- (m) it will notify the Mortgagee immediately if lessor of the Mortgagor Lease advises the Mortgagor of its intention to cancel the Mortgagor Lease.

22.00 LICENCED PREMISES

In the event that the Premises are licensed to the Mortgagor for the carrying on of a business or for a use of any kind the following provisions shall be applicable:

22.01 The Mortgagor does hereby covenant and agree that all existing licences, permits and authorities issued by any body or authority having licensing jurisdiction, in connection with any business or use of any kind carried on upon the Land, shall as of and from the date hereof stand as security for and shall be held by the Mortgagor for the benefit of the Mortgagee without liability on the Mortgagee's part to perform any obligation thereunder, as security for the observance, performance and carrying out of the terms and conditions of This Mortgage until the monies secured herein are fully paid and satisfied.

22.02 The Mortgagor covenants and agrees that it has not and will not do or omit to do any act having the effect of terminating, cancelling or preventing the renewal of existing licences, permits and authorities issued by any body or authority having licensing jurisdiction in connection with the aforementioned business or special use of any kind carried on upon the Land, and the Mortgagor does further covenant with the Mortgagee that the Mortgagor shall comply with, observe, perform and carry out all of the provisions of all Laws governing and controlling and affecting the carrying on of the business or the use being carried on at the Premises as well as complying, observing, performing and carrying out all the provisions of all the rules, regulations and directions required to keep the said licences, permits and authorities in full force and effect. It is acknowledged that failure to observe, perform and carry out the terms and conditions of this provision, resulting in cancellation of the licences, permits and authorities issued for the Land shall at the sole option of the Mortgagee, constitute a Default under the terms of This Mortgage and the whole of the Principal Amount, Interest and all Other Money hereby secured shall, at the sole option of the Mortgagee, forthwith become due and payable.

22.03 The Mortgagor further agrees and acknowledges that, in the event of a Default of payment of any monies secured by This Mortgage as and when such payments become due, or in the event of failure of the Mortgagor to observe, perform or carry out any of the covenants and agreements in This Mortgage contained, including the conditions contained in the within paragraph, such event shall and does hereby operate to constitute the Mortgagee as a successor and assign, subject to the approval of the body or authority or board or commission having licensing jurisdiction in connection with the aforesaid business or use carried on upon the Land such approval being for all existing licences, permits and authorities issued by the said body or authority or board or commission having such licensing jurisdiction in connection with the aforementioned business or use carried on upon the Land; provided however, this assignment is taken only as security for the due payment of the Principal Amount, Interest and Other Money hereby secured and as security for the due observance, performance and carrying out of the terms and conditions hereof, and subject to the reservation that none of the rights or remedies of the Mortgagee shall be merged or prejudiced in any way by the acceptance of this assignment as security.

22.04 In the event of any proceedings being taken by the Mortgagee by the reason of a Default being made in payment of the monies hereby secured, then in such event the Mortgagor shall be deemed to be in Default hereunder and the Mortgagee shall be entitled to exercise its rights hereunder, and to have the Mortgagee or its nominee or assignee become holder of the

above mentioned licences, permits and authorities and to apply to the body or authority or board or commission having the necessary jurisdiction for the approval of the transfer to the Mortgagee or its nominee or assignee of all the licences, permits and authorities now or hereafter in existence in connection with any business or use carried on or being made of the Land.

22.05 This indenture further witnesses that the Mortgagor and the Covenantor (if any) does hereby irrevocably constitute and appoint the Mortgagee their attorney in respect of the Land to do and perform all acts, matters and things necessary to effectively transfer the said licences, permits and authorities and to vest the same in the Mortgagee or its nominees or assignees to all intents and purposes as the Mortgagor itself could do; it being agreed that this power of attorney is only exercisable on a Default by the Mortgagor. A statutory declaration that a Default has occurred under and in respect of This Mortgage, and that such Default still continues, entitling the Mortgagee to exercise its rights hereunder, shall be conclusive evidence of the Mortgagee's rights to exercise the power of attorney hereby given.

23.00 CONSTRUCTION LOAN PROVISIONS

If any part of a Credit Facility advanced and secured under This Mortgage is to be used in the course and for the purpose of demolishing, repairing, improving and/or constructing the Development upon the Land:

23.01 The Mortgagor shall construct all buildings and other improvements on the Land in accordance with the Plans and to the satisfaction of all governmental and regulatory authorities having jurisdiction and carry on diligently to completion the buildings and other improvements. All buildings and other improvements now or later on the Land shall form part of the security for the payment and performance of the Principal Amount, Interest, Other Money and all other Secured Obligations secured by This Mortgage.

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

23.03 Provided that should construction on the Development cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Mortgagor excepted), for a period of five (5) consecutive Business Days, then, at the sole option of the Mortgagee, This Mortgage shall, immediately become due and payable. In the event that construction does cease, then the Mortgagee shall have the right, at its sole option but under no circumstances shall the Mortgagee be obliged, to assume some part or complete control of the construction of the Development in such manner and on such terms as it deems advisable. The cost and expenses of completion of the Development by the Mortgagee and all expenses incidental thereto together with a management fee of fifteen percent (15%) of the costs and expenses of the construction completed by the Mortgagee will be Other Money under This Mortgage and bear Interest.

23.04 At all times there shall be sufficient funds unadvanced under This Mortgage and retained by the Mortgagee to complete the construction.

23.05 This Mortgage will be advanced in stages as construction upon the Land proceeds or as the conditions as enumerated by the Loan Agreement are complied with.

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

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

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

23.09 The Mortgagee may at its sole option, withhold from any advances for which the Mortgagor may have qualified, such amounts as the Mortgagee, in its sole discretion, considers advisable to protect its position under the provisions of the Builders Lien Act, S.B.C. 1997, c. 45, so as to secure its priority over all liens, until the Mortgagee is fully satisfied that all lien periods have expired and that there are no liens outstanding. Nothing in this clause shall be construed to make the Mortgagee an "owner" as defined under the Builders Lien Act, S.B.C. 1997, c. 45, nor shall there be, or be deemed to be, any obligation by the Mortgagee to retain any holdback which may be required to be made by the owner which shall remain solely the Mortgagor's obligation. The Mortgagor hereby covenants and agrees to comply in all respects with the provisions of the Builders Lien Act, S.B.C. 1997, c. 45, and further agrees to provide the Mortgagee with evidence of such compliance satisfactory to the Mortgagee, including particulars of all funds held back in a holdback account in accordance with the requirements of the Builders Lien Act, S.B.C. 1997, c. 45.

23.10 The Mortgagor shall at the Mortgagee's request promptly deliver to the Mortgagee all home warranty provider and home warranty provider consultant reports in its possession from time to time.

23.11 The Mortgagee may at anytime during the construction of the Development appoint a monitor to monitor the construction process and advise the Mortgagee on the state of construction and construction related affairs including without limitation:

- (a) the detailed costs involved in completing the Development in accordance with the Plans, including the outstanding payables owing to the various trades and consultants;

- (b) the estimated time frame required to complete the Development;
- (c) the estimated statement of affairs of the Mortgagor, including details of all of its assets and liabilities, including holdback accounts, and deposits held with third parties;
- (d) if applicable, an assessment of the likelihood of the current pre-sales contracts of the Strata Lots completing and an assessment of the current market value of the individual Strata Lots;
- (e) an assessment of the likely recovery to the Mortgagee based on a successful completion of the Development assuming if applicable, (1) that all the existing pre-sales contracts of the Strata Lots complete at their current selling price and the remainder of the Strata Lots are sold at current market value and (2) all pre-sales contracts of the Strata Lots do not complete and that all of the Strata Lots are not sold at current market value;
- (f) an assessment of the current construction management team and recommendations for improvement, including (1) the manner in which the Mortgagee can ensure that the Development can be completed on both a timely basis and within an agreed budget, (2) the manner in which funds can be advanced and the appropriate trades paid, and holdback accounts set up;
- (g) any other matters which appear to the monitor to be relevant to the satisfactory completion of the Development, including warranty inspection reports, consultants and other construction related reports.

23.12 For the purposes set forth in paragraph 23.11, the Mortgagor will:

- (a) grant the monitor full access to the Land, its business operations, and books and records; and
- (b) endeavour to provide and assist in the provision to the monitor of access to representatives of its general contractor or project manager, all trades and contractors, consultants and other parties involved in the Development including warranty service providers.

23.13 The Mortgagor agrees that all costs incurred by the Mortgagee arising from the appointment of the monitor including the monitor's charge for services and all expenses incurred by the monitor and charged to the Mortgagee in the course of attending to its services will for every intent and purpose be considered a protective disbursement and will be Other Money under This Mortgage and bear Interest.

24.00 CANADA REVENUE AGENCY CLEARANCE CERTIFICATE

24.01 As a condition of the Mortgagee providing an executed and registerable discharge of This Mortgage, the Mortgagor must provide the Mortgagee with written confirmation from Canada Revenue Agency satisfactory to the Mortgagee that all goods and services tax and payroll source deduction payments and remittances are current and paid in full as of the date of the Mortgagee's request for the discharge of This Mortgage, which written confirmation from Canada Revenue Agency must be dated not more than thirty (30) days before the date that the Mortgage is repaid in full. This clearance certificate process can take a considerable amount of time and therefore the Mortgagee is advised to make arrangements for

obtaining this clearance certificate as soon as possible in advance of the anticipated repayment and discharge of this Mortgage.

25.00 REFERENCE DATE

This Mortgage is dated for reference the 11th day of April, 2022.

END OF DOCUMENT

BENEFICIAL OWNER AGREEMENT

THIS AGREEMENT is dated for reference the 11th day of April, 2022.

AMONG:

0736657 B.C. LTD. (Inc. No. BC0736657), having a registered and records office and postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

(the "Registered Owner")

COMMUNITY MARINE CONCEPTS LTD. (Inc. No. BC0998190), having a registered and records office and postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

(the "Beneficial Owner")

(collectively the Registered Owner and the Beneficial Owner are the "Borrower")

AND:

AMBER MORTGAGE INVESTMENT CORP. (Inc. No. BC1087596), having an office and postal address at #415 - 5909 No. 3 Road, Richmond, British Columbia, V6X 3P7

(the "Lender")

- A. The Lender intends to make a loan (the "Loan") to the Borrower in the principal amount of \$5,000,000.00, subject to the fulfilment of certain terms and conditions;
- B. The Registered Owner is the registered owner of the lands and premises described in Schedule "A" attached hereto (collectively the "Land");
- C. The Registered Owner holds the Land as agent and bare trustee for and on behalf of the Beneficial Owner; and
- D. It is a condition of the Loan that the Beneficial Owner grant in favour of the Lender a beneficial mortgage of the Land and cause the Registered Owner to grant in favour of the Lender an all indebtedness legal mortgage of the Land.

IN CONSIDERATION of the premises, \$10.00 now paid by the Lender to each of the other parties and other valuable consideration (the receipt of which is acknowledged by each party), the parties covenant and agree as follows:

1. Representations and Warranties. The Registered Owner and the Beneficial Owner represent and warrant to the Lender as follows:
- (a) The Beneficial Owner is the sole beneficial owner of the Land pursuant to a Declaration of Bare Trust and Agency Agreement made between the Beneficial Owner and the Registered Owner as of _____ (the "Ownership Agreement"), a copy of which is attached hereto as Schedule "A".

- (b) The Beneficial Owner has not sold, transferred, assigned or otherwise disposed of the Land, nor has the Beneficial Owner mortgaged, pledged, charged or encumbered the Land other than by the Mortgage and Assignment of Rents and as set forth under "Prior Encumbrances Permitted by Lender" in the Mortgage.
- (c) The Registered Owner holds the Land as nominee, agent and bare trustee for and on behalf of the Beneficial Owner and for no other party.
- (d) The Beneficial Owner has properly authorized and instructed and hereby irrevocably authorizes, directs and instructs the Registered Owner to enter into, execute and deliver to the Lender, on behalf of and as the agent of the Beneficial Owner:
 - (i) an all indebtedness inter-alia mortgage and assignment of rents (together the "Registered Mortgage") of Lot 3, Lot 4, the Registered Owner's leasehold interest in Block A and the Registered Owner's interest under Lease ED35862, to be registered in the Land Title Office;
 - (ii) an unregistered all indebtedness mortgage and assignment of rents (together the "Unregistered Mortgage") of the Registered Owner's leasehold interest in Lease W18371388;

(the Registered Mortgage and the Unregistered Mortgage are collectively referred to as the "Mortgage")
 - (iii) a general security agreement (the "GSA") in respect of all personal property of the Registered Owner (wherever appropriate the word Land in this agreement shall include all such personal property located at, upon or appurtenant to the Land);
 - (iv) an environmental and building condition indemnity agreement (the "EBCIA") in respect of the Land;
 - (v) a promissory note (the "Note") in the amount of \$5,000,000.00;
 - (vi) an assignment of insurance policies (the "AIP") in respect of the Land;
 - (vii) an assignment of interest reserve (the "AIR") in the amount of \$475,000.00;
 - (viii) non-disturbance and attornment agreements (collectively the "NDA") in respect to the Leasehold Land;
 - (ix) all other documents (the "Collateral") required by the Lender to be signed by the Registered Owner in connection with the Loan;

all on such terms as the Lender requires.

(the Mortgage, the GSA, the EBCIA, the Note, the AIP, the AIR, the NDA and the Collateral are collectively referred to as the "Security")
- (e) The Beneficial Owner has the full power and authority to borrow money from the Lender on the terms of the Loan and to enter into this agreement.

2. Effect of Security Documents. The parties ratify, confirm and agree that the Security is intended and is effective to mortgage and charge the legal ownership of the Land and all of the interest of the Registered Owner in the Land as security for repayment of the Loan, on the respective terms of those documents.

3. Beneficial Owner Security and Covenants. The Beneficial Owner covenants and agrees with the Lender to observe and perform all of the Registered Owner's liabilities and obligations whatsoever under the Security as though the Beneficial Owner had been "Borrower" or "Mortgagor" in the Mortgage, and as though the Beneficial Owner had executed the Security.

The Beneficial Owner as additional security to the Lender and in confirmation of the charges made to the Lender by the Registered Owner:

- (a) mortgages and encumbers its beneficial interest in and ownership of the Land on the terms of the Mortgage, assigns all rent in respect of the Land on the terms of the Assignment of Rents, charges all the personal property described in the GSA and makes all of the covenants, indemnities, assignments, and agreements of the Registered Owner in the Security on the terms of those agreements and with respect to its beneficial interest in and ownership of the Land;
- (b) covenants to indemnify the Lender from and against all losses or damages suffered by the Lender as a result of the breach or default by the Registered Owner under the Security;
- (c) will not transfer, charge, encumber or otherwise dispose its interest in the Land without the prior written consent of the Lender, such consent not to be unreasonably withheld; and
- (d) will cause the Registered Owner to fulfil its obligations under the Security.

4. Lender dealing with Security. Without limiting the generality of the foregoing, the Beneficial Owner acknowledges that the Lender may at the election of the Lender deal with the Security, Land, Registered Owner and any other party or security without notice to the Beneficial Owner and in the same manner and to the same extent as if the Lender had no notice of any interest of the Beneficial Owner in the Land.

5. Modifications of Trust Agreement. The Registered Owner and the Beneficial Owner will not agree to or permit any modification or cancellation of the Trust Agreement or any other trust or agency agreement with respect to the Land without first obtaining the written consent of the Lender.

6. Lender May Deal With Parties. The Lender may grant time, renewals, extensions, indulgences, releases and discharges to, take or abstain from taking security from, accept compositions from, and otherwise deal with the Registered Owner, the Beneficial Owner and all other parties and securities as the Lender sees fit in the Lender's discretion, without prejudice to or in any way limiting or lessening the Lender's rights under the Security or this agreement.

7. Rights Not Limited. Except to the extent specifically set out in this agreement, this agreement will not limit or prejudice any rights or remedies that the Lender would have had if this agreement had not been entered into.

8. Further Assurances and Counterparts. The Registered Owner and the Beneficial Owner will execute such further assurances and documents as the Lender may require more fully to carry out the intent of this agreement. This Agreement may be executed in any number of

Schedule "A"

1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008 ("Lot 3")

2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008 ("Lot 4")

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District ("Block A")

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889 (collectively, "Lease ED35862")

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and the Company made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein ("Lease W18371388")

ENVIRONMENTAL AND BUILDING CONDITION INDEMNITY AGREEMENT

This Agreement is dated for reference the 11th day of April, 2022.

AMONG:

COMMUNITY MARINE CONCEPTS LTD. (Inc. No. BC0998190),
having a registered and records office and postal address at 2959
Kingsway, Vancouver, BC V5R 5J4

(the "Beneficial Owner")

0736657 B.C. LTD. (Inc. No. BC0736657), having a registered
and records office and postal address at 2959 Kingsway,
Vancouver, BC V5R 5J4

(the "Registered Owner")

(the Beneficial Owner and the Registered Owner collectively the "Borrower")

AND:

VICTORIA INTERNATIONAL MARINA LTD. (Inc.
No. BC1159286), having a registered and records office and
postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

ETERNALAND YUHENG INVESTMENT HOLDING LTD. (Inc.
No. BC0986873), having a registered and records office and
postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

DONG XIA ZHANG, of 2389 McBain Avenue, Vancouver, BC V6L 2C5, and

HUAI YIN ZHANG, of 7629 Burris Street, Burnaby, BC V5E 1Z2

(collectively the "Covenantor")

AND:

AMBER MORTGAGE INVESTMENT CORP. (Inc. No.
BC1087596), having an office and postal address at #415 - 5900
No. 3 Road, Richmond, British Columbia, V6X 3P7

(the "Lender")

A. The Lender has made or may make one or more loans, whether now or in the future, to the Borrower (collectively or singularly the "Loan") and as security for the Loan, among other things, the grant to the Lender of one or more legal mortgages and a beneficial owner agreement (which legal mortgages and beneficial owner agreement together with any modifications, extensions or renewals of same is referred to herein collectively as the "Mortgage") charging those lands and premises described in Schedule "A" attached hereto (which together with all subsurface materials, groundwater, buildings, improvements, fixtures and equipment thereon are collectively referred to herein as the "Land")

B. One of the conditions precedent to the making of the Loan to the Borrower is the making by the Borrower and the Covenantor of the covenants and agreements contained in this Agreement.

C. The Covenantor has related business interests to the Borrower and has requested the Lender to make the Loan to the Borrower.

In consideration of the premises and the provision of the Loan to the Borrower and for other good and valuable consideration the receipt and sufficiency of which is acknowledged the Borrower and the Covenantor represent, warrant, covenant and agree with the Lender that:

1. DEFINITIONS.

(a) "Environmental Laws" means:

(i) all statutes, laws and regulations of any federal, provincial, municipal or other governmental authority, including without limitation, the **Environmental Management Act, S.B.C. 2003** (the "**Environmental Management Act**") and the **Canadian Environmental Protection Act, 1999, S.C. 1999, c. 33** and all regulations made pursuant thereto;

and any successor legislation and regulation and all amendments thereto and including the principles of common law and equity; and

(ii) all orders, ordinances, bylaws, rules, standards, guidelines, permits, directions, decrees, authorizations, codes of practice and all other lawful requirements of any federal, provincial, municipal or other governmental authority, including without limitation a director designated under the **Environmental Management Act**,

having application to and/or jurisdiction over the Land and/or any operations or activities thereon, now or hereafter in force with respect in any way to the environment or any Prohibited Substance, including without limitation matters concerning health and public safety, occupational health and safety, product liability, transportation and/or storage of dangerous goods or substances.

(b) "Prohibited Act" means any act, activity or conduct which might result in a breach of the Environmental Laws.

(c) "Prohibited Substance" means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, effluents, deleterious substances or materials, dangerous substances or goods, hazardous, corrosive or toxic substances, special waste, hazardous waste or waste of any kind or any other substance, material, product or chemical, the storage, manufacture, production, supply, disposal, treatment, generation, use, importation, transport, remediation, discharge or release into the environment of which is now or hereafter prohibited, controlled, restricted or regulated under the Environmental Laws.

2. To the best of the Borrower's and the Covenantor's knowledge except as previously disclosed in reports provided to the Lender, the Land and its use complies with all Environmental Laws and the Land does not contain any Prohibited Substance other than in compliance with all Environmental Laws.

3. At no time will any Prohibited Substance be used, brought upon or stored on the Land other than in compliance with all Environmental Laws.

4. If any Prohibited Substance exists on the Land which is required to be removed by any governmental authority or the Lender, the Borrower and/or the Covenantor will

immediately remove it or cause it to be removed in compliance with the Environmental Laws.

5. The Borrower and the Covenantor will jointly and severally indemnify and save the Lender, its officers, directors, employees, agents and its shareholders harmless from and against all liabilities, costs and expenses of any kind including reasonable disbursements and legal fees on an indemnity basis to which the Lender, its officers, directors, employees, agents and its shareholders are put as a result of or in any way arising from the presence of a Prohibited Substance on or emanating from the Land and/or the occurrence of a Prohibited Act on the Land and/or as a result of or in any way arising from a breach of the Borrower's and the Covenantor's related covenants and agreements contained in this Agreement (collectively the "Environmental Indemnity").
6. The Borrower and the Covenantor will cause the Land and all tenants and occupants of the Land and its use at all times to comply with the Environmental Laws.
7. The Borrower and the Covenantor will at all times comply with the Environmental Laws in respect of the Land.
8. If the Borrower and/or the Covenantor become aware of the existence on the Land of any Prohibited Substance or the commission of any Prohibited Act or of the breach of any of the Environmental Laws, they will promptly advise the Lender and provide the Lender with full details thereof.
9. The Borrower and the Covenantor will observe and follow and will take all reasonable action to cause all of the tenants and occupants of the Land to observe and follow any recommendation contained in any study or audit referred to in this Agreement.
10. To the best of the Borrower's and the Covenantor's knowledge, no Prohibited Act is being done on the Land nor will any such act be done on the Land in the future.
11. If any Prohibited Act is being done on the Land, the Borrower and the Covenantor will immediately stop doing such act or cause it to be stopped.
12. The Borrower and the Covenantor will use reasonable commercial efforts to do all lawful things to reduce or eliminate their liability under the Environmental Laws with respect to the Land.
13. If at any time a breach of any covenant or agreement contained in this Agreement occurs, then the Borrower and/or the Covenantor will immediately take all commercially reasonable steps to rectify such breach of covenant or agreement and if they refuse to do so immediately upon the making of any order or direction referred to in this Agreement or on the requirement of the Lender, then the Lender may (but shall not be obligated to) take such steps and do such things as may be requisite to cure their default or breach and the cost of taking all such steps or doing all such things shall be paid by them to the Lender and in default of such payment may be added to and form part of the money secured by the Mortgage.
14. The presence of any Prohibited Substance on the Land which is not in compliance with the Environmental Laws and which has not been remediated such that it is in compliance with the Environmental Laws or removed in either case diligently and as soon as reasonably practical and/or the occurrence of a Prohibited Act on the Land which has not been stopped immediately shall constitute a default under the Mortgage.

15. The Lender may at the Borrower's and the Covenantor's cost commission the making of an environmental study or audit to:
 - (a) determine if any Prohibited Substance exists on the Land,
 - (b) determine if any Prohibited Act is being done on the Land,
 - (c) determine if any tenant or any occupant of the Land is in compliance with the Environmental Laws,
 - (d) make recommendations respecting the use of the Land and the Borrower and/or the Covenantor will comply with such recommendations respecting the remediation and use of the Land such that the Land and its use will comply with the Environmental Laws.
16. The person commissioned to make the environmental study or audit may enter on the Land at reasonable times with notice to the Borrower to interview any person employed by the Borrower and/or the Covenantor and any tenants or occupants of the Land and conduct such physical tests as such person considers necessary, but in conducting such tests, such person shall not unnecessarily interfere with the Borrower and/or the Covenantor or any tenant or occupant of the Land and their use of the Land.

The exercise of any of the powers enumerated in this paragraph shall not deem the Lender or its agent to be in possession, management or control of the Land and the buildings located upon the Land.
17. To the best of the Borrower's and the Covenantor's knowledge, there are no material structural or mechanical deficiencies to any of the improvements and buildings comprising the improvements and buildings component of the Land (collectively the "Buildings") exceeding 5% of the value of the Buildings.
18. If the Borrower and/or the Covenantor become aware of the existence of any material structural or mechanical deficiencies to the Buildings they will promptly advise the Lender and provide the Lender with full details thereof.
19. The Borrower and the Covenantor will take all necessary steps to ensure that building components and mechanical systems (the "Systems") of the Buildings are well maintained throughout the term and any extensions of the term of the Mortgage. The presence of any material structural or mechanical deficiencies that the Borrower and/or the Covenantor do not make reasonable commercial efforts to cure, will be a default under the Mortgage.
20. The Lender, or its agent, may at reasonable times with notice to the Borrower and respecting the rights of the tenants, enter upon the Land and the Buildings to inspect the Buildings and their Systems to determine if they are being maintained in the manner prescribed herein provided that the Lender, or its agents, restore the Land and Building as close as reasonably possible to its same condition.
21. In addition to any other indemnity herein, the Borrower and/or the Covenantor will indemnify and save the Lender, its officers, directors, employees, agents and its shareholders harmless from and against all liabilities, costs and expenses of any kind, including without limitation suits and damages arising from any structural or mechanical or failure to the Buildings and their Systems. This indemnity shall include without limitation any direct and indirect liabilities, costs and expenses of any kind including without limitation suits and damages to which the Lender, its officers, directors,

employees, agents and its shareholders are put arising from the presence and/or escape of mould and/or mould related substances from or into the Buildings and/or Systems (collectively the "Buildings/Systems Indemnity").

22. No failure or delay by the Lender in the exercise of any power or right under this Agreement constitutes a waiver thereof, nor does any exercise of any such power or right preclude any other exercise of same. Each power and right under this Agreement is cumulative with, and not exclusive of, any power or right otherwise available.
23. No modification or waiver of this Agreement is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.
24. If any part or provision of this Agreement is determined to be invalid, illegal or unenforceable, it will be severable from this Agreement and the remainder of this Agreement will be construed as if such invalid, illegal or unenforceable provision or part had been deleted.
25. This Agreement shall not operate so as to create any merger or discharge of the Loan, or any security or documentation contemplated therein including without limitation, the Mortgage.
26. The taking of a judgment with respect to any of the security or documentation made in respect of the Loan will not operate as a merger of any of the terms, conditions, covenants, agreements or provisos contained in this Agreement.
27. This Agreement is in addition to and not in substitution for any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability held by the Lender, all of which will be construed as complementary to each other. Nothing in this Agreement prevents the Lender from enforcing any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability in accordance with its terms.
28. The Borrower and the Covenantor consent to the Lender assigning, transferring or selling all or any portion of its interest under this Agreement and without limiting the foregoing, the Lender may enter into participation, co-lending or syndication agreements with other mortgagees in connection with this Agreement. The Lender may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other mortgagee, concerning the Borrower, the Covenantor and this Agreement.
29. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of the Borrower, the Covenantor, and the Lender as set out on page one of this Agreement as the case may be and such notice, if given by actual delivery shall be deemed to have been received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.
30. This Agreement and the rights and obligations of the Borrower and the Covenantor and the Lender under it are governed by and construed according to the laws of British Columbia.

31. For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.
32. Time is of the essence of this Agreement.
33. Any legal action or proceeding with respect to this Agreement may be brought in the courts of British Columbia or in such other courts as the Lender in its sole discretion elects and the Borrower and the Covenantor irrevocably submits to each such jurisdiction.
34. This Agreement need not be executed by the Lender to enure to the benefit of the Lender, its officers, directors, employees, agents and its shareholders.
35. This Agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document, and such will not affect the obligations of the Borrower and the Covenantor under this Agreement.
36. The Borrower and the Covenantor will promptly do all further acts and execute and deliver further documents as the Lender considers necessary or advisable to carry out the terms or intent of this Agreement.
37. This Agreement enures to the benefit of the Lender, its officers, directors, employees, agents and its shareholders and all of their respective executors, administrators, successors and assigns and to any person to whom the Lender may grant any participation in this Agreement, the Loan or any power, remedy or right of the Lender under this Agreement and is binding on the Borrower and the Covenantor and their executors, administrators, successors and assigns.
38. If the Borrower and/or the Covenantor consist of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Borrower and/or the Covenantor includes each and every such person or corporation individually. Save and except as otherwise set forth in this Agreement, all covenants, agreements and indemnities herein of each of the Borrower and each of the Covenantor are the joint and several covenants and agreements of each such person or corporation.
39. If another lender participates in the Loan with the Lender, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this Agreement.
40. The Environmental Indemnity and all related covenants and agreements contained in this Agreement shall survive the repayment of money owed to the Lender including but not limited to the Loan and the money advanced and/or secured under the Mortgage, the discharge and release of the Mortgage from title to the Land, the release of the Borrower and/or the Covenantor from their respective covenants and agreements contained in the Mortgage and the covenantor agreement and/or any security collateral to the Mortgage, and continue in full force and effect even after the Lender has exhausted any remedy that it is entitled to pursue under this Agreement, the Mortgage, the covenantor agreement and/or any security collateral to the Mortgage. PROVIDED that if the Lender has at any time become a mortgagee in possession or been deemed to be an owner of the Land, the Environmental Indemnity and all related covenants and agreements contained in this Agreement shall survive the repayment of money owed to the Lender including but not limited to the Loan and the money advanced and/or secured under the

VICTORIA INTERNATIONAL MARINA LTD.)
by its authorized signatory(ies):)

_____))
Authorized Signatory)

_____))
Authorized Signatory)

ETERNALAND YUHENG INVESTMENT)
HOLDING LTD. by its authorized)
signatory(ies):)

_____))
Authorized Signatory)

_____))
Authorized Signatory)

SIGNED, SEALED AND DELIVERED by)
DONG XIA ZHANG in the presence of:)

_____))
Witness Signature)

_____))
Address)

_____))
Occupation)

_____))
DONG XIA ZHANG)

SIGNED, SEALED AND DELIVERED by)
 HUAI YIN ZHANG in the presence of:)
)
)
)
 _____)
 Witness Signature)
)
 _____)
 Address)
)
 _____)
)
 _____)
 Occupation)

_____)
 HUAI YIN ZHANG)



This is page 9 of an Environmental and Building Condition Indemnity Agreement; dated for reference the 11th day of April, 2022, among Amber Mortgage Investment Corp. and Community Marine Concepts Ltd. et al.

Schedule "A"

- (a) 1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;
- (b) 2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;
- (c) Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;
- (d) Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and
- (e) Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated for reference the 11th day of April, 2022.

AMONG:

COMMUNITY MARINE CONCEPTS LTD. (Inc. No. BC0998190), having a registered and records office and postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

0736657 B.C. LTD. (Inc. No. BC0736657), having a registered and records office and postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

VICTORIA INTERNATIONAL MARINA LTD. (Inc. No. BC1159286), having a registered and records office and postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

ETERNALAND YUHENG INVESTMENT HOLDING LTD. (Inc. No. BC0986873), having a registered and records office and postal address at 2959 Kingsway, Vancouver, BC V5R 5J4

DONG XIA ZHANG, of 2389 McBain Avenue, Vancouver, BC V6L 2C5, and

HUAI YIN ZHANG, of 7629 Burris Street, Burnaby, BC V5E 1Z2

(collectively the "Debtor")

AND:

AMBER MORTGAGE INVESTMENT CORP. (Inc. No. BC1087596), having an office and postal address at #415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

(the "Secured Party")

1. SECURITY INTEREST

1.1 For valuable consideration and as continuing security for the payment and performance of the obligations referred to in Clause 3 hereof, the Debtor, subject to the exceptions set out in Clause 2, hereby:

- (a) grants, sells, assigns, transfers, mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge all its estate, right, title and interest in and to all of its real property, including without limitation, the real property described in Schedule "A" hereto,
- (b) charges in favour of the Secured Party as and by way of a fixed and floating charge all the Debtor's right, title and interest in and to after acquired or held real property, and
- (c) mortgages, charges, assigns and transfers to the Secured Party, and grants to the Secured Party a continuing, specific and fixed security interest in all the Debtor's right, title and interest in and to all presently owned or held and after acquired or held personal property, assets, rights and undertakings of the Debtor

(other than real property), of whatever nature or kind and wheresoever situate and all proceeds thereof and therefrom including, without limiting the generality of the foregoing:

(i) Equipment

All equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property that is not Inventory (as defined below), and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is hereinafter collectively called the "Equipment"),

(ii) Inventory

All inventory, including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, goods in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is hereinafter collectively called the "Inventory"),

(iii) Accounts

All debts, accounts, demands, claims, money and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, money and choses in action or any part thereof (all of which is hereinafter collectively called the "Accounts"),

(iv) Intangibles

All contractual rights, licenses, goodwill, patents, trade-marks, trade names, copyrights and other intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor that is not Accounts, chattel paper, instruments, documents of title, investment property or money (all of which is hereinafter collectively called the "Intangibles"),

(v) Other Personal Property

All documents of title, chattel paper, instruments, investment property and money, and all other personal property of the Debtor that are not Equipment, Inventory, Accounts or Intangibles, and

(vi) Proceeds

All proceeds of the Accounts, Inventory, Equipment, Intangibles and the other personal property described in sub-clause 1.1(c)(v) herein, present and future, including but not limited to all goods, intangibles, investment property, documents of title, chattel paper, instruments, money, crops,

licences or insurance proceeds, as the case may be, and all proceeds of proceeds (all of which is hereinafter collectively called the "Proceeds").

(the real and personal property referred to in sub clauses 1.1(a), 1.1(b) and 1.1(c) are hereinafter collectively called the "Collateral").

1.2 Notwithstanding the Debtor's right to deal with the Inventory in the ordinary course of business as provided herein, the security interests created hereby will operate as a fixed and specific charge of all of the Collateral presently existing, and with respect to all future Collateral, will operate as a fixed and specific charge of such future Collateral which will attach as of the moment the Debtor acquires any rights therein. The security interests created hereby are not intended as and will not be interpreted or construed as a floating charge except as they relate to the real property referred to in sub-clause **Error! Reference source not found..**

1.3 At any time and from time to time, at the request of the Secured Party, the Debtor will grant and deliver to the Secured Party a Mortgage or Mortgages by way of separate, registrable instrument or instruments over any of the Debtor's interests in real property set out in Schedule "A" hereto or that may be added to Schedule "A" hereto from time to time pursuant to sub-clause 29.2. Such Mortgage or Mortgages will be in addition to and not in substitution for any other security or rights now or hereafter held by the Secured Party and will secure the Obligations as defined in this Security Agreement that will be as of the date of the granting of said Mortgage or Mortgages.

2. EXCEPTIONS

2.1 The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor is hereby excepted out of the charge hereby or by any other instrument created, but the Debtor will assign and dispose of the same in such manner as the Secured Party may from time to time direct in writing and, upon any sale of any such leasehold premises by the Secured Party as provided for herein, the Secured Party will, for the purpose of vesting the aforesaid residue of any such term in any purchaser or any other person, firm or partnership, be entitled by deed or other written instrument to assign to such purchaser or other person, firm or partnership the aforesaid residue of any such term in place of the Debtor and to vest the same freed and discharged from any obligation whatsoever respecting the same.

2.2 There will be excluded from the security interests hereby created any consumer goods of the Debtor.

3. OBLIGATIONS SECURED

3.1 This Security Agreement and the security interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor or from any other person whomsoever and will be a general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including any interest, bonus or penalty thereon), present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances, and for the performance of all obligations, agreements, warranties, representations, covenants and conditions of the Debtor made pursuant to this Security Agreement or any other agreement between the Debtor and the Secured Party all as now in effect or as hereinafter entered into or amended (all of which indebtedness, liability, and obligations are hereinafter collectively called the "Obligations").

3.2 The Debtor will and will be deemed to hold all proceeds separate and in trust for the benefit of the Secured Party until all amounts owing by the Debtor to the Secured Party have been paid in full to the Secured Party.

4. PROHIBITIONS

Without the prior written consent of the Secured Party, the Debtor will not have power to:

- (a) except as may be set out in Schedule "B" hereto, create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings; or
- (b) grant, sell, or otherwise assign its chattel paper.

5. ATTACHMENT

The Debtor agrees and acknowledges that the security interests hereby created attach upon the execution of this Security Agreement (or in the case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has, or in the case of after acquired property will have, rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor, if a corporation, society, strata corporation, cooperative corporation or partnership, represents and warrants that this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Obligations, legal, valid and binding.

6.2 The Debtor represents and warrants that the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only the charges or security interests, if any, shown on Schedule "B" hereto under "Other Charges and Security Interests" and those consented to in writing by the Secured Party and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Security Agreement.

6.3 The Debtor, if a corporation, society, strata corporation, cooperative corporation or partnership, is duly incorporated, properly organized and validly existing under the laws of the Province of British Columbia and is duly registered and qualified to do business under the laws of each and every jurisdiction in which the character of the properties owned by it or the nature of the activities conducted by it make such registration or qualification advisable or necessary.

6.4 The Debtor's chief executive office is located at 2959 Kingsway, Vancouver, BC V5R 5J4. The Debtor will not change its chief executive office or the location(s) of any of the Collateral or the records in respect thereof without giving the Secured Party 10 days prior written notice.

6.5 There is no action or proceeding pending or to the knowledge of the Debtor threatened against the Debtor before any court, administrative agency, tribunal, arbitrator, government or governmental agency or any fact known to the Debtor and not disclosed to the Secured Party which might involve any material adverse change in the properties, business prospects or condition of the Debtor, or question the validity of this Security Agreement or any other material agreement to which the Debtor is a party (or the Debtor's ability to perform the

Obligations under this Security Agreement) and there are no outstanding judgments, writs of execution, work orders, injunctions, or directives against the Debtor or its properties.

6.6 Each debt, chattel paper and instrument constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay thereunder (the "Account Debtor").

6.7 The amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor or by all Account Debtors will, to the best of the Debtor's knowledge, be the correct amount actually and unconditionally owed by such Account Debtor or Account Debtors, save and except for normal cash discounts where applicable and a reasonable reserve for bad debts.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants that at all times while this Security Agreement remains in effect the Debtor shall:

- (a) defend, at the Debtor's expense, the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons (except those persons, if any, listed in Schedule "B" attached hereto under "Other Charges and Security Interests", to the extent of such charges and security interest in favour of such persons in the Collateral listed in the Schedule) and notify the Secured Party promptly of any claim, lien, charge, security interest or other encumbrance made or asserted against any of the Collateral and of any suit, action or proceeding affecting any of the Collateral,
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the security interests hereby created,
- (c) maintain the Collateral in good order, condition and repair and shall not use the Collateral in violation of this Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation, court order, ordinance or lawful direction or order,
- (d) forthwith:
 - (i) comply with all the Obligations referred to in clause 3,
 - (ii) pay all amounts owing to the charge holders, if any, shown in Schedule "B" hereto under "Other Charges and Security Interests" and will otherwise comply with the terms, covenants and conditions of all such Other Charges and Security Interests,
 - (iii) pay all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon the Debtor or the Collateral when due, unless the Debtor, in good faith, contests the obligations so to pay and in such case the Debtor shall furnish such additional security to the Secured Party as the Secured Party may require, and
 - (iv) discharge and cause to be released all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to any security interest created by this Security Agreement, other than the charges or security interests, if any, shown in Schedule "B" hereto under

"Other Charges and Security Interests" or those consented to in writing by the Secured Party;

- (e) forthwith pay all actual costs, charges, expenses and legal fees and disbursements (on an indemnity basis) which may be incurred by the Secured Party in:
 - (i) inspecting the Collateral,
 - (ii) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement,
 - (iii) investigating title to the Collateral,
 - (iv) taking, recovering, keeping possession of and insuring the Collateral, and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other security interest held by the Secured Party as security for the Obligations,
- (f) at the Secured Party's request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things that the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the security interests and charges hereby created in favour of the Secured Party upon any of the Collateral,
- (g) notify the Secured Party promptly and accurately of:
 - (i) any change in the information contained herein relating to the Debtor, its name, address, business or the Collateral,
 - (ii) the details of any material acquisition or disposition of the Collateral,
 - (iii) any material default by any Account Debtor in payment or other performance of his, her or its obligations to the Debtor with respect to any Accounts, and
 - (iv) the return to or repossession by the Debtor of Collateral,
- (h) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not charged by this Security Agreement, or from being or becoming a fixture to real property,
- (i) the Secured Party or its agents will have the right to inspect the Collateral and review and copy any and all information and data relating to the Collateral or to any other transactions between the parties hereto wherever and however such information and data may be stored. In the event that the use of a computer system is required to access such information and data, the Debtor will allow the Secured Party the use of its computer system for such purpose and will provide assistance in that regard. If for any reason the said information and data cannot be accessed and retrieved at the Debtor's premises the Secured Party may remove the medium in which such information or data is stored from the Debtor's premises to any other place which has a computer system that will give the Secured Party the opportunity to retrieve, record or copy such information and

data. The Secured Party will be entitled to reproduce and retain a copy of any such information and data in any format whatsoever,

- (j) deliver to the Secured Party from time to time promptly upon request:
 - (i) any documents of title, instruments, investment property and chattel paper constituting, representing or relating to the Collateral,
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business,
 - (iv) all policies and certificates of insurance relating to the Collateral, and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may require,
- (k) keep the Collateral at its principal place(s) of business as set out in sub-clause 6.4 herein,
- (l) give immediate written notice to the Secured Party of all loss or damage to or loss of possession of the Collateral other than by sale in the ordinary course of the Debtor's business,
- (m) carry on business under or use any name or style other than the name(s) specified in this Security Agreement, without first informing the Secured Party in writing,
- (n) carry on and conduct business in a proper and efficient manner so as to protect and preserve the Collateral and at all times keep accurate and complete records of the Collateral as well as proper books of account for its business all in accordance with the generally accepted accounting principles, consistently applied; and
- (o) notify the Secured Party forthwith of any acquisition of interests in real property, and on request of the Secured Party, execute and deliver a registrable mortgage of such acquired interests in real property in favour of the Secured Party as collateral security to the security interests hereby created

7.2 Except as specially allowed in the commitment letter (the "Commitment Letter") dated March 1, 2022, from the Secured Party to the Debtor, the Debtor, if a corporation, covenants that at all times while this Security Agreement remains in effect, without the prior written consent of the Secured Party, it will not:

- (a) declare or pay any dividends which would not be in compliance with any debt to equity ratio and the debt service coverage as defined and required and more particularly set forth in the Commitment Letter,
- (b) purchase or redeem any of its shares or otherwise reduce its share capital,
- (c) guarantee any obligation, or

- (d) endorse any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Debtor; or
- (e) allow any party other than the Secured Party or its nominee(s) to obtain control of any investment properties included in the Collateral.

8. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform any or all of the Obligations hereunder, the Secured Party may, but will not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements incurred in connection therewith will be payable by the Debtor on an indemnity basis to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts will be a charge upon and a security interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Security Agreement.

9. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

9.1 Except as herein provided, without the prior written consent of the Secured Party the Debtor will not:

- (a) sell, lease or otherwise dispose of Collateral,
- (b) release, surrender or abandon possession of Collateral, or
- (c) move or transfer the Collateral from any location.

9.2 Provided that the Debtor is not in default under this Security Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

10. DEFAULT

The Debtor will be in default under this Security Agreement and the floating charge on real property referred to in sub clause 1.1(b) will crystallize without notice thereof being given to the Debtor and without the necessity of any further act being taken by the Secured Party, unless expressly and specifically waived in writing by the Secured Party, in any of the following events:

- (a) the Debtor makes default in payment when due of any indebtedness or liability of the Debtor to the Secured Party or defaults in performance of any of the Obligations whatsoever,
- (b) the Debtor is in breach of any term, condition, obligation or covenant to the Secured Party, or any representation or warranty to the Secured Party is untrue, whether or not contained in this Security Agreement,
- (c) the Debtor ceases or threatens to cease to carry on business,
- (d) the Debtor makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the Bankruptcy and Insolvency Act, any debtor assistance or insolvency or

similar legislation in any jurisdiction or makes an authorized assignment or commits or threatens to commit an act of bankruptcy,

- (e) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed,
- (f) an order of execution against the Collateral remains unsatisfied for a period of 10 days,
- (g) without the prior written consent of the Secured Party, the Debtor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Collateral which ranks or could rank in priority to or pari passu with any security interest or charge created by this Security Agreement,
- (h) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Collateral does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest,
- (i) the Debtor makes or proposes to make a disposition of all or substantially all of its assets,
- (j) if the Debtor is a company or a partnership, an order is made or an effective resolution is passed for winding up the Debtor,
- (k) the Debtor, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person, without the prior written consent of the Secured Party, not to be unreasonably withheld or delayed,
- (l) the Debtor, if an individual, dies, is declared incompetent or is the subject of the appointment of a Committee by a court of competent jurisdiction,
- (m) the crystallization of any floating charge on any real property of the Debtor in favour of any other person, or
- (n) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any or all of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.

11. ENFORCEMENT

11.1 Upon any default under this Security Agreement, unless such default is remedied within 3 days, the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Security Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in his stead,

- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession,
- (c) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable,
- (d) retain and administer the Collateral in the Secured Party's sole and unfettered discretion, which the Debtor hereby acknowledges is commercially reasonable,
- (e) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the money therefor is actually received, and
- (f) exercise any or all of the rights and remedies of a secured party under the Act.

11.2 To assist the Secured Party in the implementation of such rights and remedies, the Debtor will, at its own risk and expense and at the Secured Party's request, assemble and prepare for removal of such items of the Collateral as are selected by the Secured Party and will, in the Secured Party's sole judgment, but without prejudice to the Secured Party's right to realize on further items of the Collateral, have a value sufficient to cover all the Obligations.

11.3 The Secured Party will not be liable or accountable for any failure to exercise its remedies, take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Collateral and will not be bound to institute proceedings for such purposes for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm, or corporation in respect of same.

11.4 A Receiver appointed pursuant to this Security Agreement will be the agent of the Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, will have all the powers of the Secured Party hereunder, and in addition will have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured, by granting a security interest on any of the Collateral; such security interest may rank before or pari passu with or behind any security interest created by this Security Agreement, and if it does not so specify such security interest will rank before the security interest created by this Security Agreement.

11.5 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Secured Party, in its absolute discretion, may direct as follows:

- (a) in payment of all actual costs, charges and expenses (including legal fees and disbursements on an indemnity basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Security Agreement, and

- (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver,
- (b) in or toward payment to the Secured Party of all principal and other money (except interest) due in respect of the Obligations, and
- (c) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

12. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay and discharge the Obligations in full the Debtor will immediately pay to the Secured Party the amount of such deficiency.

13. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Security Agreement, the Act or existing otherwise at law are cumulative and concurrent and no right or remedy contained herein or in the Act is intended to be exclusive but each will be in addition to every other right or remedy continued herein or in the Act or in any existing or future security agreement or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

14. LIABILITY OF SECURED PARTY

The Secured Party will not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party manages the Collateral upon entry, as herein provided, nor will the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party will not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any of the Obligations or covenants imposed upon the Debtor nor will the Secured Party, in the case of investment property, instruments or chattel paper, be obliged to preserve rights against other persons, nor will the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

15. APPOINTMENT OF ATTORNEY

The Debtor hereby irrevocably constitutes and appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, the true and lawful attorney of the Debtor for and in the name of the Debtor to sign, endorse, or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Security Agreement. The Debtor hereby declares that the irrevocable power of attorney granted hereby, being coupled with an interest, is given for valuable consideration.

16. ACCOUNTS

Notwithstanding any other provision of this Security Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part V of the Act. All money or other forms of payment received by the Debtor in payment of any or all of the Accounts will be received and held by the Debtor in trust for the Secured Party, and in such event, the Debtor, if in default under this Security Agreement, will immediately forward such payment to the Secured Party without the necessity of the Secured Party requesting or demanding same.

17. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and money realized from any security interests held therefor (including money collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit and the Secured Party may at all times and from time to time change any such appropriation as the Secured Party may see fit.

18. OBLIGATION TO ADVANCE

The preparation, execution, perfection or registration of this Security Agreement or the advance of any money shall not bind the Secured Party to make any further advance or loan or further advance or loan, or extend any further credit or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

19. WAIVER

The Secured Party may in writing from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Security Agreement but any such waiver of any right, benefit or default on any occasion will be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be, present or future.

20. NOTICE

Notice may be given to either the Debtor or the Secured Party by sending it through the post by prepaid mail or delivered to the party for whom it is intended, at the business address of such party provided herein or at such other address as may be given in writing from time to time by such party to the other, and any notice if posted will be deemed to have been received at the expiration of three business days after posting, except in the case of a strike or lockout preventing the regular delivery of mail, in which case notices will be delivered personally or by courier, and if delivered, such notice will be deemed received on delivery.

21. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

22. NO MERGER

This Security Agreement will not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

23. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Security Agreement and the security interests granted hereby. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, will have all of the Secured Party's rights and remedies under this Security Agreement and the Debtor will not assert any defence, counterclaim, right of set-off or any other claim which it now has or hereafter acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay any or all of the Obligations to the assignee, transferee or secured party, as the case may be, as such Obligations become due.

24. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or the Debtor ceasing to be indebted to the Secured Party, will be deemed not to be redemption or discharge of this Security Agreement. The Debtor will be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on an indemnity basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

25. RISK AND INSURANCE

The Debtor will bear the sole risk of any loss, damage, destruction or confiscation of or to the Collateral while in the Debtor's possession before or after default hereunder. The Debtor will insure the Collateral against loss or damage by fire, theft and other insurable perils for the full insurable value thereof with loss payable to the Secured Party as its interest may appear and hereby assigns to the Secured Party the right to receive payment of any claim made under any policy of insurance. All such policies of insurance will provide that the insurance coverage provided thereunder will not be changed or cancelled except on 30 days notice to the Secured Party and the Secured Party shall be named as second loss payee thereunder. If the Debtor fails so to insure, the Secured Party may, but is not obligated to, insure the Collateral and the premiums for such insurance will be added to the balance of the Obligations secured hereunder as they exist at the date of the payment of such premium by the Secured Party.

26. INDEMNITY

The Debtor will indemnify and save the Secured Party harmless from any and all costs, expenses, liabilities and damages which may be incurred by the Secured Party in connection with the Collateral and the enforcement of its rights hereunder, save only any costs, expenses, liabilities or damages resulting from any gross neglect or willful misconduct by the Secured Party or its servants or agents.

27. LIMITATION OF LIABILITY

The Secured Party will not be liable by reason of any entry into or taking possession of any or all of the Collateral hereby charged, to account as mortgagee in possession or for anything except actual receipts or to be liable for any loss and realization or any act or omission for which a Secured Party in possession might be liable. The Debtor hereby releases and discharges the Secured Party and the Receiver from every claim of every nature, whether founded in damages or not, which may arise on the part of or be caused by the Debtor or any person claiming through or under the Debtor by reason or as a result of anything done by the Secured Party or any successor or assign claiming through or under the Secured Party or the Receiver under the provisions of this Security Agreement unless such claim be the result of gross neglect or wilful misconduct.

28. SECURITY IN ADDITION AND NOT IN SUBSTITUTION

This Security Agreement and the security interests created hereby are in addition to and not in substitution for any other security or rights now or hereafter held by the Secured Party for the performance of any of the Obligations.

29. FURTHER ASSURANCES AND AMENDMENT OF SCHEDULE "A"

29.1 The Debtor will sign further and other documents and will do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Security Agreement and every part hereof and to protect, preserve and perfect the security interests hereby created.

29.2 The Debtor hereby empowers and irrevocably authorizes the Secured Party to amend, revise, add to and vary the content of Schedule "A" hereto at any time and from time to time in order to bring current and more correctly and comprehensively set out the interests in real property of the Debtor that will exist from time to time while this Security Agreement is in force, without the necessity of obtaining the consent, approval or acknowledgment of the Debtor to such amendment, revision, addition or variation.

30. ENUREMENT

This Security Agreement will enure to the benefit of the Secured Party and its successors and assigns, and will be binding upon the respective personal representatives, successors and permitted assigns of the Debtor.

31. INTERPRETATION

31.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 hereof and any reference to Collateral will, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof,
- (b) "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith will be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more persons and if more than one, will apply and be binding upon each of them jointly and severally, and
- (c) "the Act" means the Personal Property Security Act of British Columbia and all regulations thereunder as amended from time to time.

VICTORIA INTERNATIONAL MARINA LTD.)
by its authorized signatory(ies):)

_____) 
Authorized Signatory)

_____)
Authorized Signatory)

ETERNALAND YUHENG INVESTMENT)
HOLDING LTD. by its authorized)
signatory(ies):)

_____) 
Authorized Signatory)

_____)
Authorized Signatory)

SIGNED, SEALED AND DELIVERED by)
DONG XIA ZHANG in the presence of:)

_____) 
Witness Signature)

DONG XIA ZHANG

_____)
Address)

_____)
Occupation)

SIGNED, SEALED AND DELIVERED by)
HUI YIN ZHANG in the presence of:)

_____) 
Witness Signature)

HUI YIN ZHANG

_____)
Address)

_____)
Occupation)

SCHEDULE "A"

REAL PROPERTY

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein

SCHEDULE "B"

OTHER CHARGES AND SECURITY INTERESTS

NIL

AUTHORITY TO PAY

This Authority to Pay is dated for reference the 11th day of April, 2022.

Re: Loan (the "Loan") in the principal amount of \$5,000,000.00 to COMMUNITY MARINE CONCEPTS LTD. (the "Beneficial Owner") and 0736657 B.C. LTD. (the "Nominee") (the Beneficial Owner and the Nominee collectively the "Borrower")

Guaranteed by VICTORIA INTERNATIONAL MARINA LTD., ETERNALAND YUHENG INVESTMENT HOLDING LTD., DONG XIA ZHANG and HUAI YIN ZHANG (collectively the "Guarantor")

All Indebtedness Mortgages granted by the Nominee and Beneficial Owner Agreement to secure the Loan to be granted by the Beneficial Owner to Amber Mortgage Investment Corp. (the "Lender") charging the lands and premises described in Schedule "A" attached hereto (collectively the "Land")

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

AND TO: AMBER MORTGAGE INVESTMENT CORP.
#415 - 5900 No. 3 Road
Richmond, BC V6X 3P7

Dear Sirs:

The undersigned irrevocably authorizes and directs you to pay the proceeds of the above Loan to pay:

1. to the Lender, any charges incurred or made by the Lender,
2. to the Lender, any interest adjustment which may arise from the date of funding until the interest adjustment date as set forth in the Mortgage or the Commitment Letter (as applicable),
3. twelve months' interest as an interest reserve to the Lender in the amount of \$475,000.00,
4. the Lender's Solicitors, Richards Buell Sutton LLP, the fees and disbursements incurred in acting on the Lender's behalf in respect of the Loan, and
5. the balance of Loan proceeds to Tegan Law Corporation "In Trust" to be applied to payout and discharge the charges against the Borrower held by The Bank of Nova Scotia, to payout and discharge any other charges required by you, and to pay the balance of the Loan to the Borrower or as further directed by the Borrower

[continued on page 2]

Yours truly,

COMMUNITY MARINE CONCEPTS LTD.

0736657 B.C. LTD.

Per:

Per:

Authorized Signatory

Authorized Signatory

VICTORIA INTERNATIONAL MARINA
LTD., as Guarantor

ETERNALAND YUHENG INVESTMENT
HOLDING LTD., as Guarantor

Per:

Authorized Signatory

Authorized Signatory

DONG XIA ZHANG as Guarantor

HUAI YIN ZHANG, as Guarantor

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

THIS AGREEMENT is dated for reference the 11th day of April, 2022 between **VICTORIA INTERNATIONAL MARINA LTD., ETERNALAND YUHENG INVESTMENT HOLDING LTD., DONG XIA ZHANG** and **HUAI YIN ZHANG** (collectively the "Covenantor") and **AMBER MORTGAGE INVESTMENT CORP.** having an address at #415 - 5900 No. 3 Road, Richmond, BC V6X 3P7 (the "Lender").

WHEREAS:

A. The Lender has agreed to make a loan (the "Loan") in the principal amount of \$5,000,000.00 to **0736657 B.C. LTD.** (the "Nominee") and **COMMUNITY MARINE CONCEPTS LTD.** (the "Beneficial Owner") (the Nominee and the Beneficial Owner collectively the "Borrower") on the terms of a commitment letter dated March 1, 2022 issued by the Lender and accepted by the Borrower, as may be amended, restated, supplemented or otherwise modified from time to time (the "Commitment Letter"), secured by one or more second ranking legal mortgages (collectively the "mortgage") and a beneficial owner agreement (the "BOA") [together the BOA and the mortgage are hereinafter referred to as the "Mortgage"] against the lands and premises set out in Schedule "A" attached hereto (collectively the "Land"), one or more assignments of rents (collectively the "Assignment of Rents"), an environmental and building condition indemnity agreement (the "Environmental Indemnity Agreement"), a general security agreement (the "General Security Agreement"), a promissory note (the "Promissory Note"), an assignment of insurance policies and an assignment of interest reserve (collectively the "Assignments"), and any additional security required by the Lender in respect of the Loan (the "Collateral"); and

B. The Covenantor has related business interests to the Borrower and has requested the Lender to make the Loan to the Borrower and in order to do so the Lender has stipulated that the Covenantor enter into this agreement.

IN CONSIDERATION of the recitals, the Lender making the Loan to the Borrower and other valuable consideration received by the Covenantor, the receipt and adequacy of which is acknowledged by the Covenantor, the Covenantor agrees with the Lender as follows:

1.0 DEFINITIONS, INTERPRETATION

1.1 Definitions. In this agreement:

- (a) "Indebtedness", in respect of any person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor,
- (b) "Loan Indebtedness" means any Indebtedness from time to time of the Borrower to the Lender arising under the Loan or the Loan Obligations or any modifications or renewals of same,
- (c) "Loan Obligations" means the Mortgage, the Commitment Letter, Promissory Note, General Security Agreement, Assignment of Rents, Environmental Indemnity Agreement, Assignments, Collateral and any and all covenants, indemnities and agreements contained therein and any and all modifications, extensions or renewals of same, whether such modifications, extensions or renewals are entered into by the Borrower or a subsequent owner of the Land, and

- (d) "Other Person" means any person, corporation or other entity other than the Borrower or the Covenantor at any time liable in respect of the Loan or the Loan Indebtedness,

1.2 Interpretation. In this agreement:

- (a) Indebtedness of any person will be deemed to be incurred when the Borrower assumes, incurs or otherwise becomes liable in respect of such Indebtedness, and Indebtedness will include Indebtedness assumed, guaranteed or incurred by the Borrower and Indebtedness in respect of which the Borrower otherwise becomes liable, and
- (b) each reference to full and punctual payment when due of any amount of the Loan is deemed to mean payment of such amount at the time and place and in the manner and amount that payment is required to be made by the Borrower pursuant to any agreement entered into by the Borrower in respect of the Loan, regardless of any law, decree, regulation, court order or enactment affecting same.

2.0 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Covenantor. The Covenantor makes the following representations and warranties to the Lender:

- (a) the Covenantor is executing and delivering this agreement at the sole and exclusive request of the Borrower,
- (b) the Covenantor has derived or expects to derive financial and other advantage from the Loan Indebtedness,
- (c) the Covenantor has not received or relied on any representation from or any agreement or undertaking with the Lender or any officer, employee or agent of the Lender, except as expressly set out in this agreement,
- (d) the Borrower has furnished the Covenantor with all financial and other information and copies of all agreements and documents the Covenantor has requested concerning the Borrower, the Land, the Loan, the Loan Indebtedness, the Loan Obligations and the nature and extent of the risk the Covenantor incurs under this agreement,
- (e) the Covenantor has not received or relied on any representation by the Lender or any of its officers, employees or agents, except as specifically set out in the Loan Obligations,
- (f) the Covenantor has established means satisfactory to it of obtaining from the Borrower, independently of the Lender, such other information and copies of all agreements and other writings the Covenantor deems desirable concerning the Borrower, the Land, the Loan, the Loan Indebtedness, the Loan Obligations, the Borrower's relationship with the Lender and the nature and extent of the risk the Covenantor incurs under this agreement,
- (g) the Covenantor has the full power to enter into this agreement, if the Covenantor is a corporation the directors of the Covenantor have passed a resolution now in effect which indicates that the directors of the Covenantor are of the opinion that the entering into of this agreement by the Covenantor is in the best interests of the Covenantor, and

- (h) this agreement is a legal, valid and binding obligation of the Covenantor, enforceable in accordance with its terms.

3.0 COVENANTS

3.1 Covenants. The Covenantor unconditionally, absolutely and irrevocably covenants and agrees with the Lender:

- (a) in addition to and separate and distinct from its agreements in subsections 3.1(b) and (c), to guarantee to the Lender the repayment by the Borrower of the Loan Indebtedness and to guarantee to the Lender the punctual performance of all agreements and obligations of the Borrower under the Loan Obligations,
- (b) in addition to and separate and distinct from its agreements in subsections 3.1(a) and (c), to indemnify and save harmless the Lender from and against all loss, damage, expenses, costs and liability whatsoever which shall arise from or be caused by the default or breach by the Borrower in respect of the Borrower's obligations under the Loan Indebtedness or the Loan Obligations, and
- (c) in addition to and separate and distinct from its agreements in subsections 3.1(a) and (b), as primary obligor and not as covenantor, to pay and be responsible for the Loan Indebtedness and to adopt as its own obligations every obligation of the Borrower in respect of the Loan Indebtedness and the Loan Obligations all as though there were no limitations on recourse contained therein.

3.2 Nature of Obligations of Covenantor. The Covenantor covenants and agrees with the Lender that:

- (a) except as expressly set out in this agreement the obligations and liabilities of the Covenantor under this agreement will be irrevocable and will continue and be of full force and effect and will not be terminated or in any manner affected, and no right of the Lender under this agreement will in any manner be prejudiced or impaired by:
- (i) the dissolution, winding-up or other cessation of existence of the Borrower or the Covenantor or the institution of any proceeding relating thereto, any continuance, reorganization or change in the business, directors, management, objects, organization or shareholders of the Borrower or the Covenantor, without the consent of the Lender, such consent not to be unreasonably withheld, the amalgamation of the Borrower or the Covenantor with another corporation, the sale or disposal of or appointment of a liquidator, receiver, receiver-manager, receiver and manager or trustee in respect of any of the assets or undertaking of the Borrower or Covenantor, any distribution of the assets of the Borrower or Covenantor on any arrangement, bankruptcy, composition, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any assignment by the Borrower or the Covenantor for the benefit of creditors, any other marshalling of any of the assets of the Borrower or the Covenantor or any other act or event which constitutes a novation of any obligation or liability of the Borrower in respect of the Loan, whether by substitution of the obligations or liabilities of any other person in place of those of the Borrower or otherwise,
- (ii) any obligation or liability of the Borrower, whether in respect of the Loan or otherwise, the Covenantor, whether under this agreement or otherwise, or of any Other Person or any agreement or instrument evidencing any such obligation or liability at any time being unenforceable,

- (iii) any defect in, omission from, failure to file or register, or defective filing or registration of any document under which the Lender has taken security for payment of the Loan or for performance of any obligation of the Borrower, the Covenantor or any Other Person or any failure or loss in respect of any such security of the Lender, whether arising in connection with the fault of the Lender or otherwise,
 - (iv) any issue or levy by any administrative, government, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, attachment, writ or similar process against the Borrower, whether in respect of the Loan or the Loan Indebtedness or otherwise, or against any Other Person,
 - (v) any occurrence or non-occurrence of any other act or event which would result in termination, discharge, limitation, merger, novation, reduction or release of the Covenantor or of any of its obligations or liabilities under this agreement or which would otherwise prejudice or impair any right of the Lender under this agreement, or
 - (vi) any sale, transfer, agreement to sell or other disposition of the Land by the Borrower,
- (b) the obligations and liabilities of the Covenantor under this agreement are absolute and independent of and not in consideration of or conditional on any other obligation or liability of the Covenantor or the Borrower, whether in respect of the Loan or otherwise, or any Other Person or any prior notice or protest to, demand upon or action, suit or other proceeding against the Borrower or any Other Person. The Lender may bring or prosecute a separate action, suit or other proceeding against the Covenantor whether it is brought or prosecuted against the Borrower or any Other Person or whether the Borrower or any Other Person is joined;
 - (c) this agreement will be binding in respect of any modification or renewal of the Loan Indebtedness by the Borrower or any subsequent owner of the Land, whether or not the Covenantor has consented to same and whether or not such modification or renewal constitutes an adverse or material alteration of the Covenantor's obligations under this agreement; and
 - (d) any part payment by the Borrower of any of the Loan or the Loan Indebtedness or other circumstance which operates to extend any statute of limitations or law of prescription as to the Borrower will operate to extend such statute of limitations or law of prescription as to the Covenantor.

3.3 Authorizations. The Covenantor authorizes the Lender, in the sole discretion of the Lender, without notice to or demand on the Covenantor and without in any manner affecting any obligation or liability of the Covenantor under this agreement or any security furnished to the Lender by the Covenantor in connection with the Loan or prejudicing or impairing any right of the Lender under this agreement, from time to time to:

- (a) adjust, compromise, extend, modify, accelerate, renew or otherwise change the time, form or manner for payment of or any term in respect of the Loan or the Loan Indebtedness, including, without limitation, increasing or decreasing the rate of interest, changing the method of calculation of interest, extending the term, or altering the periodic payments,
- (b) take any security for payment of the Loan or the Loan Indebtedness or for performance of any obligation of the Borrower, the Covenantor or any Other

Person or the Loan Indebtedness and enforce, exchange, perfect, release, subordinate, subrogate, substitute, surrender, waive or take advantage of or defer or waive taking, perfecting, enforcing or otherwise taking advantage of any such security and apply such security and direct the manner of sale as the Lender determines in its sole discretion,

- (c) compromise, release, substitute, delay or waive the exercise of any right or remedy against the Borrower, the Covenantor or any other person liable in respect of the Loan,
- (d) grant any other indulgence to the Borrower, the Covenantor or any Other Person liable in respect of the Loan and compound with all or any of such persons as the Lender sees fit,
- (e) accept payment of any Loan Indebtedness from the Borrower incurred by the Borrower after the execution of this agreement,
- (f) apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from any security furnished to the Lender by the Borrower, the Covenantor or any Other Person liable in respect of the Loan, to any Indebtedness, whether in respect of the Loan or otherwise of the Borrower, the Covenantor or any such Other Person to the Lender, as the case may be, in such manner and at such times as the Lender in its sole discretion determines,
- (g) otherwise deal with the Borrower, the Covenantor, any Other Person or the Loan Indebtedness or any security provided to the Lender by the Borrower, the Covenantor or any Other Person as the Lender deems appropriate, and
- (h) impose a lien on or set off any money, security or other property of the Covenantor at any time in the possession of or on deposit with the Lender, whether held in a general or special account or on deposit or for safekeeping or otherwise, against any payment due from the Covenantor to the Lender under this agreement.

3.4 Waivers. The Covenantor unconditionally waives:

- (a) any right to receive from the Lender any communication with respect to the Loan or the Loan Indebtedness or any obligation or liability of the Covenantor under this agreement, or of any Other Person liable in respect of any of the Loan or Loan Indebtedness, including, without limitation:
 - (i) any notice of the creation or existence of any Indebtedness, the intention of the Lender to act on or in reliance on any obligation or liability of the Covenantor, whether under this agreement or otherwise, or of any Other Person, or any default by or non-observance of any obligation of the Borrower, the Covenantor or any Other Person,
 - (ii) any communication of any information known by the Lender relating to the financial condition of the Borrower or to any other circumstance bearing upon the risk of non-payment under the Loan, or
 - (iii) any demand for performance, notice of dishonour, notice of protest, presentment or protest relating to any obligation or liability of the Borrower, the Covenantor or any Other Person liable in respect of the Loan;

- (b) any right to require the Lender to:
 - (i) proceed against the Borrower, the Covenantor or any Other Person liable in respect of the Loan, including, without limitation, any right or benefit of discussion or division,
 - (ii) proceed against or exhaust any security furnished to the Lender by the Borrower, the Covenantor or any Other Person,
 - (iii) first apply any property or assets of the Borrower or any Other Person liable in respect of the Loan to the discharge of the Loan or marshal in favour of the Covenantor, or
 - (iv) pursue or exercise any other right or remedy of the Lender whatsoever;
- (c) any right of subrogation to or any right to enforce any right or remedy of the Lender in respect of the Borrower, any Other Person or any security provided to the Lender by the Borrower or any such Other Person or any benefit of or right to participate in any such security; and
- (d) any defense arising out of or in connection with:
 - (i) any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of the Covenantor in respect of the Borrower or any Other Person,
 - (ii) any disability, incapacity or other defense available to the Borrower or any Other Person liable in respect of the Loan Indebtedness or any cessation from any cause whatsoever of any obligation or liability of the Borrower or any Other Person in respect of the Loan Indebtedness, or
 - (iii) any other circumstance which might otherwise constitute a defense to any action, suit or other proceeding against the Covenantor, whether under this agreement or otherwise.

3.5 Bankruptcy, etc. In the event of any distribution of any of the assets of the Borrower, the Covenantor or any Other Person, on any arrangement, bankruptcy, composition, execution sale, insolvency, liquidation, receivership, reorganization or other similar proceeding or occurrence, any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of the Borrower or any Other Person, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, any assignment by the Borrower or any Other Person for the benefit of creditors or any other marshalling of any of the assets of any such person:

- (a) no obligation or liability of the Covenantor under this agreement will be terminated or in any manner affected and no right of the Lender under this agreement will in any manner be prejudiced or impaired by same or by any omission by the Lender to prove its claim or its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value or refrain from valuing any security held by the Lender, and
- (b) the Lender has the right to include in any claim made by it all sums paid by the Covenantor, whether under this agreement or otherwise, and to prove and rank for and receive dividends in respect of such claim, all right to prove and rank for such sums paid by the Covenantor and to receive the full amount of all dividends in respect thereof, which are hereby assigned and transferred by the Covenantor to the Lender.

4.0 SUBORDINATION

4.1 Subordination of Indebtedness. The Covenantor defers, postpones and subordinates in the manner set out in this Article all of the Indebtedness from time to time of the Borrower to the Covenantor, to all of the Loan Indebtedness and the Covenantor assigns and transfers to the Lender every right of the Covenantor relating to the Indebtedness.

4.2 Payment of Indebtedness. Any right of the Covenantor to receive any payment on account of Indebtedness of the Borrower to the Covenantor will be subordinated to any right of the Lender to receive any payment of the Loan Indebtedness and the Covenantor shall not:

- (a) commence any action, take any proceeding, collect or receive any payment upon, by set off or counterclaim or in any other manner, any of the Indebtedness of the Borrower to the Covenantor,
- (b) assign, charge, mortgage, pledge, sell, transfer or otherwise encumber or give a security interest in any of the Indebtedness of the Borrower to the Covenantor,
- (c) enforce or apply any security now or hereafter furnished by the Borrower to the Covenantor, or
- (d) incur any Indebtedness to or receive any loan, advance or gift from the Borrower.

4.3 Payment in Trust. If any payment or distribution of assets of the Borrower is made to the Covenantor on account of the Indebtedness, to which the Covenantor would be entitled except for this Article 4, such payment or distribution will be received by the Covenantor in trust for the benefit of the Lender, and the Covenantor shall forthwith pay same to the Lender for application to any money due or owing to the Lender under the Loan Indebtedness.

5.0 MISCELLANEOUS

5.1 Payments. All payments required to be made by the Covenantor to the Lender under this agreement will be made at the address of the Lender set out on page one (or at any other place specified by the Lender by written notice to the Covenantor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

5.2 Covenantor to Keep Informed. The Covenantor assumes responsibility for keeping itself informed of the financial condition of the Borrower and of all other circumstances bearing on the risk it incurs under this agreement.

5.3 Lender's Records. The records of the Lender as to the Loan, any Loan Indebtedness or any failure by the Borrower to make full and punctual payment when due of any of the Loan are conclusive evidence of the relevant facts without further proof.

5.4 Failure or Indulgence Not Waiver. No failure or delay by the Lender in the exercise of any power or right under this agreement constitutes a waiver thereof, nor does any exercise of any such power or right preclude any other exercise of same. Each power and right under this agreement is cumulative with, and not exclusive of, any power or right otherwise available.

5.5 Modification. No modification or waiver of this agreement is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

5.6 Entire Agreement. On the execution and delivery by the Covenantor, this agreement is deemed to be finally executed and delivered by the Covenantor to the Lender and is not subject to or affected by any condition as to the receipt by the Lender of any other security for any of the Loan or the Loan Indebtedness or as to the execution and delivery by any Other

Person to the Lender of any other agreement or guarantee, nor by any promise or condition affecting the liability of the Covenantor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this agreement forms part of this agreement, has induced the making of it or affects the liability of the Covenantor under it.

5.7 Severability. If any part or provision of this agreement is determined to be invalid, illegal or unenforceable, it will be severable from this agreement and the remainder of this agreement will be construed as if such invalid, illegal or unenforceable provision or part had been deleted.

5.8 Effect. This agreement is in addition to and not in substitution for any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability held by the Lender, all of which will be construed as complementary to each other. Nothing in this agreement prevents the Lender from enforcing any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability in accordance with its terms.

5.9 Assignability. The Lender may assign, grant, pledge, sell or transfer any participation in this agreement, the Loan, any of the Loan Obligations, any power, remedy or right of the Lender under this agreement, or any interest of the Lender herein or in any of the Loan or the Loan Indebtedness to any person, without notice to the Covenantor, and the obligations and liabilities of the Covenantor under this agreement exist for the benefit of each such person as well as the Lender. The benefits under this agreement and/or the Loan Obligations may be transferred or otherwise dealt with by the Lender, free from any set-off, counterclaim or other equity or claim. Upon a transferee assuming any obligation of the Lender under this agreement and/or the Loan Obligations the Lender will be released from liability for such obligation. Any information received by the Lender in respect of the Covenantor may be disclosed by the Lender to others.

5.10 Notice. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of the Covenantor and the Lender as set out on page one of this agreement as the case may be and such notice, if given by actual delivery shall be deemed received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.

5.11 Expenses, Fees and Indemnity. The Covenantor will pay to the Lender all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this agreement by the Covenantor to the Lender. The Covenantor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by the Covenantor under this agreement.

5.12 Applicable Law. This agreement and the rights and obligations of the Covenantor and the Lender under it are governed by and construed according to the laws of British Columbia.

5.13 Interpretation. For the purposes of this agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

5.14 Time of the Essence. Time is of the essence of this agreement.

5.15 Jurisdiction. Any legal action or proceeding with respect to this agreement may be brought in the courts of British Columbia or in such other courts as the Lender in its sole discretion elects and the Covenantor irrevocably submits to each such jurisdiction.

5.16 Execution by Lender. This agreement need not be executed by the Lender to be binding on and to enure to the benefit of the Covenantor, the Borrower and the Lender.

5.17 Counterparts. This agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document, and such will not affect the obligations of the Covenantor under this agreement.

5.18 Further Assurances. The Covenantor will promptly do all further acts and execute and deliver further documents as the Lender considers necessary or advisable to carry out the terms or intent of this agreement.

5.19 Successors and Assigns. This agreement is binding on and enures to the benefit of the Lender, the Covenantor and the Borrower and their executors, administrators, successors and assigns and to any person to whom the Lender may grant any participation in this agreement, the Loan or any of the Loan Obligations or any power, remedy or right of the Lender under this agreement or any of the Lender's interest herein or in the Loan Indebtedness.

5.20 Multiple Covenantor and Lender. If the Covenantor consists of more than one party, this agreement will be read with all necessary grammatical changes and each reference to the Covenantor includes each and every such person or corporation individually. All covenants and agreements herein of the Covenantor are the joint and several covenants and agreements of each such person or corporation. If the Lender consists of more than one party, this agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this agreement.

5.21 Financial Statements. In each year within 90 days from the Borrower's fiscal year end, the corporate Covenantor will deliver to the Lender its current financial statements and the personal Covenantor will deliver to the Lender his/her current personal net worth statements. All statements for the corporate Covenantor shall be prepared on a notice to reader basis and for the personal Covenantor shall be prepared on a review engagement basis, using generally accepted accounting principles by an independent firm of chartered accountants satisfactory to the Lender.

VICTORIA INTERNATIONAL MARINA LTD.)
 by its authorized signatory(ies):)
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)
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 Authorized Signatory)
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)
 _____)
 Authorized Signatory)



ETERNALAND YUHENG INVESTMENT
HOLDING LTD. by its authorized
signatory(ies):

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)



Authorized Signatory

)

Authorized Signatory

)

SIGNED, SEALED AND DELIVERED by
DONG XIA ZHANG in the presence of:

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)

Witness Signature

DONG XIA ZHANG



Address

)

Occupation

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SIGNED, SEALED AND DELIVERED by
HUAI YIN ZHANG in the presence of:

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)
)

Witness Signature

HUAI YIN ZHANG



Address

)

Occupation

)

ACCEPTANCE OF SUBORDINATION

The undersigned, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), accepts and consents to the provisions of Paragraph 4.0 of the Covenantor Agreement to which this acceptance is attached and agrees to be bound by its provisions and to recognize all priorities and other rights granted to the Lender and to pay the Lender in accordance therewith.

DATED as of the date of the above mentioned Covenantor Agreement.

COMMUNITY MARINE CONCEPTS LTD.)
 by its authorized signatory(ies):)
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 Authorized Signatory)
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 Authorized Signatory)

0736657 B.C. LTD. by its authorized)
 signatory(ies):)
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 Authorized Signatory)
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 Authorized Signatory)

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

PROMISSORY NOTE

Value: \$5,000,000.00

Due Date: ON DEMAND

FOR VALUE RECEIVED (the adequacy and receipt of which is acknowledged), COMMUNITY MARINE CONCEPTS LTD. and 0736657 B.C. LTD. (collectively the "Borrower") hereby promises to pay to the order of AMBER MORTGAGE INVESTMENT CORP. having an address at #415 - 5900 No. 3 Road, Richmond, BC V6X 3P7 (the "Lender"), or at such other address or addresses as the Lender may from time to time direct in writing on the Due Date, the sum of FIVE MILLION DOLLARS (**CDN \$5,000,000.00**) (the "**Principal**") together with interest (both before and after maturity, default or judgment) at the rate of 9.50% per annum compounded monthly, in arrears, on the Principal then outstanding, up to and including May 1, 2023 and 18.00% per annum compounded monthly from May 1, 2023 up to and including the date of payment.

Interest payments shall be paid monthly to the Lender on the last day of each month at the address provided for the Lender above, with the first payment to be made on May 31, 2022.

If the Borrower defaults in making any payment when due under this Promissory Note, at the election of the Lender, all money due or owing hereunder will become immediately due and payable.

The Borrower shall have the right at any time to prepay the Principal and interest outstanding in whole but not in part, without bonus or penalty provided that a written payout request has been provided to the Lender with no less than 30 days prior notice. In the event that the 30 days' prior written notice is not provided to the Lender, the Borrower shall also pay the Lender an additional interest penalty equal to the interest of the remaining days of the 30 day period between the written notice date and the repayment date.

The Borrower waives presentment, notice of dishonour, notice of non-payment, notice of protest and any all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Promissory Note and protest or further notice of any kind and agrees that it shall remain liable in respect of this note as if presentment, demand, notice of dishonour and protest had been duly made or given.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of British Columbia without regard to its conflicts of laws rules and the laws of Canada applicable therein. The Courts of the Province of British Columbia shall have jurisdiction with respect to any matter arising hereunder or related hereto.

This Promissory Note will enure to the benefit of the Lender and will be binding on the Borrower and its respective heirs, executors, legal representatives, successors and permitted assigns.

Dated as of April ___, 2022.

COMMUNITY MARINE CONCEPTS LTD.)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory)
)
)
 _____)
 Authorized Signatory)

Equivalent Rate Calculator

Nominal Rate

Compounding Frequency

Periodic Rate	0.000259283
Daily	9.463819819%
Weekly	9.471208033%
Monthly	9.500000000%
Quarterly	9.575406800%
Semi-annually	9.690017319%
Annually	9.924758408%

You must click the Calculate button each time you change the nominal rate or compounding frequency

Equivalent Rate Calculator

Nominal Rate

Compounding Frequency

Periodic Rate	0.000489608
Daily	17.870708390%
Weekly	17.897063052%
Monthly	18.000000000%
Quarterly	18.271350000%
Semi-annually	18.688652789%
Annually	19.561817146%

↑
You must click the Calculate button each time you change the nominal rate or compounding frequency

ASSIGNMENT OF INSURANCE POLICIES

INSURED: **0736657 B.C. Ltd. and Community Marine Concepts Ltd. (collectively, the "undersigned")**

RE: **All Indebtedness Mortgages charging the lands and premises described in Schedule "A" attached hereto (collectively the "Land")**

For \$1.00 and other good and valuable consideration now paid by **Amber Mortgage Investment Corp.** (the "**Lender**") to the undersigned (the receipt and sufficiency of which is hereby acknowledged by the undersigned), the undersigned unconditionally and irrevocably assign(s), transfer(s) and set(s) over to and in favour of the Lender at #415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7 as and by way of a fixed and specific assignment, all of the undersigned's right, title and interest, as its interest may appear in, to, under and in respect of all policies of insurance (collectively, the "**Insurance**") acquired or to be acquired by the undersigned affecting or in respect of the Land and the personal property now or hereafter owned or acquired by the undersigned in connection with the Land (the "**Personal Property**") and together with the Land, the "**Properties**") including:

- (a) "all risks" property insurance, boiler and machinery insurance, loss of rental and business interruption insurance, extended coverage insurance, boiler and pressure valve insurance, equipment and asset insurance and environmental liability insurance; including an endorsement for liability associated to pollution or contamination caused by third parties due to a sudden and accidental event, including costs for restoring and/or decontaminating third party premises and in cases of increased risk or of an underground tank, a gradual sudden and accidental environmental pollution policy including costs for restoring and/or decontaminating third party premises and the premises of the first party;
- (b) all present and future insurance policies relating to the undersigned's interest in the Properties, including, without limitation, any insurance policy listed in any schedule or in any insurance binder attached hereto, as such policies may be renewed, amended or replaced from time to time;
- (c) all benefits, powers and advantages of the undersigned to be derived from the Insurance and all covenants, obligations, agreements and undertakings of the undersigned and right to enforce the rights of undersigned thereunder in the name of the undersigned;
- (d) all revenues, proceeds and other monies now due and payable or hereafter to become due and payable to the undersigned in respect of the Insurance or to be derived therefrom, if any, with full power and authority to demand, sue for, recover, receive and give receipts for all such revenues and other monies; and
- (e) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to the Insurance,

and all amendments, modifications, extensions, renewals and replacements of any of the foregoing and all rights, remedies, powers, privileges and claims of the undersigned thereunder (whether arising pursuant thereto or available to the undersigned at law or in equity or by statute), to hold and receive the same unto the Lender with full power and authority to demand, collect, sue for, recover, receive and give receipts for payments and to enforce payment of the same.

The undersigned hereby irrevocably authorizes and directs the insurers issuing the Insurance to pay all proceeds of Insurance to the Lender as described above.

The undersigned agrees that:

- (a) this Assignment shall be held by the Lender as continuing collateral security for the due and punctual payment and performance of all present and future indebtedness, liabilities

and obligations, direct or indirect, absolute or contingent, matured or unmatured, joint or several, of the undersigned to the Lender;

- (b) this Assignment is in addition to and not in substitution for any other document, agreement or security now or hereafter held by the Lender and is and constitutes continuing security that will remain in full force and effect until re-assigned or discharged by the Lender;
- (c) this Assignment will be supplementary to and will not in any way derogate from the endorsements in favour of the Lender on any Insurance;
- (d) no waiver, modification or amendment of this Assignment or of any such options, powers, rights or remedies will be deemed to have been made unless made in writing and signed by an authorized officer of the Lender, and any such waiver will apply only with respect to the specific instance involved, and will not impair the rights of the Lender or the liability of the undersigned hereunder in any other respect or at any other time; and
- (e) this Assignment will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the undersigned and the Lender.

If this Assignment is granted to the Lender in its capacity as agent for one or more other persons (being defined as any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government), the undersigned agrees that all:

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

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

EXECUTED as of this _____ day of April, 2022

0736657 B.C. LTD.)
 by its authorized signatory(ies):)
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 Authorized Signatory)
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 _____)
 Authorized Signatory)

COMMUNITY MARINE CONCEPTS LTD.)
by its authorized signatory(ies):)
)
)
)
_____)
Authorized Signatory)
)
_____)
Authorized Signatory)

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

ASSIGNMENT OF INTEREST RESERVE

This Assignment is dated for reference the 11th day of April, 2022.

AMONG:

COMMUNITY MARINE CONCEPTS LTD. (Inc. No. BC0998190),
having a registered and records office and postal address at 2959
Kingsway, Vancouver, BC V5R 5J4 ("CMC")

0736657 B.C. LTD. (Inc. No. BC0736657), having a registered
and records office and postal address at 2959 Kingsway,
Vancouver, BC V5R 5J4 ("0736657")

(CMC and 0736657 collectively the "Assignor")

AND:

AMBER MORTGAGE INVESTMENT CORP. (Inc. No.
BC1087596), having an office and postal address at #415 - 5900
No. 3 Road, Richmond, British Columbia, V6X 3P7

(the "Lender")

WHEREAS:

- A. The Assignor has incurred or will incur indebtedness, liability and obligations to the Lender, both present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, whatsoever and howsoever incurred, and without limiting the generality of the foregoing, specifically including the obligations of the Assignor under any security given by the Assignor to the Lender in respect of the financing of the lands and premises described in Schedule "A" attached hereto (collectively the "**Land**") (all of which are collectively called the "**Obligations**"); and
- B. As a condition precedent to the making of any advances under the Loan (as defined below), it was agreed between the parties hereto that, subject to the terms and conditions hereinafter set forth the Assignor would assign to the Lender by way of additional security the aggregate sum of \$475,000.00 for an interest reserve (the "Interest Reserve") held by the Lender in an account for such purpose, to be used by the Lender to pay a portion of the monthly interest payments in respect of the Obligations for the term of the Loan, such Interest Reserve to be advanced and funded from the proceeds of the loan in the principal amount of \$5,000,000.00 (the "Loan") to be made available by the Lender.

NOW THEREFORE IN CONSIDERATION of the premises and other good and valuable consideration (the receipt by and sufficiency of which, the Assignor hereby acknowledges) the Assignor covenants, declares and agrees as follows:

1. The Assignor shall pay to the Lender the Interest Reserve from the advance of the Loan, which Interest Reserve shall be deposited into an account maintained by the Lender.
2. The Assignor directs the Lender to transfer from the Interest Reserve the sum of \$39,583.33 on the first day of each month, to the Lender in payment of the monthly interest due in respect of the Loan. Provided that if the Assignor is in breach or default of the Obligations, the Lender may at any time during the term of the Loan apply the funds in the Interest Reserve toward the payment of principal, interest or any other of the

Obligations in such manner as the Lender may determine in its sole discretion. If the Interest Reserve is depleted, the Assignor shall fund any shortfall from its own resources.

3. The Assignor hereby assigns, transfers and sets over unto the Lender the Interest Reserve and any and all payments due or accruing due or at any time hereafter to become due under the Interest Reserve and the benefits thereof and interest thereof with full power and authority to demand, collect, sue for, recover, receive and give receipts for such payments, to have and to hold unto the Lender until all Obligations have been fully paid and fulfilled.
4. This shall be a present assignment but as collateral security only and neither the taking of this Assignment nor anything done in pursuance hereof shall in any way prejudice or limit the rights of the Lender or the obligations of the Assignor under any other collateral security. No portion of the Interest Reserve shall be paid to or for the benefit of the Assignor except to the Lender until such time as the Lender delivers notice to the Assignor that all of the Obligations have been paid and discharged.
5. The rights and remedies given to the Lender hereunder shall be in addition to and not in substitution for and shall not in any way derogate from or delay or prejudice any rights or remedies to which the Lender may be entitled under any collateral security or by law and such rights and remedies may be exercised consecutively or concurrently and from time to time, all as the Lender in its absolute discretion from time to time determines.
6. Notwithstanding any variation of the terms of any collateral security or any agreement or arrangement with the Assignor or any extension of time for payment or any release of part or parts of any collateral security, the payments, benefits and security hereby assigned shall continue as collateral security until the whole of the moneys due to the Lender by the Assignor shall be fully paid and satisfied.
7. The Assignor agrees to execute such further assurances as may be required by the Lender from time to time to perfect this Assignment.
8. This Assignment and the security hereunder are in addition to and not in substitution for any other collateral security held by the Lender and shall not operate as a merger of any debt or suspend the fulfillment of, or affect the rights, remedies and powers of the Lender in respect of the Obligations or any collateral securities held by the Lender for the fulfillment thereof.
9. This Assignment need not be executed by the Lender to be binding on and to enure to the benefit of the Assignor and the Lender.

IT IS AGREED that the expressions "Assignor" and "Lender" wherever used in these presents shall include and this Assignment shall be binding upon and enure to the benefit of the administrators, successors and assigns of the Assignor and the Lender respectively.

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

IN WITNESS WHEREOF this Assignment has been executed as of the day and year first above written.

COMMUNITY MARINE CONCEPTS LTD.)
by its authorized signatory(ies):)
)
)

_____) 
Authorized Signatory)

_____)
Authorized Signatory)

0736657 B.C. LTD. by its authorized)
signatory(ies):)
)
)

_____) 
Authorized Signatory)

_____)
Authorized Signatory)

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

COMMUNITY MARINE CONCEPTS LTD.
(the "Company")

RESOLUTIONS CONSENTED TO IN WRITING AS OF THE
____ DAY OF APRIL, 2022, BY ALL THE DIRECTORS OF THE
COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT
A MEETING OF THE DIRECTORS DULY CALLED AND
CONSTITUTED

The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Company is the beneficial owner of those lands and premises located at and described as:

- (i) 1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008 ("Lot 3")
- (ii) 2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008 ("Lot 4")
- (iii) Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District ("Block A")
- (iv) Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889 (collectively, "Lease ED35862")
- (v) Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and the Company made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein ("Lease W18371388")

(collectively the "Land") and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company together with 0736657 B.C. Ltd. (the "Nominee") (collectively the "Borrower") to borrow \$5,000,000.00 (the "Principal Amount") from Amber Mortgage Investment Corp. (the "Lender") and grant security therefor.

Under and pursuant to a commitment letter dated March 1, 2022, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Borrower and accepted by the Borrower, the Lender has agreed to make available to the Borrower the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Borrower borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The promissory note, beneficial owner agreement, environmental and building condition indemnity agreement, general security agreement, assignment of insurance policies, and assignment of interest reserve (collectively the "Security") presented to the Directors be

granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.

4. The Nominee, in its capacity as nominee, agent and bare trustee for and on behalf of the Company be directed to execute and deliver to the Lender a registered all indebtedness inter-alia mortgage and assignment of rents charging Lot 3, Lot 4, the Nominee's leasehold interest in Block A and the Nominee's interest under Lease ED35862, an unregistered all indebtedness second mortgage and assignment of rents charging the Nominee's leasehold interest under Lease W18371388, a beneficial owner agreement, promissory note, an environmental and building condition indemnity agreement, a general security agreement, assignment of insurance policies, assignment of interest reserve and any collateral security required by the Lender.

5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.

6. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.

7. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.

Huai Yin Zhang

Dongxia Zhang

COMMUNITY MARINE CONCEPTS LTD.
(the "Company")

CERTIFIED COPY OF RESOLUTIONS CONSENTED TO IN WRITING AS OF THE _____ DAY OF APRIL, 2022, BY ALL THE DIRECTORS OF THE COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT A MEETING OF THE DIRECTORS DULY CALLED AND CONSTITUTED

"The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Company is the beneficial owner of those lands and premises located at and described as:

- (i) 1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008 ("Lot 3")
- (ii) 2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008 ("Lot 4")
- (iii) Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District ("Block A")
- (iv) Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889 (collectively, "Lease ED35862")
- (v) Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and the Company made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein ("Lease W18371388")

(collectively the "Land") and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company together with 0736657 B.C. Ltd. (the "Nominee") (collectively the "Borrower") to borrow \$5,000,000.00 (the "Principal Amount") from Amber Mortgage Investment Corp. (the "Lender") and grant security therefor.

Under and pursuant to a commitment letter dated March 1, 2022, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Borrower and accepted by the Borrower, the Lender has agreed to make available to the Borrower the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Borrower borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The promissory note, beneficial owner agreement, environmental and building condition indemnity agreement, general security agreement, assignment of insurance policies, and assignment of interest reserve (collectively the "Security") presented to the Directors be

granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.

4. The Nominee, in its capacity as nominee, agent and bare trustee for and on behalf of the Company be directed to execute and deliver to the Lender a registered all indebtedness inter-alia mortgage and assignment of rents charging Lot 3, Lot 4, the Nominee's leasehold interest in Block A and the Nominee's interest under Lease ED35862, an unregistered all indebtedness second mortgage and assignment of rents charging the Nominee's leasehold interest under Lease W18371388, a beneficial owner agreement, promissory note, an environmental and building condition indemnity agreement, a general security agreement, assignment of insurance policies, assignment of interest reserve and any collateral security required by the Lender.

5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.

6. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.

7. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals."

I certify the foregoing to be a true copy of resolutions of the Directors of the Company passed on the _____ day of April, 2022 which resolutions are still in full force and effect.

DATED the ____ day of April, 2022.

Print Name:

0736657 B.C. LTD.
(the "Company")

RESOLUTIONS CONSENTED TO IN WRITING AS OF THE
____ DAY OF APRIL, 2022, BY ALL THE DIRECTORS OF THE
COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT
A MEETING OF THE DIRECTORS DULY CALLED AND
CONSTITUTED

The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company that it together with Community Marine Concepts Ltd. (the "Beneficiary") (collectively the "Borrower") borrow up to the sum of \$5,000,000.00 (the "Principal Amount") from AMBER MORTGAGE INVESTMENT CORP. (the "Lender").

The Company holds legal title to those lands and premises located at and described as:

- (i) 1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008 ("Lot 3")
- (ii) 2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008 ("Lot 4")
- (iii) Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District ("Block A")
- (iv) Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889 (collectively, "Lease ED35862")
- (v) Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and the Company made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein ("Lease W18371388")

(collectively, the "Land") as nominee, agent and bare trustee for the Beneficiary and as the Beneficiary has directed the Company to grant, among other things, a registered all indebtedness inter-alia mortgage and assignment of rents of Lot 3, Lot 4, the Company's leasehold interest in Block A and the Company's interest under Lease ED35862 and an unregistered all indebtedness mortgage and assignment of rents of Lease W18371388 (collectively the foregoing mortgages and assignments of rents are the "Mortgages and Assignments of Rents") to secure repayment of the Principal Amount and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company to comply with such direction.

Under and pursuant to a commitment letter dated March 1, 2022, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Borrower and accepted by the Borrower, the Lender has agreed to make available to the Borrower the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Borrower borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The promissory note, the Mortgages and Assignments of Rents, beneficial owner agreement, environmental and building condition indemnity agreement, general security agreement, assignment of insurance policies, assignment of interest reserve and consent and non-disturbance agreements (collectively the "Security") presented to the Directors be granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.
4. The security for repayment of the Principal Amount is, among other things, a registered all indebtedness inter-alia mortgage and assignment of rents of Lot 3, Lot 4, the Company's leasehold interest in Block A and the Company's interest under Lease ED35862 and an unregistered all indebtedness mortgage and assignment of rents of Lease W18371388.
5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.
6. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.
7. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.

Huai Yin Zhang

Dongxia Zhang

0736657 B.C. LTD.
(the "Company")

CERTIFIED COPY OF RESOLUTIONS CONSENTED TO IN WRITING AS OF THE ____ DAY OF APRIL, 2022, BY ALL THE DIRECTORS OF THE COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT A MEETING OF THE DIRECTORS DULY CALLED AND CONSTITUTED

"The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company that it together with Community Marine Concepts Ltd. (the "Beneficiary") (collectively the "Borrower") borrow up to the sum of \$5,000,000.00 (the "Principal Amount") from AMBER MORTGAGE INVESTMENT CORP. (the "Lender").

The Company holds legal title to those lands and premises located at and described as:

- (i) 1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008 ("Lot 3")
- (ii) 2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008 ("Lot 4")
- (iii) Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District ("Block A")
- (iv) Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889 (collectively, "Lease ED35862")
- (v) Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and the Company made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein ("Lease W18371388")

(collectively, the "Land") as nominee, agent and bare trustee for the Beneficiary and as the Beneficiary has directed the Company to grant, among other things, a registered all indebtedness inter-alia mortgage and assignment of rents of Lot 3, Lot 4, the Company's leasehold interest in Block A and the Company's interest under Lease ED35862 and an unregistered all indebtedness mortgage and assignment of rents of Lease W18371388 (collectively the foregoing mortgages and assignments of rents are the "Mortgages and Assignments of Rents") to secure repayment of the Principal Amount and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company to comply with such direction.

Under and pursuant to a commitment letter dated March 1, 2022, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Borrower and accepted by the Borrower, the Lender has agreed to make available to the Borrower the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Borrower borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The promissory note, the Mortgages and Assignments of Rents, beneficial owner agreement, environmental and building condition indemnity agreement, general security agreement, assignment of insurance policies, assignment of interest reserve and consent and non-disturbance agreements (collectively the "Security") presented to the Directors be granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.
4. The security for repayment of the Principal Amount is, among other things, a registered all indebtedness inter-alia mortgage and assignment of rents of Lot 3, Lot 4, the Company's leasehold interest in Block A and the Company's interest under Lease ED35862 and an unregistered all indebtedness mortgage and assignment of rents of Lease W18371388.
5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.
6. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.
7. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved."

I certify the foregoing to be a true copy of resolutions of the Directors of the Company passed on the _____ day of April, 2022 which resolutions are still in full force and effect.

DATED the _____ day of April, 2022.

Print Name:

VICTORIA INTERNATIONAL MARINA LTD.
(the "Company")

RESOLUTIONS CONSENTED TO IN WRITING AS OF THE
____ DAY OF APRIL, 2022, BY ALL THE DIRECTORS OF THE
COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT
A MEETING OF THE DIRECTORS DULY CALLED AND
CONSTITUTED

The Company may from time to time covenant and guarantee repayment of the debts of other persons and enter into indemnity and security agreements as it deems necessary and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company to guarantee the loan to 0736657 B.C. LTD. and COMMUNITY MARINE CONCEPTS LTD. in the amount of \$5,000,000.00 made by Amber Mortgage Investment Corp. (the "Lender");

RESOLVED that:

1. As the Company is not insolvent and that it is in the best interests of the Company that the covenantor agreement, environmental and building condition indemnity agreement and general security agreement (collectively the "Security") presented to the Directors be granted by the Company to the Lender and the Security be executed for and in the name of the Company by any director of the Company, and that such execution shall be conclusive evidence of the approval of the Security,
2. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender, and
3. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.
4. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.

Huai Yin Zhang

Dongxia Zhang

VICTORIA INTERNATIONAL MARINA LTD.
(the "Company")

CERTIFIED COPY OF RESOLUTIONS CONSENTED TO IN
WRITING AS OF THE _____ DAY OF APRIL, 2022, BY ALL THE
DIRECTORS OF THE COMPANY AND THEREBY TAKING
EFFECT AS IF PASSED AT A MEETING OF THE DIRECTORS
DULY CALLED AND CONSTITUTED

“The Company may from time to time covenant and guarantee repayment of the debts of other persons and enter into indemnity and security agreements as it deems necessary and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company to guarantee the loan to 0736657 B.C. LTD. and COMMUNITY MARINE CONCEPTS LTD. in the amount of \$5,000,000.00 made by Amber Mortgage Investment Corp. (the "Lender");

RESOLVED that:

1. As the Company is not insolvent and that it is in the best interests of the Company that the covenantor agreement, environmental and building condition indemnity agreement and general security agreement (collectively the "Security") presented to the Directors be granted by the Company to the Lender and the Security be executed for and in the name of the Company by any director of the Company, and that such execution shall be conclusive evidence of the approval of the Security,
2. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender, and
3. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.
4. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.”

I certify the foregoing to be a true copy of resolutions of the Directors of the Company passed on the _____ day of April, 2022 which resolutions are still in full force and effect.

DATED the _____ day of April, 2022.

Print Name:

ETERNALAND YUHENG INVESTMENT HOLDING LTD.
(the "Company")

RESOLUTIONS CONSENTED TO IN WRITING AS OF THE
____ DAY OF APRIL, 2022, BY ALL THE DIRECTORS OF THE
COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT
A MEETING OF THE DIRECTORS DULY CALLED AND
CONSTITUTED

The Company may from time to time covenant and guarantee repayment of the debts of other persons and enter into indemnity and security agreements as it deems necessary and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company to guarantee the loan to 0736657 B.C. LTD. and COMMUNITY MARINE CONCEPTS LTD. in the amount of \$5,000,000.00 made by Amber Mortgage Investment Corp. (the "Lender");

RESOLVED that:

1. As the Company is not insolvent and that it is in the best interests of the Company that the covenantor agreement, environmental and building condition indemnity agreement and general security agreement (collectively the "Security") presented to the Directors be granted by the Company to the Lender and the Security be executed for and in the name of the Company by any director of the Company, and that such execution shall be conclusive evidence of the approval of the Security,
2. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender, and
3. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.
4. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.

Huai Yin Zhang

Dongxia Zhang

ETERNALAND YUHENG INVESTMENT HOLDING LTD.
(the "Company")

CERTIFIED COPY OF RESOLUTIONS CONSENTED TO IN
WRITING AS OF THE _____ DAY OF APRIL, 2022, BY ALL THE
DIRECTORS OF THE COMPANY AND THEREBY TAKING
EFFECT AS IF PASSED AT A MEETING OF THE DIRECTORS
DULY CALLED AND CONSTITUTED

“The Company may from time to time covenant and guarantee repayment of the debts of other persons and enter into indemnity and security agreements as it deems necessary and as the Directors are of the reasonable and honest opinion that it is in the best interests of the Company to guarantee the loan to 0736657 B.C. LTD. and COMMUNITY MARINE CONCEPTS LTD. in the amount of \$5,000,000.00 made by Amber Mortgage Investment Corp. (the "Lender");

RESOLVED that:

1. As the Company is not insolvent and that it is in the best interests of the Company that the covenantor agreement, environmental and building condition indemnity agreement and general security agreement (collectively the "Security") presented to the Directors be granted by the Company to the Lender and the Security be executed for and in the name of the Company by any director of the Company, and that such execution shall be conclusive evidence of the approval of the Security,
2. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender, and
3. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and it is agreed that reproduction of signatures by way of facsimile or PDF will be treated as though such reproductions were executed originals.
4. The authority given in these resolutions will be deemed retroactive, and any and all documents, instruments, agreements, certificates and forms executed or delivered, and all acts authorized hereunder which are performed, prior to the passage of those resolutions are hereby confirmed, ratified and approved.”

I certify the foregoing to be a true copy of resolutions of the Directors of the Company passed on the _____ day of April, 2022 which resolutions are still in full force and effect.

DATED the _____ day of April, 2022.

Print Name:

DIRECTOR'S CERTIFICATE
COMMUNITY MARINE CONCEPTS LTD.

Re: **Beneficial Owner Agreement, Promissory Note, Environmental and Building Condition Indemnity Agreement, General Security Agreement, Assignment of Insurance Policies and Assignment of Interest Reserve (collectively the "Security") provided by COMMUNITY MARINE CONCEPTS LTD. (the "Company") in favour of AMBER MORTGAGE INVESTMENT CORP. (the "Lender") with respect to those lands and premises described in Schedule "A" attached hereto (collectively the "Properties")**

I, _____, of _____ BC, CERTIFY that:

1. I am a director of the Company and have personal knowledge of the matters in this certificate.
2. The Company holds all necessary permits and licences from all Governmental authorities to carry on its business.
3. The Company is the beneficial owner of the real and personal property encumbered by the Security (the "Assets"), which Assets are held in trust for it by 0736657 B.C. Ltd., pursuant to a Declaration of Bare Trust and Agency Agreement dated _____ (the "Trust Agreement"), a copy of which is attached hereto as Schedule "B".
4. The Company keeps at its records office all records required to be kept under the *Business Corporations Act* of British Columbia.
5. The Company is not a reporting issuer as defined in applicable British Columbia securities legislation.
6. No mortgage, debenture, lien, charge or encumbrance exists and no right, title or interest is claimed in respect of the Assets by anyone, except for security interests registered in the British Columbia Personal Property Registry or in the Land Title Office.
7. The Company is not in default in the payment of any taxes, rates or assessments or liens.
8. To the best of my knowledge there are no proceedings pending or threatened to condemn, expropriate, purchase or otherwise acquire any of the Assets.
9. The Properties comply with all zoning, bylaws, fire codes and other applicable codes and standards.
10. There is no pending or to the best of my knowledge threatened litigation or proceeding against the Company by or in any court, tribunal or government agency, the outcome of which could materially adversely affect the Company and there is no unsatisfied or outstanding judgment, order, regulation, injunction or decree of any court, tribunal or governmental agency which materially adversely affects the Company.
11. None of the execution or delivery of the Security or the performance of the obligations of the Company under the Security conflicts with or results in a breach of any agreement or document to which the Company is a party or by which the Company is bound, any order or decree of a court, tribunal or governmental agency or the Notice of Articles or Articles of the Company.
12. The Certificate of Incorporation, Notice of Articles, Articles and Central Securities Register of the Company, attached as Schedule "C" to this Certificate, have not been amended except as attached to this certificate.

- 13. The Trust Agreement is currently operative.
- 14. As at the date hereof, the Company is not insolvent and the granting of the Security by the Company will not cause the Company to become insolvent.
- 15. The following persons are the directors and officers of the Company as at the date hereof, and the person(s) whose specimen signatures are hereinafter set forth have been duly authorized to execute the Security for and on behalf of the Company:

Name	Director	Office Held	Specimen Signature
Huai Yin Zhang	Yes		
Dongxia Zhang (also known as Dong Xia Zhang)	Yes		

- 16. I have reviewed the records of the Company necessary to make this certificate and confirm that its content is true and accurate as of the date of certification set forth below.

CERTIFIED at _____, BC, this _____ day of April, 2022.

Print Name:

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

DIRECTOR'S CERTIFICATE
0736657 B.C. LTD.

Re: All Indebtedness Mortgages and Assignments of Rents, Beneficial Owner Agreement, Promissory Note, Environmental and Building Condition Indemnity Agreement, General Security Agreement, Assignment of Insurance Policies, Assignment of Interest Reserve and Consents and Non-Disturbance Agreements (collectively the "Security") provided by 0736657 B.C. LTD. (the "Company") in favour of Amber Mortgage Investment Corp. (the "Lender") with respect to those lands and premises described in Schedule "A" attached hereto (collectively the "Properties")

I, _____, of _____, BC, CERTIFY that:

1. I am a director of the Company and have personal knowledge of the matters in this certificate.
2. The Company holds all necessary permits and licences from all Governmental authorities to carry on its business.
3. The Company is the legal owner of the real and personal property encumbered by the Security (the "Assets"), in trust for Community Marine Concepts Ltd., pursuant to an Amended and Restated Declaration of Bare Trust and Agency Agreement dated _____ (the "Trust Agreement"), a copy of which is attached hereto as Schedule "B".
4. The Company keeps at its records office all records required to be kept under the *Business Corporations Act* of British Columbia.
5. The Company is not a reporting issuer as defined in applicable British Columbia securities legislation.
6. No mortgage, debenture, lien, charge or encumbrance exists and no right, title or interest is claimed in respect of the Assets by anyone, except for security interests registered in the British Columbia Personal Property Registry or in the Land Title Office.
7. The Company is not in default in the payment of any taxes, rates or assessments or liens.
8. To the best of my knowledge there are no proceedings pending or threatened to condemn, expropriate, purchase or otherwise acquire any of the Assets.
9. The Properties comply with all zoning, bylaws, fire codes and other applicable codes and standards.
10. There is no pending or to the best of my knowledge threatened litigation or proceeding against the Company by or in any court, tribunal or government agency, the outcome of which could materially adversely affect the Company and there is no unsatisfied or outstanding judgment, order, regulation, injunction or decree of any court, tribunal or governmental agency which materially adversely affects the Company.
11. None of the execution or delivery of the Security or the performance of the obligations of the Company under the Security conflicts with or results in a breach of any agreement or document to which the Company is a party or by which the Company is bound, any order or decree of a court, tribunal or governmental agency or the Notice of Articles or Articles of the Company.

12. The Certificate of Incorporation, Notice of Articles, Articles and Central Securities Register of the Company, attached as Schedule "C" to this Certificate, have not been amended except as attached to this certificate.
13. The Trust Agreement is currently operative.
14. As at the date hereof, the Company is not insolvent and the granting of the Security by the Company will not cause the Company to become insolvent.
15. The following persons are the directors and officers of the Company as at the date hereof, and the person(s) whose specimen signatures are hereinafter set forth have been duly authorized to execute the Security for and on behalf of the Company:

Name	Director	Office Held	Specimen Signature
Huai Yin Zhang	Yes		
Dongxia Zhang (also known as Dong Xia Zhang)	Yes		

16. I have reviewed the records of the Company necessary to make this certificate and confirm that its content is true and accurate as of the date of certification set forth below.

CERTIFIED at _____, BC, this _____ day of April, 2022.

Print Name:

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

DIRECTOR'S CERTIFICATE
VICTORIA INTERNATIONAL MARINA LTD.

Re: Covenantor Agreement and General Security Agreement, with respect to a loan from Amber Mortgage Investment Corp. (the "Lender") to 0736657 B.C. Ltd. and Community Marine Concepts Ltd. and an Environmental and Building Condition Indemnity Agreement (collectively the "Security") with respect to those lands and premises described in Schedule "A" attached hereto (collectively the "Properties") provided by Victoria International Marina Ltd. (the "Company") in favour of the Lender

I, _____, of _____, BC, CERTIFY that:

1. I am a director of the Company and have personal knowledge of the matters in this certificate.
2. The Company holds all necessary permits and licences from all Governmental authorities to carry on its business.
3. The Company is or will be at the time of delivery of this Certificate to the Lender, the legal and beneficial owner of all the Assets (the "Assets") set forth in the financial statements of the Company delivered to the Lender.
4. The Company keeps at its records office all records required to be kept under the *Business Corporations Act* of British Columbia.
5. The Company is not a reporting issuer as defined in applicable British Columbia securities legislation.
6. No mortgage, debenture, lien, charge or encumbrance exists and no right, title or interest is claimed in respect of the Company's Assets by anyone, except for security interests as disclosed in the financial statements delivered to the Lender.
7. The Company is not in default in the payment of any taxes, rates or assessments or liens.
8. To the best of my knowledge there are no proceedings pending or threatened to condemn, expropriate, purchase or otherwise acquire any of the Company's Assets.
9. There is no pending or to the best of my knowledge threatened litigation or proceeding against the Company by or in any court, tribunal or government agency, the outcome of which could materially adversely affect the Company and there is no unsatisfied or outstanding judgment, order, regulation, injunction or decree of any court, tribunal or governmental agency which materially adversely affects the Company.
10. None of the execution or delivery of the Security or the performance of the obligations of the Company under the Security conflicts with or results in a breach of any agreement or document to which the Company is a party or by which the Company is bound, any order or decree of a court, tribunal or governmental agency or the Notice of Articles or Articles of the Company.

11. The Certificate of Incorporation, Notice of Articles, Articles and Central Securities Register of the Company, attached as Schedule "B" to this Certificate, have not been amended except as attached to this certificate.
12. As at the date hereof, the Company is not insolvent and the granting of the Security by the Company will not cause the Company to become insolvent.
13. The following persons are the directors and officers of the Company as at the date hereof, and the person(s) whose specimen signatures are hereinafter set forth have been duly authorized to execute the Security for and on behalf of the Company:

Name	Director	Office Held	Specimen Signature
Huai Yin Zhang	Yes		
Dongxia Zhang (also known as Dong Xia Zhang)	Yes		

14. I have reviewed the records of the Company necessary to make this certificate and confirm that its content is true and accurate as of the date of certification set forth below.
15. A brief description of the financial assistance authorized by the Directors Resolutions dated _____, including the nature and extent thereof, the terms on which it was given and the amount thereof, has been disclosed on or before the date of this certificate in:
- (a) a written record deposited in the Company's records office;
 - (b) a consent resolution of the directors of the Company; or
 - (c) the minutes of the meeting of the directors of the Company at which the giving of the financial assistance was authorized.

CERTIFIED at _____, BC, this _____ day of April, 2022.

Print Name:

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

DIRECTOR'S CERTIFICATE
ETERNALAND YUHENG INVESTMENT HOLDING LTD.

Re: Covenantor Agreement and General Security Agreement, with respect to a loan from Amber Mortgage Investment Corp. (the "Lender") to 0736657 B.C. Ltd. and Community Marine Concepts Ltd. and an Environmental and Building Condition Indemnity Agreement (collectively the "Security") with respect to those lands and premises described in Schedule "A" attached hereto (collectively the "Properties") provided by Eternaland Yuheng Investment Holding Ltd. (the "Company") in favour of the Lender

I, _____, of _____, BC, CERTIFY that:

1. I am a director of the Company and have personal knowledge of the matters in this certificate.
2. The Company holds all necessary permits and licences from all Governmental authorities to carry on its business.
3. The Company is or will be at the time of delivery of this Certificate to the Lender, the legal and beneficial owner of all the Assets (the "Assets") set forth in the financial statements of the Company delivered to the Lender.
4. The Company keeps at its records office all records required to be kept under the *Business Corporations Act* of British Columbia.
5. The Company is not a reporting issuer as defined in applicable British Columbia securities legislation.
6. No mortgage, debenture, lien, charge or encumbrance exists and no right, title or interest is claimed in respect of the Company's Assets by anyone, except for security interests as disclosed in the financial statements delivered to the Lender.
7. The Company is not in default in the payment of any taxes, rates or assessments or liens.
8. To the best of my knowledge there are no proceedings pending or threatened to condemn, expropriate, purchase or otherwise acquire any of the Company's Assets.
9. There is no pending or to the best of my knowledge threatened litigation or proceeding against the Company by or in any court, tribunal or government agency, the outcome of which could materially adversely affect the Company and there is no unsatisfied or outstanding judgment, order, regulation, injunction or decree of any court, tribunal or governmental agency which materially adversely affects the Company.
10. None of the execution or delivery of the Security or the performance of the obligations of the Company under the Security conflicts with or results in a breach of any agreement or document to which the Company is a party or by which the Company is bound, any order or decree of a court, tribunal or governmental agency or the Notice of Articles or Articles of the Company.

11. The Certificate of Incorporation, Notice of Articles, Articles and Central Securities Register of the Company, attached as Schedule "B" to this Certificate, have not been amended except as attached to this certificate.
12. As at the date hereof, the Company is not insolvent and the granting of the Security by the Company will not cause the Company to become insolvent.
13. The following persons are the directors and officers of the Company as at the date hereof, and the person(s) whose specimen signatures are hereinafter set forth have been duly authorized to execute the Security for and on behalf of the Company:

Name	Director	Office Held	Specimen Signature
Huai Yin Zhang	Yes		
(also known as Dong Xia Zhang)	Yes		

14. I have reviewed the records of the Company necessary to make this certificate and confirm that its content is true and accurate as of the date of certification set forth below.
15. A brief description of the financial assistance authorized by the Directors Resolutions dated _____, including the nature and extent thereof, the terms on which it was given and the amount thereof, has been disclosed on or before the date of this certificate in:
- (a) a written record deposited in the Company's records office;
 - (b) a consent resolution of the directors of the Company; or
 - (c) the minutes of the meeting of the directors of the Company at which the giving of the financial assistance was authorized.

CERTIFIED at _____, BC, this _____ day of April, 2022.

Print Name:

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

(YOUR FIRM LETTERHEAD)

(DATE)

To: AMBER MORTGAGE INVESTMENT CORP.
#415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

And To: Richards Buell Sutton LLP

Re: COMMUNITY MARINE CONCEPTS LTD. (the "Company")

Loan in the principal amount of \$5,000,000.00 (the "Loan") from Amber Mortgage Investment Corp. (the "Lender") to the Company and 0736657 B.C. Ltd. (the "Nominee")

Beneficial Owner Agreement with respect to the lands and premises described in Schedule "A" attached hereto (collectively the "Land")

We have acted as lawyers for the Company in connection with the authorization and execution by the Company of the following security documents in favour of the Lender:

- (1) Commitment Letter dated March 1, 2022 (the "**CL**"),
 - (2) Beneficial Owner Agreement (the "**BOA**") granted by the Company and the Nominee, dated for reference the 11th day of April, 2022,
 - (3) Environmental and Building Condition Indemnity Agreement; (the "**EBCIA**") in respect of the Land granted by the Company, the Nominee, Victoria International Marina Ltd., Eternaland Yuheng Investment Holding Ltd., Dong Xia Zhang and Huai Yin Zhang dated for reference the 11th day of April, 2022,
 - (4) General Security Agreement (the "**GSA**") granted by the Company, the Nominee, Victoria International Marina Ltd., Eternaland Yuheng Investment Holding Ltd., Dong Xia Zhang and Huai Yin Zhan dated for reference the 11th day of April, 2022,
 - (5) Promissory Note (the "**Note**") in respect of the Loan granted by the Company and the Nominee, dated for reference the 11th day of April, 2022,
 - (6) Assignment of Insurance Policies (the "**Assignment of Insurance**") of the Land granted by the Company and the Nominee, dated for reference the 11th day of April, 2022, and
 - (7) Assignment of Interest Reserve (the "**Assignment of Interest Reserve**") of the Land granted by the Company and the Nominee, dated for reference the 11th day of April, 2022
- (collectively the CL, BOA, the EBCIA, the GSA, the Note, the Assignment of Insurance, and Assignment of Interest Reserve are hereinafter referred to as the "**Security**")

Scope of Examination

We have carried out all such searches and enquiries, have examined all such documents and records, and have considered such questions of law as we considered necessary for the

purpose of providing this opinion. For the purpose of the opinions expressed below, we have reviewed the following documents:

- (a) the minute book of the Company, including the constating documents of the Company,
- (b) the Security,
- (c) a declaration of bare trust and agency agreement under which the Nominee holds registered title to the Land (the "Trust Agreement") as bare trustee and/or agent for the Company,
- (d) the resolutions passed by the directors of the Company with respect to this transaction,
- (e) a certificate of good standing issued by the British Columbia Registrar of Companies dated April _____, 2022 with respect to the Company (the "**Certificate of Good Standing**"); and
- (f) all related certificates of officers and directors of the Company.

Assumption and Reliances

In all of the examinations outlined above, we have assumed the legal capacity of all individuals, the genuineness of all signatures, except those witnessed by lawyers of our firm, the authenticity and completeness of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies. We have also assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have conducted searches or made inquiries or caused such searches or inquiries to be conducted or made as set forth herein.

We have relied solely on the Certificate of Good Standing for the purpose of the opinions set forth in paragraph 1 below.

Opinions

Based upon the foregoing and such investigations which we have deemed necessary for the purposes of this opinion, we are of the opinion that:

1. The Company has been duly incorporated as a company under the laws of the Province of British Columbia, a duly organized and validly subsisting company which is in good standing with respect to filing annual reports.
2. The Company has the full power and capacity to enter into the Security and to make and comply with the covenants and agreements set forth in the Security.
3. The authorization, execution and delivery of the Security by the Company does not conflict with the constating documents or any resolutions of the directors of the Company of which we have knowledge or which the Company has filed in its

minute book. The granting of the Security by the Company is in compliance with the terms of the Trust Agreement.

4. All necessary corporate resolutions have been passed and all other necessary actions have been taken by the Company to authorize the execution and delivery of the Security to the Lender.
5. The Company has validly authorized and executed the Security and delivered the Security to the Lender.

Qualifications

The opinions given in this letter are qualified and limited as follows:

1. the opinions expressed herein are limited to matters governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein on the date hereof; and
2. the opinions expressed herein are given for the sole benefit of the Lender, the Lender's successors, assigns and participants, and of Richards Buell Sutton LLP (to the extent they are relying on such opinion for the purpose of giving their opinion to the Lender) and may not be relied upon by, disclosed to, or filed with any other person for any other purpose without our prior written consent.

Yours truly,

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

(YOUR FIRM LETTERHEAD)

(DATE)

To: AMBER MORTGAGE INVESTMENT CORP.
#415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

And To: Richards Buell Sutton LLP

Re: 0736657 B.C. LTD. (the "Company")

Loan in the principal amount of \$5,000,000.00 (the "Loan") from Amber Mortgage Investment Corp. (the "Lender") to the Company and Community Marine Concepts Ltd. (the "Beneficiary")

All Indebtedness Mortgages charging the lands and premises described in Schedule "A" attached hereto (collectively the "Land")

We have acted as lawyers for the Company in connection with the authorization and execution by the Company of the following security documents in favour of the Lender:

- (1) Commitment Letter dated March 1, 2022 (the "**CL**"),
- (2) All Indebtedness Mortgage and Assignment of Rents (together the "**Mortgage**") of the Land granted by the Company, dated for reference the 11th day of April, 2022,
- (3) Beneficial Owner Agreement (the "**BOA**") granted by the Company and the Beneficiary dated for reference the 11th day of April, 2022,
- (4) Environmental and Building Condition Indemnity Agreement; (the "**EBCIA**") in respect of the Land granted by the Company, the Beneficiary, Victoria International Marina Ltd., Eternaland Yuheng Investment Holding Ltd., Dong Xia Zhang and Huai Yin Zhang dated for reference the 11th day of April, 2022,
- (5) General Security Agreement (the "**GSA**") granted by the Company, the Beneficiary, Victoria International Marina Ltd., Eternaland Yuheng Investment Holding Ltd., Dong Xia Zhang and Huai Yin Zhang dated for reference the 11th day of April, 2022,
- (6) Promissory Note (the "**Note**") in respect of the Loan granted by the Company and the Beneficiary, dated for reference the 11th day of April, 2022,
- (7) Assignment of Insurance Policies (the "**Assignment of Insurance**") of the Land granted by the Company and the Beneficiary, dated for reference the 11th day of April, 2022,
- (8) Assignment of Interest Reserve (the "**Assignment of Interest Reserve**") of the Land granted by the Company and the Beneficiary, dated for reference the 11th day of April, 2022,
- (9) Consent and Non-Disturbance Agreement ("**Provincial NDA**") among Her Majesty the Queen In Right of the Province of BC, the Lender and the Company, dated for reference the 11th day of April, 2022,

- (10) Consent and Non-Disturbance Agreement (“**Federal NDA**”) among Her Majesty the Queen In Right of Canada, as represented by the Minister of Transport, the Lender and the Company, dated for reference the 11th day of April, 2022,

(collectively the CL, Mortgage, BOA, the EBCIA, the GSA, the Note, the Assignment of Insurance, Assignment of Interest Reserve, the Provincial NDA and the Federal NDA are hereinafter referred to as the "**Security**")

Scope of Examination

We have carried out all such searches and enquiries, have examined all such documents and records, and have considered such questions of law as we considered necessary for the purpose of providing this opinion. For the purpose of the opinions expressed below, we have reviewed the following documents:

- (a) the minute book of the Company, including the constating documents of the Company,
- (b) the Security,
- (c) a declaration of bare trust and agency agreement under which the Company holds registered title to the Land (the "Trust Agreement") as bare trustee and/or agent for the Beneficiary,
- (d) the resolutions passed by the directors of the Company with respect to this transaction,
- (e) a certificate of good standing issued by the British Columbia Registrar of Companies dated April _____, 2022 with respect to the Company (the "**Certificate of Good Standing**"); and
- (f) all related certificates of officers and directors of the Company.

Assumption and Reliances

In all of the examinations outlined above, we have assumed the legal capacity of all individuals, the genuineness of all signatures, except those witnessed by lawyers of our firm, the authenticity and completeness of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies. We have also assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have conducted searches or made inquiries or caused such searches or inquiries to be conducted or made as set forth herein.

We have relied solely on the Certificate of Good Standing for the purpose of the opinions set forth in paragraph 1 below.

Opinions

Based upon the foregoing and such investigations which we have deemed necessary for the purposes of this opinion, we are of the opinion that:

1. The Company has been duly incorporated as a company under the laws of the Province of British Columbia, a duly organized and validly subsisting company which is in good standing with respect to filing annual reports.
2. The Company has the full power and capacity to enter into the Security and to make and comply with the covenants and agreements set forth in the Security.
3. The authorization, execution and delivery of the Security by the Company does not conflict with the constating documents or any resolutions of the directors of the Company of which we have knowledge or which the Company has filed in its minute book. The granting of the Security by the Company is in compliance with the terms of the Trust Agreement.
4. All necessary corporate resolutions have been passed and all other necessary actions have been taken by the Company to authorize the execution and delivery of the Security to the Lender.
5. The Company has validly authorized and executed the Security and delivered the Security to the Lender.

Qualifications

The opinions given in this letter are qualified and limited as follows:

1. the opinions expressed herein are limited to matters governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein on the date hereof; and
2. the opinions expressed herein are given for the sole benefit of the Lender, the Lender's successors, assigns and participants, and of Richards Buell Sutton LLP (to the extent they are relying on such opinion for the purpose of giving their opinion to the Lender) and may not be relied upon by, disclosed to, or filed with any other person for any other purpose without our prior written consent.

Yours truly,

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

(YOUR FIRM LETTERHEAD)

(DATE)

To: AMBER MORTGAGE INVESTMENT CORP.
#415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

And To: Richards Buell Sutton LLP

Re: VICTORIA INTERNATIONAL MARINA LTD. (the "Company")

Covenant and Guarantee of the Indebtedness of 0736657 B.C. Ltd. and
Community Marine Concepts Ltd. to Amber Mortgage Investment Corp. (the
"Lender")

Environmental and Building Condition Indemnity Agreement with respect to those
lands and premises described in Schedule "A" attached hereto (collectively the
"Land")

We have acted as lawyers for the Company in connection with the authorization and execution by the Company of the following security documents in favour of the Lender:

- (1) Commitment Letter dated March 1, 2022 (the "**CL**"),
- (2) Covenantor Agreement (the "**Covenantor Agreement**") granted by the Company dated for reference the 11th day of April, 2022,
- (3) Environmental and Building Condition Indemnity Agreement (the "**EBCIA**") in respect of the Land granted by the Company, dated for reference the 11th day of April, 2022, and
- (4) General Security Agreement (the "**GSA**") granted by the Company, dated for reference the 11th day of April, 2022.

(the CL, Covenantor Agreement, the EBCIA and the GSA are hereinafter collectively referred to as the "**Security**").

Scope of Examination

We have carried out all such searches and enquiries, have examined all such documents and records, and have considered such questions of law as we considered necessary for the purpose of providing this opinion. For the purpose of the opinions expressed below, we have reviewed the following documents:

- (a) the minute book of the Company, including the constating documents of the Company,
- (b) the Security,
- (c) the resolutions passed by the directors of the Company with respect to this transaction,

- (d) a certificate of good standing issued by the British Columbia Registrar of Companies dated April _____, 2022 with respect to the Company (the “**Certificate of Good Standing**”); and
- (e) all related certificates of officers and directors of the Company.

Assumption and Reliances

In all of the examinations outlined above, we have assumed the legal capacity of all individuals, the genuineness of all signatures, except those witnessed by lawyers of our firm, the authenticity and completeness of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies. We have also assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have conducted searches or made inquiries or caused such searches or inquiries to be conducted or made as set forth herein.

Opinions

Based upon the foregoing and such investigations which we have deemed necessary for the purposes of this opinion, we are of the opinion that:

1. The Company has been duly incorporated, amalgamated or continued under the *Business Corporations Act* of British Columbia and is a duly organized and validly subsisting corporation which is in good standing under the *Business Corporations Act* of British Columbia with respect to filing annual reports.
2. The Company has the full power and capacity to enter into the Security and to make and comply with the covenants and agreements set forth in the Security.
3. The authorization, execution and delivery of the Security by the Company does not conflict with the constating documents or any resolutions of the directors of the Company of which we have knowledge or which the Company has filed in its corporate records.
4. All necessary corporate resolutions have been passed and all other necessary actions have been taken by the Company to authorize the execution and delivery of the Security to the Lender.
5. The Company has validly authorized and executed the Security and delivered the Security to the Lender.

Qualifications

The opinions given in this letter are qualified and limited as follows:

1. the opinions expressed herein are limited to matters governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein on the date hereof; and
2. the opinions expressed herein are given for the sole benefit of the Lender, the Lender's successors, assigns and participants, and of Richards Buell Sutton LLP (to the extent they are relying on such opinion for the purpose of giving their opinion to the Lender) and may

not be relied upon by, disclosed to, or filed with any other person for any other purpose without our prior written consent.

Yours truly,

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

(YOUR FIRM LETTERHEAD)

(DATE)

To: AMBER MORTGAGE INVESTMENT CORP.
#415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

And To: Richards Buell Sutton LLP

Re: ETERNALAND YUHENG INVESTMENT HOLDING LTD. (the "Company")

Covenant and Guarantee of the Indebtedness of 0736657 B.C. Ltd. and
Community Marine Concepts Ltd. to Amber Mortgage Investment Corp. (the
"Lender")

Environmental and Building Condition Indemnity Agreement with respect to those
lands and premises described in Schedule "A" attached hereto (collectively the
"Land")

We have acted as lawyers for the Company in connection with the authorization and execution by the Company of the following security documents in favour of the Lender:

- (1) Commitment Letter dated March 1, 2022 (the "**CL**"),
- (2) Covenantor Agreement (the "**Covenantor Agreement**") granted by the Company dated for reference the 11th day of April, 2022,
- (3) Environmental and Building Condition Indemnity Agreement (the "**EBCIA**") in respect of the Land granted by the Company, dated for reference the 11th day of April, 2022, and
- (4) General Security Agreement (the "**GSA**") granted by the Company, dated for reference the 11th day of April, 2022

(the CL, Covenantor Agreement, the EBCIA and the GSA are hereinafter collectively referred to as the "**Security**").

Scope of Examination

We have carried out all such searches and enquiries, have examined all such documents and records, and have considered such questions of law as we considered necessary for the purpose of providing this opinion. For the purpose of the opinions expressed below, we have reviewed the following documents:

- (a) the minute book of the Company, including the constating documents of the Company,
- (b) the Security,
- (c) the resolutions passed by the directors of the Company with respect to this transaction,

- (d) a certificate of good standing issued by the British Columbia Registrar of Companies dated April _____, 2022 with respect to the Company (the “**Certificate of Good Standing**”); and
- (e) all related certificates of officers and directors of the Company.

Assumption and Reliances

In all of the examinations outlined above, we have assumed the legal capacity of all individuals, the genuineness of all signatures, except those witnessed by lawyers of our firm, the authenticity and completeness of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies. We have also assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have conducted searches or made inquiries or caused such searches or inquiries to be conducted or made as set forth herein.

Opinions

Based upon the foregoing and such investigations which we have deemed necessary for the purposes of this opinion, we are of the opinion that:

1. The Company has been duly incorporated, amalgamated or continued under the *Business Corporations Act* of British Columbia and is a duly organized and validly subsisting corporation which is in good standing under the *Business Corporations Act* of British Columbia with respect to filing annual reports.
2. The Company has the full power and capacity to enter into the Security and to make and comply with the covenants and agreements set forth in the Security.
3. The authorization, execution and delivery of the Security by the Company does not conflict with the constating documents or any resolutions of the directors of the Company of which we have knowledge or which the Company has filed in its corporate records.
4. All necessary corporate resolutions have been passed and all other necessary actions have been taken by the Company to authorize the execution and delivery of the Security to the Lender.
5. The Company has validly authorized and executed the Security and delivered the Security to the Lender.

Qualifications

The opinions given in this letter are qualified and limited as follows:

1. the opinions expressed herein are limited to matters governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein on the date hereof; and
2. the opinions expressed herein are given for the sole benefit of the Lender, the Lender's successors, assigns and participants, and of Richards Buell Sutton LLP (to the extent they are relying on such opinion for the purpose of giving their opinion to the Lender) and may

not be relied upon by, disclosed to, or filed with any other person for any other purpose without our prior written consent.

Yours truly,

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

AMBER MORTGAGE INVESTMENT CORP.

ETERNALAND YUHENG INVESTMENT
HOLDING LTD.**Assignment and Postponement**_____
Insert Name of Shareholder_____
Address of Shareholder

THIS AGREEMENT IS DATED FOR REFERENCE THE 11TH DAY OF APRIL, 2022.

In consideration of loan advances made or to be made to, among others, COMMUNITY MARINE CONCEPTS LTD. (the "Company") having a postal address at Suite 2800 - 650 West Georgia Street, Vancouver, BC V6B 4N7 by AMBER MORTGAGE INVESTMENT CORP. ("AMIC") having an office at #415 - 5900 No. 3 Road, Richmond, BC, V6X 3P7 pursuant to a loan facility from AMIC to the Company and 0736657 B.C. Ltd. in the principal amount of \$5,000,000.00 secured by among other things, mortgages (collectively the "Secured Obligation") charging the Company's interest in and to the real property described in Schedule "A" attached hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Undersigned, subject to paragraph 5 below, the Undersigned hereby postpones to the Secured Obligation and assigns and transfers all indebtedness, present and future, direct or indirect, absolute and contingent, of the Company to the Undersigned (collectively the "Claims") unto AMIC by way of security for the Secured Obligation and agrees that:

1. AMIC shall not be bound to demand payment of the Claims or any part thereof or take any proceedings to collect any of the Claims or to enforce any security in respect thereof except as AMIC may at its own discretion deem fit.
2. In the event of the bankruptcy or winding-up of the Company or any distribution of the assets or any of the assets of the Company or proceeds thereof among its creditors in any manner whatsoever AMIC may prove in respect of the Claims hereby assigned as a debt owing to it by the Company and AMIC shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Secured Obligation as AMIC shall see fit, until the whole of such Secured Obligation have been paid and satisfied in full and thereafter the Undersigned shall be entitled to such dividends.
3. Upon payment and satisfaction in full of the Secured Obligation and of all bills, notes and other instruments representing the same and upon the written request of the Undersigned, AMIC will release to the Undersigned AMIC's claim under this agreement in respect of the Claims.
4. Upon the occurrence of an event of default by the Company in respect of any security granted by the Company to AMIC in connection with the Secured Obligation, all moneys received by the Undersigned from the Company shall be received in trust for AMIC and forthwith upon receipt shall be paid over to AMIC until the whole of the Secured Obligation have been paid in full and satisfied.
5. Notwithstanding any other provision herein, the Undersigned is entitled to receive payments from the Company free and clear of any interest of AMIC until the earlier of the occurrence of an event of default under the Secured Obligation or demand for

payment of the indebtedness secured by the Secured Obligation having been made by AMIC upon the Company.

6. This shall be a continuing agreement and the transfer and assignment of the Claims contained herein:
 - (a) is in addition to and not in substitution for any other security held by AMIC;
 - (b) shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of AMIC with respect to any of the Secured Obligation or any other securities; and
 - (c) shall not be terminated by reason of any partial payment on account of the Secured Obligation made by the Company or the Undersigned and the transfer and assignment contained herein shall be and remain valid security for any renewal or replacement security for the Secured Obligation.
7. AMIC shall not be obliged to exhaust its recourse against the Company, the Undersigned or any other party or against any other security before realizing on or otherwise dealing with any of the claims in whatever way AMIC considers desirable.
8. AMIC may:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to,
 - (b) take securities from,
 - (c) give additional security to,
 - (d) abstain from taking additional security from,
 - (e) abstain from perfecting securities of,
 - (f) accept composition from, and
 - (g) otherwise deal with

the Company, the Undersigned and other persons and securities, including any of the Claims, as AMIC may see fit, without prejudice to the right of AMIC to hold, deal with and realize on any Claims, in whatever way AMIC considers desirable.
9. The Undersigned undertakes and agrees, when requested by AMIC, to execute all sworn statements of claims, assignments and other documents and to do all matters and things which may be necessary or advisable to carry this agreement into effect.
10. Any moneys owing and which may become owing by the Company to the Undersigned shall not be withdrawn but remain on the books of the Company, unless AMIC's written consent to withdrawal is first obtained.
11. Except as provided in this agreement or with the consent in writing of AMIC, the Undersigned will not assign any of the Claims to any other person or ask for or obtain any negotiable paper or other evidence of the Claims.
12. The Company acknowledges that the Claims are not the subject of nor will any future Claim be made the subject of any set-off or counter-claim by the Company and the Company and the Undersigned represent to AMIC that the Undersigned holds no security for the Claims or any part thereof.

13. The Company and the Undersigned hereby agree with AMIC that no satisfaction, consideration or security will be given to or accepted by the Undersigned for any Claims, without the written consent of AMIC first had and obtained.
14. The Undersigned acknowledges that this agreement has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the Undersigned affecting or limiting the liability of the Undersigned under this agreement or inducing the Undersigned to enter into this agreement except as specifically contained herein in writing.
15. Where the Company or the Undersigned is a corporation, this agreement shall not be affected by:
 - (a) any change whatsoever in its or their objects, capital structure, or constitution with respect to transactions occurring before or after such change; or
 - (b) its or their amalgamation with any corporation, with respect to transactions occurring before or after such amalgamations;

but shall, notwithstanding the happening of any of these events, continue to apply to the Secured Obligation whether incurred before or after this agreement and in this agreement the word "Company" and "Undersigned" shall, if the Company or the Undersigned, respectively, is a corporation, include every firm and corporation which results from the events described in sections (a) and (b) above.

16. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.
17. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
18. This agreement shall be binding upon and shall enure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.
19. All rights, powers and remedies of AMIC hereunder and under any other agreement now or any time hereafter in force between AMIC and the Undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of AMIC at law or in equity.
20. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent AMIC from proceeding at its election against the Undersigned in any courts of any other province or country. If the Undersigned becomes resident outside the Province referred to in this paragraph, then the Undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph in respect of any proceeding hereon.

- 21. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of the Company and AMIC as set out on page one of this Agreement as the case may be and such notice, if given by actual delivery shall be deemed to have been received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.
- 22. The Undersigned acknowledges receipt of a copy of this agreement and waives all rights to receive from AMIC a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry at any time from time to time in respect of this agreement.

DATED at _____, BC, this _____ day of April, 2022.

Execution by the party making the assignment and postponement (the "Undersigned"):

ETERNALAND YUHENG INVESTMENT)
 HOLDING LTD. by its authorized)
 signatory(ies):)
 _____)
 Authorized Signatory)
 _____)
 Authorized Signatory)

Execution by Company in acknowledgment of the terms of the assignment and postponement:

COMMUNITY MARINE CONCEPTS LTD. by)
 its authorized signatory:)
 _____)
 Print Name:)

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

AMBER MORTGAGE INVESTMENT CORP.

COMMUNITY MARINE CONCEPTS
LTD.**Assignment and Postponement**_____
Insert Name of Shareholder_____
Address of Shareholder

THIS AGREEMENT IS DATED FOR REFERENCE THE 11TH DAY OF APRIL, 2022.

In consideration of loan advances made or to be made to, among others, 0736657 B.C. LTD. (the "Company") having a postal address at Suite 2800 - 650 West Georgia Street, Vancouver, BC V6B 4N7 by AMBER MORTGAGE INVESTMENT CORP. ("AMIC") having an office at #415 - 5900 No. 3 Road, Richmond, BC, V6X 3P7 pursuant to a loan facility from AMIC to the Company and Community Marine Concepts Ltd. in the principal amount of \$5,000,000.00 secured by among other things, mortgages (collectively the "Secured Obligation") charging the Company's interest in and to the real property described in Schedule "A" attached hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Undersigned, subject to paragraph 5 below, the Undersigned hereby postpones to the Secured Obligation and assigns and transfers all indebtedness, present and future, direct or indirect, absolute and contingent, of the Company to the Undersigned (collectively the "Claims") unto AMIC by way of security for the Secured Obligation and agrees that:

1. AMIC shall not be bound to demand payment of the Claims or any part thereof or take any proceedings to collect any of the Claims or to enforce any security in respect thereof except as AMIC may at its own discretion deem fit.
2. In the event of the bankruptcy or winding-up of the Company or any distribution of the assets or any of the assets of the Company or proceeds thereof among its creditors in any manner whatsoever AMIC may prove in respect of the Claims hereby assigned as a debt owing to it by the Company and AMIC shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Secured Obligation as AMIC shall see fit, until the whole of such Secured Obligation have been paid and satisfied in full and thereafter the Undersigned shall be entitled to such dividends.
3. Upon payment and satisfaction in full of the Secured Obligation and of all bills, notes and other instruments representing the same and upon the written request of the Undersigned, AMIC will release to the Undersigned AMIC's claim under this agreement in respect of the Claims.
4. Upon the occurrence of an event of default by the Company in respect of any security granted by the Company to AMIC in connection with the Secured Obligation, all moneys received by the Undersigned from the Company shall be received in trust for AMIC and forthwith upon receipt shall be paid over to AMIC until the whole of the Secured Obligation have been paid in full and satisfied.
5. Notwithstanding any other provision herein, the Undersigned is entitled to receive payments from the Company free and clear of any interest of AMIC until the earlier of the occurrence of an event of default under the Secured Obligation or demand for

payment of the indebtedness secured by the Secured Obligation having been made by AMIC upon the Company.

6. This shall be a continuing agreement and the transfer and assignment of the Claims contained herein:
 - (a) is in addition to and not in substitution for any other security held by AMIC;
 - (b) shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of AMIC with respect to any of the Secured Obligation or any other securities; and
 - (c) shall not be terminated by reason of any partial payment on account of the Secured Obligation made by the Company or the Undersigned and the transfer and assignment contained herein shall be and remain valid security for any renewal or replacement security for the Secured Obligation.
7. AMIC shall not be obliged to exhaust its recourse against the Company, the Undersigned or any other party or against any other security before realizing on or otherwise dealing with any of the claims in whatever way AMIC considers desirable.
8. AMIC may:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to,
 - (b) take securities from,
 - (c) give additional security to,
 - (d) abstain from taking additional security from,
 - (e) abstain from perfecting securities of,
 - (f) accept composition from, and
 - (g) otherwise deal with

the Company, the Undersigned and other persons and securities, including any of the Claims, as AMIC may see fit, without prejudice to the right of AMIC to hold, deal with and realize on any Claims, in whatever way AMIC considers desirable.
9. The Undersigned undertakes and agrees, when requested by AMIC, to execute all sworn statements of claims, assignments and other documents and to do all matters and things which may be necessary or advisable to carry this agreement into effect.
10. Any moneys owing and which may become owing by the Company to the Undersigned shall not be withdrawn but remain on the books of the Company, unless AMIC's written consent to withdrawal is first obtained.
11. Except as provided in this agreement or with the consent in writing of AMIC, the Undersigned will not assign any of the Claims to any other person or ask for or obtain any negotiable paper or other evidence of the Claims.
12. The Company acknowledges that the Claims are not the subject of nor will any future Claim be made the subject of any set-off or counter-claim by the Company and the Company and the Undersigned represent to AMIC that the Undersigned holds no security for the Claims or any part thereof.

13. The Company and the Undersigned hereby agree with AMIC that no satisfaction, consideration or security will be given to or accepted by the Undersigned for any Claims, without the written consent of AMIC first had and obtained.
14. The Undersigned acknowledges that this agreement has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the Undersigned affecting or limiting the liability of the Undersigned under this agreement or inducing the Undersigned to enter into this agreement except as specifically contained herein in writing.
15. Where the Company or the Undersigned is a corporation, this agreement shall not be affected by:
 - (a) any change whatsoever in its or their objects, capital structure, or constitution with respect to transactions occurring before or after such change; or
 - (b) its or their amalgamation with any corporation, with respect to transactions occurring before or after such amalgamations;

but shall, notwithstanding the happening of any of these events, continue to apply to the Secured Obligation whether incurred before or after this agreement and in this agreement the word "Company" and "Undersigned" shall, if the Company or the Undersigned, respectively, is a corporation, include every firm and corporation which results from the events described in sections (a) and (b) above.

16. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.
17. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
18. This agreement shall be binding upon and shall enure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.
19. All rights, powers and remedies of AMIC hereunder and under any other agreement now or any time hereafter in force between AMIC and the Undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of AMIC at law or in equity.
20. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent AMIC from proceeding at its election against the Undersigned in any courts of any other province or country. If the Undersigned becomes resident outside the Province referred to in this paragraph, then the Undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph in respect of any proceeding hereon.

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

AMBER MORTGAGE INVESTMENT CORP.

ETERNALAND YUHENG INVESTMENT
HOLDING LTD.**Assignment and Postponement**_____
Insert Name of Shareholder_____
Address of Shareholder

THIS AGREEMENT IS DATED FOR REFERENCE THE 11TH DAY OF APRIL, 2022.

In consideration of \$10.00 and other good and valuable consideration paid by AMBER MORTGAGE INVESTMENT CORP. ("AMIC"), having an office at #415 - 5900 No. 3 Road, Richmond, BC, V6X 3P7, to the Undersigned and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Undersigned, subject to paragraph 5 below, the Undersigned hereby postpones to the Claims, assigns and transfers all indebtedness, present and future, direct or indirect, absolute and contingent, of Victoria International Marina Ltd. ("Victoria International Marina"), having a registered and record's office at 2959 Kingsway, Vancouver, BC, to the Undersigned (collectively the "Claims") unto AMIC by way of security for all and every indebtedness and liability, present and future, direct and indirect, absolute and contingent, of Victoria International Marina to AMIC including without limitation that arising pursuant to a Covenantor Agreement (the "Secured Obligation") dated for reference the 11th day of April, 2022, with respect to the indebtedness of 0736657 B.C. Ltd. and Community Marine Concepts Ltd. (collectively the "Borrower") to AMIC and agrees that:

1. AMIC shall not be bound to demand payment of the Claims or any part thereof or take any proceedings to collect any of the Claims or to enforce any security in respect thereof except as AMIC may at its own discretion deem fit.
2. In the event of the bankruptcy or winding-up of Victoria International Marina or any distribution of the assets or any of the assets of Victoria International Marina or proceeds thereof among its creditors in any manner whatsoever AMIC may prove in respect of the Claims hereby assigned as a debt owing to it by Victoria International Marina and AMIC shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Secured Obligation as AMIC shall see fit, until the whole of such Secured Obligation have been paid and satisfied in full and thereafter the Undersigned shall be entitled to such dividends.
3. Upon payment and satisfaction in full of the Secured Obligation and of all bills, notes and other instruments representing the same and upon the written request of the Undersigned, AMIC will release to the Undersigned AMIC's claim under this agreement in respect of the Claims.
4. Upon the earlier of the occurrence of an event of default under the Secured Obligation or demand for payment of the indebtedness secured by the Secured Obligation having been made by AMIC upon Victoria International Marina, all moneys received by the Undersigned from Victoria International Marina shall be received in trust for AMIC and forthwith upon receipt shall be paid over to AMIC until the whole of the Secured Obligation have been paid in full and satisfied.

5. Notwithstanding any other provision herein, the Undersigned is entitled to receive payments from Victoria International Marina free and clear of any interest of AMIC until the earlier of the occurrence of an event of default under the Secured Obligation or demand for payment of the indebtedness secured by the Secured Obligation having been made by AMIC upon Victoria International Marina.
6. This shall be a continuing agreement and the transfer and assignment of the Claims contained herein:
 - (a) is in addition to and not in substitution for any other security held by AMIC;
 - (b) shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of AMIC with respect to any of the Secured Obligation or any other securities; and
 - (c) shall not be terminated by reason of any partial payment on account of the Secured Obligation made by Victoria International Marina or the Undersigned and the transfer and assignment contained herein shall be and remain valid security for any renewal or replacement security for the Secured Obligation.
7. AMIC shall not be obliged to exhaust its recourse against Victoria International Marina, the Undersigned or any other party or against any other security before realizing on or otherwise dealing with any of the claims in whatever way AMIC considers desirable.
8. AMIC may:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to,
 - (b) take securities from,
 - (c) give additional security to,
 - (d) abstain from taking additional security from,
 - (e) abstain from perfecting securities of,
 - (f) accept composition from, and
 - (g) otherwise deal with

Victoria International Marina, the Undersigned and other persons and securities, including any of the Claims, as AMIC may see fit, without prejudice to the right of AMIC to hold, deal with and realize on any Claims, in whatever way AMIC considers desirable.

9. The Undersigned undertakes and agrees, when requested by AMIC, to execute all sworn statements of claims, assignments and other documents and to do all matters and things which may be necessary or advisable to carry this agreement into effect.
10. Any moneys owing and which may become owing by Victoria International Marina to the Undersigned shall not be withdrawn but remain on the books of Victoria International Marina, unless AMIC's written consent to withdrawal is first obtained.
11. Except as provided in this agreement or with the consent in writing of AMIC, the Undersigned will not assign any of the Claims to any other person or ask for or obtain any negotiable paper or other evidence of the Claims.
12. Victoria International Marina acknowledges that the Claims are not the subject of nor will any future Claim be made the subject of any set-off or counter-claim by Victoria

International Marina and Victoria International Marina and the Undersigned represent to AMIC that the Undersigned holds no security for the Claims or any part thereof.

13. Victoria International Marina and the Undersigned hereby agree with AMIC that no satisfaction, consideration or security will be given to or accepted by the Undersigned for any Claims, without the written consent of AMIC first had and obtained.
14. The Undersigned acknowledges that this agreement has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the Undersigned affecting or limiting the liability of the Undersigned under this agreement or inducing the Undersigned to enter into this agreement except as specifically contained herein in writing.
15. Where Victoria International Marina or the Undersigned is a corporation, this agreement shall not be affected by:
 - (a) any change whatsoever in its or their objects, capital structure, or constitution with respect to transactions occurring before or after such change; or
 - (b) its or their amalgamation with any corporation, with respect to transactions occurring before or after such amalgamations;

but shall, notwithstanding the happening of any of these events, continue to apply to the Secured Obligation whether incurred before or after this agreement and in this agreement the word "Victoria International Marina" and "Undersigned" shall, if Victoria International Marina or the Undersigned, respectively, is a corporation, include every firm and corporation which results from the events described in sections (a) and (b) above.

16. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.
17. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
18. This agreement shall be binding upon and shall enure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.
19. All rights, powers and remedies of AMIC hereunder and under any other agreement now or any time hereafter in force between AMIC and the Undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of AMIC at law or in equity.
20. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent AMIC from proceeding at its election against the Undersigned in any courts of any other province or country. If the Undersigned becomes resident outside the Province referred to in this paragraph, then the Undersigned hereby submits

to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph in respect of any proceeding hereon.

21. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of Victoria International Marina and AMIC as set out on page one of this Agreement as the case may be and such notice, if given by actual delivery shall be deemed to have been received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.
22. The Undersigned acknowledges receipt of a copy of this agreement and waives all rights to receive from AMIC a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry at any time from time to time in respect of this agreement.

DATED at _____, BC, this _____ day of April, 2022.

Execution by the party making the assignment and postponement (the "Undersigned"):

ETERNALAND YUHENG INVESTMENT)
 HOLDING LTD. by its authorized signatory:)
)
)
 _____)
 Print Name:)

Execution by Victoria International Marina in acknowledgment of the terms of the assignment and postponement:

VICTORIA INTERNATIONAL MARINA LTD.)
 by its authorized signatory:)
)
)
 _____)
 Print Name:)

AMBER MORTGAGE INVESTMENT CORP.
Assignment and Postponement

Insert Name of Shareholder

Address of Shareholder

THIS AGREEMENT IS DATED FOR REFERENCE THE 11TH DAY OF APRIL, 2022.

In consideration of \$10.00 and other good and valuable consideration paid by AMBER MORTGAGE INVESTMENT CORP. ("AMIC"), having an office at #415 - 5900 No. 3 Road, Richmond, BC, V6X 3P7, to the Undersigned and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Undersigned, subject to paragraph 5 below, the Undersigned hereby postpones to the Claims, assigns and transfers all indebtedness, present and future, direct or indirect, absolute and contingent, of Eternaland Yuheng Investment Holding Ltd. ("Eternaland Yuheng Investment"), having a registered and record's office at 2959 Kingsway, Vancouver, BC, to the Undersigned (collectively the "Claims") unto AMIC by way of security for all and every indebtedness and liability, present and future, direct and indirect, absolute and contingent, of Eternaland Yuheng Investment to AMIC including without limitation that arising pursuant to a Covenantor Agreement (the "Secured Obligation") dated for reference the 11th day of April, 2022, with respect to the indebtedness of 0736657 B.C. Ltd. and Community Marine Concepts Ltd. (collectively the "Borrower") to AMIC and agrees that:

1. AMIC shall not be bound to demand payment of the Claims or any part thereof or take any proceedings to collect any of the Claims or to enforce any security in respect thereof except as AMIC may at its own discretion deem fit.
2. In the event of the bankruptcy or winding-up of Eternaland Yuheng Investment or any distribution of the assets or any of the assets of Eternaland Yuheng Investment or proceeds thereof among its creditors in any manner whatsoever AMIC may prove in respect of the Claims hereby assigned as a debt owing to it by Eternaland Yuheng Investment and AMIC shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Secured Obligation as AMIC shall see fit, until the whole of such Secured Obligation have been paid and satisfied in full and thereafter the Undersigned shall be entitled to such dividends.
3. Upon payment and satisfaction in full of the Secured Obligation and of all bills, notes and other instruments representing the same and upon the written request of the Undersigned, AMIC will release to the Undersigned AMIC's claim under this agreement in respect of the Claims.
4. Upon the earlier of the occurrence of an event of default under the Secured Obligation or demand for payment of the indebtedness secured by the Secured Obligation having been made by AMIC upon Eternaland Yuheng Investment, all moneys received by the Undersigned from Eternaland Yuheng Investment shall be received in trust for AMIC and forthwith upon receipt shall be paid over to AMIC until the whole of the Secured Obligation have been paid in full and satisfied.

5. Notwithstanding any other provision herein, the Undersigned is entitled to receive payments from Eternaland Yuheng Investment free and clear of any interest of AMIC until the earlier of the occurrence of an event of default under the Secured Obligation or demand for payment of the indebtedness secured by the Secured Obligation having been made by AMIC upon Eternaland Yuheng Investment.
6. This shall be a continuing agreement and the transfer and assignment of the Claims contained herein:
 - (a) is in addition to and not in substitution for any other security held by AMIC;
 - (b) shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of AMIC with respect to any of the Secured Obligation or any other securities; and
 - (c) shall not be terminated by reason of any partial payment on account of the Secured Obligation made by Eternaland Yuheng Investment or the Undersigned and the transfer and assignment contained herein shall be and remain valid security for any renewal or replacement security for the Secured Obligation.
7. AMIC shall not be obliged to exhaust its recourse against Eternaland Yuheng Investment, the Undersigned or any other party or against any other security before realizing on or otherwise dealing with any of the claims in whatever way AMIC considers desirable.
8. AMIC may:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to,
 - (b) take securities from,
 - (c) give additional security to,
 - (d) abstain from taking additional security from,
 - (e) abstain from perfecting securities of,
 - (f) accept composition from, and
 - (g) otherwise deal with

Eternaland Yuheng Investment, the Undersigned and other persons and securities, including any of the Claims, as AMIC may see fit, without prejudice to the right of AMIC to hold, deal with and realize on any Claims, in whatever way AMIC considers desirable.
9. The Undersigned undertakes and agrees, when requested by AMIC, to execute all sworn statements of claims, assignments and other documents and to do all matters and things which may be necessary or advisable to carry this agreement into effect.
10. Any moneys owing and which may become owing by Eternaland Yuheng Investment to the Undersigned shall not be withdrawn but remain on the books of Eternaland Yuheng Investment, unless AMIC's written consent to withdrawal is first obtained.
11. Except as provided in this agreement or with the consent in writing of AMIC, the Undersigned will not assign any of the Claims to any other person or ask for or obtain any negotiable paper or other evidence of the Claims.

12. Eternaland Yuheng Investment acknowledges that the Claims are not the subject of nor will any future Claim be made the subject of any set-off or counter-claim by Eternaland Yuheng Investment and the Undersigned represent to AMIC that the Undersigned holds no security for the Claims or any part thereof.
13. Eternaland Yuheng Investment and the Undersigned hereby agree with AMIC that no satisfaction, consideration or security will be given to or accepted by the Undersigned for any Claims, without the written consent of AMIC first had and obtained.
14. The Undersigned acknowledges that this agreement has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the Undersigned affecting or limiting the liability of the Undersigned under this agreement or inducing the Undersigned to enter into this agreement except as specifically contained herein in writing.
15. Where Eternaland Yuheng Investment or the Undersigned is a corporation, this agreement shall not be affected by:
 - (a) any change whatsoever in its or their objects, capital structure, or constitution with respect to transactions occurring before or after such change; or
 - (b) its or their amalgamation with any corporation, with respect to transactions occurring before or after such amalgamations;but shall, notwithstanding the happening of any of these events, continue to apply to the Secured Obligation whether incurred before or after this agreement and in this agreement the word "Eternaland Yuheng Investment" and "Undersigned" shall, if Eternaland Yuheng Investment or the Undersigned, respectively, is a corporation, include every firm and corporation which results from the events described in sections (a) and (b) above.
16. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.
17. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
18. This agreement shall be binding upon and shall enure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.
19. All rights, powers and remedies of AMIC hereunder and under any other agreement now or any time hereafter in force between AMIC and the Undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of AMIC at law or in equity.
20. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent AMIC from proceeding at its election against the Undersigned in

any courts of any other province or country. If the Undersigned becomes resident outside the Province referred to in this paragraph, then the Undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph in respect of any proceeding hereon.

21. Any notice required or desired to be given by one party to the other may be given by actual delivery or by registered mail to the addresses of Eternaland Yuheng Investment and AMIC as set out on page one of this Agreement as the case may be and such notice, if given by actual delivery shall be deemed to have been received on the day it is delivered and if given by registered mail, shall be deemed to have been received on the date receipt is so acknowledged by signature of the recipient. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.
22. The Undersigned acknowledges receipt of a copy of this agreement and waives all rights to receive from AMIC a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry at any time from time to time in respect of this agreement.

DATED at _____, BC, this _____ day of April, 2022.

Execution by the party making the assignment and postponement (the "Undersigned"):

_____))
 by its authorized signatory(ies):))
 _____))
 Authorized Signatory))
 _____))
 Authorized Signatory))

Execution by Eternaland Yuheng Investment in acknowledgment of the terms of the assignment and postponement:

ETERNALAND YUHENG INVESTMENT))
 HOLDING LTD.))
 by its authorized signatory:))
 _____))
 Print Name:))

10. This declaration is made for the purpose of inducing the Lender to advance money under the Loan and I am aware that in making such advance(s) the Lender will be relying on this declaration.

AND I MAKE THIS SOLEMN DECLARATION, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of the CANADA EVIDENCE ACT.

DECLARED BEFORE ME at the City of)
Richmond, in the Province of British)
Columbia, the _____ day of _____, 2022.)
)
)
)

A Commissioner for taking Affidavits within)
British Columbia)

Print Name:

Schedule "A"

1 Cooperage Place, Victoria, BC
PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC
PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

Schedule "A"

1 Cooperage Place, Victoria, BC

PID: 011-570-253, Lot 3 District Lot 119 Esquimalt District Plan 47008;

2 Paul Kane Place, Victoria, BC

PID: 011-570-270, Lot 4 District Lot 119 Esquimalt District Plan 47008;

Leasehold interest pursuant to Lease CA7061361 registered against PID: 030-296-561, Block A District Lot 119 Esquimalt District;

Leasehold interest in respect of certain parking stalls pursuant to Lease ED35862, as transferred by CA499250 and CA5860951, registered against the Common Property of Strata Plan VIS1889; and

Leasehold interest pursuant to unregistered Lease W18371388 between Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, and 0736657 B.C. Ltd. made the first day of January, 2018 in respect of certain lands covered by water in Victoria Harbour, B.C., comprising three parcels for a combined area of 36.18 meters squared, more or less, as more particularly described therein.

CONSENT AND NON-DISTURBANCE AGREEMENT

THIS AGREEMENT is dated for reference April 11, 2022.

BETWEEN:

0736657 B.C. Ltd.
240 - 730 View Street, Victoria, BC V8W 3Y7

(herein the "**Holder**")

AND:

AMBER MORTGAGE INVESTMENT CORP. (Inc. No. BC1087596), having an office and postal address at #415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

(herein the "**Lender**")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(herein the "**Crown**")

WHEREAS:

- A. By way of Lease No. V927098, commencement date April 1, 2018 (the "**Tenure**"), the Crown, granted to the Holder the right to use the following land (the "**Land**") for certain purposes as described in the said tenure agreement:

Block A, District Lot 119, Esquimalt District
- B. The Lender has provided a loan to the Holder to finance the Holder's undertaking.
- C. To secure the repayment of the loan, the Holder has mortgaged the Tenure to the Lender (the "**Security**").
- D. To protect the Lender's rights under the Security, the Lender and the Holder have requested of the Crown that the Crown agree to certain provisions (the "**Agreement**" or this "**Agreement**") with respect to how the Crown shall proceed in the event of a default in the Tenure.

ACCORDINGLY, in consideration of the sum of \$1.00 now paid by each of the Holder and the Lender to the Crown, the parties agree as follows.

ARTICLE 1.- CONFIRMATIONS CONCERNING THE TENURE

1.1 The Crown confirms to the Lender that:

- (a) the Crown has not received any notice of assignment concerning the Tenure or

any notice that a third party makes a claim against the Tenure;

- (b) the Crown has not given to the Holder any notice of default, notice of failure, or notice of intent to terminate under the Tenure ("**Notice**");
 - (c) the Crown is not aware of any circumstance which would entitle the Crown to give a Notice (but the Crown has not undertaken any diligent investigation in respect of this confirmation);
 - (d) without giving the Lender at least 60 days notice, the Crown shall do none of the following:
 - (i) enter into any agreement with the Holder which shall materially amend, replace or terminate the Tenure, except where the replacement of the Tenure is to extend its term for a longer period under substantially the same terms and conditions as currently exist;
 - (ii) accept any surrender of the Tenure, unless the surrender is carried out in the manner set out in section 4.9 of this Agreement;
 - (iii) consent to any assignment of the Tenure; or
 - (iv) unilaterally terminate the Tenure.
- 1.2 Except as specifically set out herein, this Agreement shall not be deemed to waive or modify the Tenure or to relieve the Holder from any of the Holder's obligations therein.
- 1.3 The Crown covenants and agrees with the Lender that the Crown shall:
- (a) permit the Lender to pay any arrears of the Holder under the Tenure;
 - (b) permit the Lender to remedy any other default of the Holder under the Tenure and to enter the Lands in order to do so;
 - (c) permit the Lender to exercise its right to assume the Tenure and the Holder's undertaking, if such exercise is permitted under the Security; and
 - (d) permit the Lender to transfer the Tenure and the Holder's undertaking to a third party, if such transfer is permitted under the Security and always subject to the terms of the Tenure and the *Land Act* of British Columbia.
- 1.4 If the Crown, as of the date of this Agreement, holds any interest in the Tenure as a result of a mortgage of the Holder's interest in the Tenure to the Crown, or if the Crown shall acquire any such interest at any time in the future, the Crown hereby grants to the Lender priority of the Security over any such interest.

ARTICLE 2. - SECURITY OVER THE TENURE TO THE LENDER

- 2.1 The parties acknowledge that the Security arises from a transaction between the Holder and the Lender which requires the consent of the Crown, and the Crown does hereby provide that consent.
- 2.2 The Lender acknowledges that:

- (a) it has received a copy of the Tenure; and
- (b) the Security is subject in all respects to the terms and conditions of the Tenure and this Agreement.

2.3 The Holder represents and warrants that the Lender is the only person to whom it has granted a security interest in the Tenure.

ARTICLE 3. - DEFAULT

In this Article,

“Receiver” means a receiver, a manager, a receiver-manager or any other person, including the Lender itself, who lawfully assumes possession and control of the Holder’s property charged in the Security for the purpose of exercising the Lender’s rights under the Security;

“Minister” means the Minister responsible for the *Land Act*;

“Remediation” means, with respect to a Tertiary Default, either or both of the following (as the particulars of the situation dictate);

- (a) mitigation of damage done as a result of the Tertiary Default; and
- (b) to the extent feasible, meeting the obligations the Holder would have been under had the default not occurred;

“Primary Default” means that class of default in the performance of an obligation under the Tenure which entitles the Crown to cancel the Tenure without first providing notice of the default to the Holder and providing the Holder a period of time to cure the default;

“Secondary Default” means a default in the performance of an obligation under the Tenure which:

- (a) may not be cancelled by the Crown until
 - (i) the Crown provides notice of the default to the Holder; and
 - (ii) the Crown provides the Holder with a period of time to cure the default; and
- (b) by its nature is capable of being cured; and

“Tertiary Default” has the same meaning as Secondary Default except that, by its nature, it is not capable of being cured;

3.1 If and when a Receiver becomes engaged, each of the Lender and the Holder, promptly upon becoming aware of the engagement shall provide written notice of the engagement, with appropriate particulars, to the Crown.

3.2 If the Crown shall give a Notice to the Holder, the Crown shall give a copy of the Notice to the Lender concurrently or promptly thereafter.

3.3 If the Lender has not appointed a Receiver (or a Receiver has not been otherwise appointed) within 60 days from the date on which the Lender has received (or shall be

deemed to have received) a Notice (the “**Lender’s Notice Period**”) then, subject to section 3.4, the following shall apply:

- (a) if the Notice is with respect to a Secondary Default, the Crown shall not terminate the Tenure until the period of time set out in the Tenure to cure the default has passed calculated from the end of the Lender’s Notice Period, and shall terminate only if the default is not cured by the end of the period set out in the Tenure; and
- (b) if the Notice is with respect to a Primary Default or a Tertiary Default, then the Crown shall not terminate the Tenure until a period of 60 days has passed calculated from the date on which the Lender has received (or shall be deemed to have received) the Notice.

3.4 If the Lender has appointed a Receiver (or a Receiver has been otherwise appointed) within 60 days from the date on which the Lender has received (or shall be deemed to have received) a Notice, or if the Lender shall appoint a Receiver (or a Receiver is otherwise appointed) before the Tenure is cancelled by the Crown as a result of the default set out in the Notice, then, subject to section 3.5, the following shall apply:

- (a) the Crown shall not be entitled to cancel the Tenure as a result of a Primary Default by the Holder, whether or not the default is cured;
- (b) the Crown shall be entitled to cancel the Tenure as a result of a Secondary Default provided the period of time set out in the Tenure to cure the default has passed (calculated from the date on which the Lender has received, or shall be deemed to have received the Notice) and shall terminate only if the default is not cured within that period;
- (c) the Crown shall not be entitled to cancel the Tenure as a result of a Tertiary Default if:
 - (i) the Lender or the Holder (or both) have carried out Remediation; and
 - (ii) the Minister has provided the Minister’s approval for the Remediation, which approval shall not be unreasonably withheld; and
- (d) the Minister’s approval shall be deemed to be reasonably withheld if an authority whose requirements were breached as a result of the default, or which has jurisdiction over damage arising from the default, is of the view that the Remediation is not sufficient.

3.5 If, after a period of 24 months after a Receiver is appointed by the Lender (or after such other period to which the parties wish to agree, with each party obliged to act reasonably), a third party has not been approved by the Crown, taken over the operation of the Holder’s undertaking and assumed the obligations under the Tenure (or under a new tenure issued by the Crown), then the Crown shall have the right to cancel the Tenure as a result of any default or as otherwise permitted by law.

3.6 The Lender shall not be deemed to have undertaken the enforcement and exercise of its rights under the Security simply by entering the Land for the purpose of examining the condition and operation of the improvements thereon.

- 3.7 The Lender assumes no liability to the Crown under the Tenure by virtue of having appointed a Receiver.

ARTICLE 4. - NOTICE AND MISCELLANEOUS

- 4.1 Any notice provided under this Agreement shall be in writing and may be given by personal delivery or by transmittal by facsimile, addressed to the respective parties as follows:

to the Crown at:

**MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND
RURAL DEVELOPMENT**

Suite 142 - 2080 Labieux Road
Nanaimo, BC V9T 6J9

to the Holder at:

0736657 B.C. Ltd.

240 - 730 View Street
Victoria, BC V8W 3Y7

to the Lender at:

AMBER MORTGAGE INVESTMENT CORP.

#415 - 5900 No. 3 Road, Richmond,
British Columbia, V6X 3P7

copy to:

RICHARDS BUELL SUTTON LLP,

700 - 401 West Georgia Street,
Vancouver, British Columbia, V6B 5A1
Attention: Winsome B. Glover
Email: wglover@rbs.ca

- 4.2 Notices given by facsimile shall be deemed to be received on the business day next following the date of transmission.
- 4.3 This Agreement is governed by British Columbia law, and the applicable laws of Canada and any legal proceedings shall be taken in the courts of British Columbia.
- 4.4 The Crown's obligations in this Agreement shall end when Security is discharged and the Lender and the Holder agree to advise the Crown when that occurs.
- 4.5 This Agreement may be amended only by an instrument in writing signed by each of the parties.
- 4.6 This Agreement shall enure to the benefit of, and is binding upon, the parties, and their respective successors and permitted assigns, and each reference herein to a party includes its successors and permitted assigns.
- 4.7 This Agreement may be executed in any number of counterparts, each of which is deemed an original, and all of which together constitute one and the same document.

- 4.8 This Agreement is not binding upon any party unless and until it is executed and delivered by all parties, whereupon this Agreement shall take effect as of the day first above written.
- 4.9 For so long as the Security is in place:
- (a) the Holder shall not exercise any statutory right to abandon or terminate the Tenure without written consent from the Lender; and
 - (b) before exercising any such statutory right to abandon or terminate the Tenure the Holder shall provide the Crown with a copy of the Lender's consent.
- 4.10 The Lender and the Holder agree:
- (a) subject to paragraph (b), the Crown shall not be liable to the Lender or to the Holder for any loss or expense suffered by the Lender or the Holder, nor shall the Crown incur any obligations to the Lender or the Holder, as a result of the failure by the Crown to abide by the Crown's obligations under this Agreement; and
 - (b) if the Crown shall terminate the Tenure for any reason other than
 - (i) in accordance with the terms of the applicable Tenure, or
 - (ii) as otherwise provided by law,and if the Crown shall do so without providing either
 - (iii) the Notice to the Lender, or
 - (iv) the benefit of the applicable cure period as required in this Agreement,then the Crown shall be obliged to make reasonable efforts to have the Tenure reinstated but the Crown shall have no other obligations.
- 4.11 The meaning of any term used in this Agreement shall be determined by considering the following in descending order of priority:
- (a) if the term is capitalized and defined in this Agreement, its meaning shall be as defined;
 - (b) if the term is not capitalized in this Agreement, its meaning shall be its meaning as used in the Tenure document, unless the context of its use in this Agreement dictates otherwise, in which case its meaning shall be pursuant to the context.
- 4.12 Time is of the essence of this Agreement and shall be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).
- 4.13 If an issue shall arise between the parties to this Agreement (or between any two of them) as to the interpretation of this Agreement and the parties are not able to resolve the issue by agreement, then the matter shall be resolved by arbitration pursuant to the British Columbia *Commercial Arbitration Act* (British Columbia).

ARTICLE 5. - FOLLOWING TENURES

In this Agreement:

“**Following Tenure**” means a tenure, issued under the *Land Act* (British Columbia), which:

- (a) is issued to the Holder over the Land (or over part of the Land);
- (b) replaces the existing Tenure (or a previous Following Tenure) or is one of two or more tenures which replace the existing Tenure (or a previous Following Tenure); and
- (c) grants rights to the Holder concerning the Holder’s undertaking.

5.2 The Crown agrees to be bound by its obligations in this Agreement, on the same terms and conditions as in this Agreement, with respect to any Following Tenures.

Signatures of the Parties.

SIGNED on behalf of **HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA** by the minister responsible for the *Land Act* or the minister’s authorized representative

Minister responsible for the *Land Act* or
the minister’s authorized representative

SIGNED BY
0736657 B.C. LTD.

Holder

SIGNED BY
AMBER MORTGAGE INVESTMENT CORP.

Lender

CONSENT AND NON-DISTURBANCE AGREEMENT

THIS AGREEMENT is dated for reference April 11, 2022

BETWEEN:

0736657 B.C. LTD.
240 - 730 View Street
Victoria, BC V8W 3Y7

(the "**Tenant**")

AND:

AMBER MORTGAGE INVESTMENT CORP. (Inc. No. BC1087596), having an office and postal address at #415 - 5900 No. 3 Road, Richmond, British Columbia, V6X 3P7

(the "**Lender**")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,
as represented by the Minister of Transport

(the "**Crown**")

WHEREAS:

- A. By way of a lease dated for reference January 1, 2018 (the "**Lease**"), the Crown, as landlord, leased to the Tenant, as tenant, the real property covered by water in Victoria Harbour, in the Province of British Columbia, comprising three parcels for a combined area of 36.18 meters squared, more or less, and more particularly described in the Lease (the "**Leased Premises**") for certain purposes as described in the Lease.
- B. The Lender has provided a loan to the Tenant to finance the Tenant's undertaking.
- C. To secure the repayment of the loan, the Tenant has, among other things, mortgaged the Lease to the Lender (the "**Security**").
- D. To protect the Lender's rights under the Security, the Lender and the Tenant have requested of the Crown that the Crown agree to certain provisions with respect to how the Crown shall proceed in the event of a default in the Lease on the terms set out in this consent and non-disturbance agreement (the "**Agreement**").

ACCORDINGLY, for consideration of the sum of \$1.00 now paid by each of the Tenant and the Lender to the Crown, the parties agree as follows:

ARTICLE 1 - CONFIRMATIONS CONCERNING THE LEASE

1.1 The Crown confirms to the Lender that:

- (a) the Crown has not received any notice of assignment concerning the Lease or any notice that a third party makes a claim against the Lease;

- (b) the Crown has not given to the Tenant any notice of default, notice of failure, or notice of intent to terminate under the Lease (“**Notice**”);
 - (c) the Crown is not aware of any circumstance which would entitle the Crown to give a Notice (but the Crown has not undertaken any diligent investigation in respect of this confirmation);
 - (d) as of the date of this Agreement, the Lease has not been modified or amended and constitutes the entire agreement between the Crown and the Tenant in connection with the Leased Premises; and
 - (e) without giving the Lender at least 60 days' prior notice, the Crown shall not do any of the following:
 - (i) enter into any agreement with the Tenant which shall amend, replace or terminate the Lease, except where the replacement of the Lease is to extend its term for a longer period under substantially the same terms and conditions as currently exist;
 - (ii) accept any surrender of the Lease, unless the surrender is carried out in the manner set out in section 4.9 of this Agreement;
 - (iii) consent to any assignment or subletting of the Lease including, without limitation, by way of security; or
 - (iv) terminate the Lease.
- 1.2 Except as specifically set out on this Agreement, this Agreement shall not be deemed to waive or modify the Lease or to relieve the Tenant from any of the Tenant’s obligations under the Lease.
- 1.3 The Crown covenants and agrees with the Lender that the Crown shall permit the Lender to:
- (a) pay any arrears of the Tenant under the Lease;
 - (b) remedy any default of the Tenant under the Lease and to enter the Leased Premises in order to do so;
 - (c) exercise the Lender’s right to assume the Lease and the Tenant’s undertaking, if such exercise is permitted under the Security; and
 - (d) transfer the Lease and the Tenant’s undertaking to a third party, if such transfer is permitted under the Security and always subject to the terms of the Lease, including, without limitation, that the Lease may not be assigned, transferred, or subleased in whole or in part without the prior written consent of the Minister (as defined in the Lease), which consent will not be unreasonably withheld.
- 1.4 If the Crown, as of the date of this Agreement, holds any interest in the Lease as a result of a mortgage of the Tenant’s interest in the Lease to the Crown, or if the Crown shall acquire any such interest at any time in the future, the Crown hereby grants to the Lender

priority of the Security over any such interest.

ARTICLE 2 - SECURITY OVER THE LEASE TO THE LENDER

- 2.1 The parties acknowledge that the Security arises from a transaction between the Tenant and the Lender which requires the consent of the Crown, and the Crown does hereby provide that consent.
- 2.2 The Lender acknowledges that:
- (a) it has received a copy of the Lease; and
 - (b) the Security is subject in all respects to the terms and conditions of the Lease and this Agreement.
- 2.3 The Tenant represents and warrants that the Lender is the only person to whom it has granted a security interest in the Lease.

ARTICLE 3 - DEFAULT

In this Article,

“Minister” has the meaning given to it in the Lease;

“Receiver” means a receiver, a manager, a receiver-manager or any other person, including the Lender itself, who lawfully assumes possession and control of the Tenant’s property charged in the Security for the purpose of exercising the Lender’s rights under the Security;

“Remediation” means, with respect to a Tertiary Default, either or both of the following (as the particulars of the situation dictate);

- (a) mitigation of damage done as a result of the Tertiary Default; and
- (b) to the extent feasible, meeting the obligations the Tenant would have been under had the default not occurred;

“Primary Default” means a default in the performance of an obligation under the Lease which entitles the Crown to terminate the Lease without first providing notice of the default to the Tenant and providing the Tenant a period of time to cure the default;

“Secondary Default” means a default in the performance of an obligation under the Lease which:

- (a) does not entitle the Crown to terminate the Lease until the Crown provides:
 - (i) notice of such default to the Tenant; and
 - (ii) the Tenant with a period of time to cure the default; and
- (b) by its nature is capable of being cured; and

“Tertiary Default” has the same meaning as Secondary Default except that such default,

by its nature, is not capable of being cured.

- 3.1 If and when a Receiver becomes engaged, each of the Lender and the Tenant, promptly upon becoming aware of the engagement, shall provide written notice of the engagement, with appropriate particulars, to the Crown.
- 3.2 If, at any time, the Crown shall give a Notice to the Tenant, the Crown shall give a copy of the Notice to the Lender concurrently or promptly thereafter.
- 3.3 If the Lender has not appointed a Receiver (or a Receiver has not been otherwise appointed) within 60 days from the date on which the Lender has received (or shall be deemed to have received) a Notice (the "**Lender's Notice Period**") then, subject to section 3.4, the following shall apply:
 - (a) if the Notice is with respect to a Secondary Default, the Crown shall not terminate the Lease until the period of time set out in the Lease to cure the default has passed calculated from the end of the Lender's Notice Period, and shall terminate only if the default is not cured by the end of the period set out in the Lease; and
 - (b) if the Notice is with respect to a Primary Default or a Tertiary Default, then the Crown shall not terminate the Lease until a period of 60 days has passed calculated from the date on which the Lender has received (or shall be deemed to have received) the Notice.
- 3.4 If the Lender has appointed a Receiver (or a Receiver has been otherwise appointed) within 60 days from the date on which the Lender has received (or shall be deemed to have received) a Notice, or if the Lender shall appoint a Receiver (or a Receiver is otherwise appointed) before the Lease is terminated by the Crown as a result of the default set out in the Notice, then, subject to section 3.5, the following shall apply:
 - (a) the Crown shall not be entitled to terminate the Lease as a result of a Primary Default by the Tenant, whether or not the default is cured;
 - (b) the Crown shall be entitled to terminate the Lease as a result of a Secondary Default provided the period of time set out in the Lease to cure the default has passed (calculated from the date on which the Lender has received, or shall be deemed to have received the Notice) and shall terminate only if the default is not cured within that period;
 - (c) the Crown shall not be entitled to cancel the Lease as a result of a Tertiary Default if:
 - (i) the Lender or the Tenant (or both) have carried out Remediation; and
 - (ii) the Minister has provided the Minister's approval for the Remediation, which approval shall not be unreasonably withheld; and
 - (d) the Minister's approval shall be deemed to be reasonably withheld if an authority whose requirements were breached as a result of the default, or which has jurisdiction over damage arising from the default, is of the view that

the Remediation is not sufficient.

- 3.5 If, after a period of 24 months after a Receiver is appointed by the Lender (or after such other period to which the parties wish to agree, with each party obliged to act reasonably), a third party has not been approved by the Crown, taken over the operation of the Tenant's undertaking and assumed the obligations under the Lease (or under a new interest in land issued by the Crown), then the Crown shall have the right to terminate the Lease as a result of any default or as otherwise permitted by law.
- 3.6 The Lender shall not be deemed to have undertaken the enforcement and exercise of its rights under the Security simply by entering the Leased Premises for the purpose of examining the condition and operation of the improvements thereon.
- 3.7 The Lender assumes no liability to the Crown under the Lease by virtue of having appointed a Receiver.
- 3.8 For certainty, nothing in this Agreement shall prejudice or limit the powers of the Crown or the Minister in the exercise of its governance and regulatory functions under any applicable statute, regulation, order, or other applicable law, including, without limitation, regulations regarding traffic control, security, sanitation and all other regulations and directives relative to the management and operation of the Leased Premises, including but not limited to any directions or orders of the Victoria Harbourmaster, all of which may be exercised in accordance with applicable laws.
- 3.9 If the Lender takes enforcement proceedings under the Security and the Lender, or the Receiver, advises the Crown of its intention to cause the Lease to be maintained, then subject to sections 3.3 and 3.4, as applicable, the Lender or the Receiver, as applicable, will only be liable for:
- (a) breaches by the Tenant of any of the Tenant's obligations under the Lease (except for a non-curable default) of which the Crown had given Notice to the Lender before the Lender commenced enforcement proceedings; and
 - (b) the performance of the Tenant's obligations under the Lease during any period of actual possession of the Leased Premises by the Lender or the Receiver until any assignment or transfer of the Tenant's interest under the Lease to a third party approved by the Crown in accordance with this Agreement or any surrender, cancellation, or other termination of the Lease.

ARTICLE 4 - NOTICE AND MISCELLANEOUS

- 4.1 Any notice provided under this Agreement shall be in writing and may be given by personal delivery, registered mail, or by electronic transmission, addressed to the respective parties as follows:
- (a) to the Crown at:

TRANSPORT CANADA
Suite 820 - 800 Burrard Street
Vancouver, BC V6Z 2J8

Attention: Regional Manager, Property & Divestiture
Email: jim.chan@tc.qc.ca

(b) to the Tenant at:

0736657 B.C. LTD.
240 - 730 View Street
Victoria, BC V8W 3Y7

(c) to the Lender at:

AMBER MORTGAGE INVESTMENT CORP.
#415 - 5900 No. 3 Road, Richmond,
British Columbia, V6X 3P7

Attention: Roy Ho
Email: roy.ho@amberfinancial.com

with a copy to:

RICHARDS BUELL SUTTON LLP,
700 - 401 West Georgia Street,
Vancouver, British Columbia, V6B 5A1

Attention: Winsome B. Glover
Email: wglover@rbs.ca

- 4.2 Notices given by electronic transmission shall be deemed to be received on the business day transmitted, if transmitted by 4:00 p.m. in the jurisdiction to which the notice is sent, and otherwise on the business day next following the date of transmission.
- 4.3 This Agreement is governed by British Columbia law, and the applicable laws of Canada and any legal proceedings shall be taken in the courts of British Columbia.
- 4.4 The Crown's obligations in this Agreement shall end when Security is discharged and the Lender and the Tenant agree to advise the Crown when that occurs.
- 4.5 This Agreement may be amended only by an instrument in writing signed by each of the parties.
- 4.6 This Agreement shall enure to the benefit of, and is binding upon, the parties, and their respective successors and permitted assigns, and each reference herein to a party includes its successors and permitted assigns.
- 4.7 This Agreement may be executed in counterparts, by electronic signatures, and delivered by electronic means. Each electronic copy will be deemed an original and may be used as evidence of execution. All counterparts together will constitute the same document.
- 4.8 This Agreement is not binding upon any party unless and until it is executed and delivered by all parties, whereupon this Agreement shall take effect as of the day first above written.

- 4.9 For so long as the Security is in place:
- (a) the Tenant shall not exercise any statutory right to abandon or terminate the Lease without written consent from the Lender; and
 - (b) before exercising any such statutory right to abandon or terminate the Lease the Tenant shall provide the Crown with a copy of the Lender's consent.
- 4.10 The parties agree:
- (a) subject to paragraph (b), the Crown shall not be liable to the Lender or to the Tenant for any loss or expense suffered by the Lender or the Tenant, nor shall the Crown incur any obligations to the Lender or the Tenant, as a result of the failure by the Crown to abide by the Crown's obligations under this Agreement; and
 - (b) if the Crown shall terminate the Lease and if the Crown shall do so without providing either:
 - (i) the Notice to the Lender; or
 - (ii) the benefit of the applicable cure period as required in this Agreement,then the Crown shall be obliged to make reasonable efforts to have the Lease reinstated in favour of the Lender or a party to whom the Lender may direct but the Crown shall have no other obligations.
- 4.11 The meaning of any term used in this Agreement shall be determined by considering the following in descending order of priority:
- (a) if the term is capitalized and defined in this Agreement, its meaning shall be as defined; and
 - (b) if the term is not capitalized in this Agreement, its meaning shall be its meaning as used in the Lease document, unless the context of its use in this Agreement dictates otherwise, in which case its meaning shall be pursuant to the context.
- 4.12 Time is of the essence of this Agreement and shall be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).
- 4.13 If an issue shall arise between the parties to this Agreement (or between any two of them) as to the interpretation of this Agreement and the parties are not able to resolve the issue by agreement, then the matter shall be resolved by arbitration pursuant to the *Arbitration Act* (British Columbia).
- 4.14 This Agreement constitutes the entire agreement between the Lender, the Tenant, and the Crown with respect to the Security and the Lease. For certainty, the parties acknowledge that Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, is not bound by that consent and non-disturbance agreement entered into among the Lender, the Tenant, and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the minister responsible for the *Land Act*

(British Columbia), in connection with other security granted to the Lender by the Tenant.

ARTICLE 5 - FOLLOWING TENURES

In this Agreement:

“Following Tenure” means a lease, licence, or other interest in land issued by the Crown:

- (a) to the Tenant over the Leased Premises or any part of the Leased Premises;
- (b) replaces the Lease (or a previous Following Tenure) or is one of two or more interests in land which replace the Lease (or a previous Following Tenure); and
- (c) grants rights to the Tenant concerning the Tenant’s undertaking.

5.2 The Crown agrees to be bound by its obligations in this Agreement, on the same terms and conditions as in this Agreement, with respect to any Following Tenures.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Transport

By: _____
Name:
Title:

By: _____
Name:
Title:

0736657 B.C. LTD.

By: _____
Name:
Title:

AMBER MORTGAGE INVESTMENT CORP.

By: _____
Name:
Title: