



This is the 1<sup>st</sup> affidavit  
of Michael Atkinson in this case  
and was made on 30/NOV/2022

NO. **H-220517**  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

EARLSTON MORTGAGE CORP.

PETITIONER

AND:

AMY BARSHA WASHINGTON,  
CHONGYE DEVELOPMENTS LTD., and  
PLW INVESTMENT LTD.

RESPONDENTS

**AFFIDAVIT**

I, **MICHAEL ATKINSON**, of Suite 1703, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, President and Chief Executive Officer, **SWEAR (OR AFFIRM) THAT:**

1. I am President and Chief Executive Officer of Earlston Mortgage Corp.  
(the "**Petitioner**"), and as such have personal knowledge of the matters herein deposed to.
2. I am authorized to make this affidavit on behalf of the Petitioner.
3. I have read the petition to the court, dated November 30, 2022, to be filed in this proceeding (the "**Petition**"). The facts set out in paragraphs 1 – 15 of Part 2 of the Petition are true.
4. With respect to paragraphs 2 and 15 of Part 2 of the Petition, now shown to me and attached hereto as **Exhibit "A"** is a copy of the Title Search Print for the "Lands", as defined in the Petition, that are the subject matter of this proceeding, which has been provided to me by the Petitioner's solicitors, Dentons Canada LLP.

5. With respect to paragraph 3 of Part 2 of the Petition, now shown to me and attached hereto as **Exhibit "B"** is a copy of the beneficiary direction and charge agreement, dated March 2, 2021, among Chongye Development Ltd., as beneficiary, Amy Barsha Washington, as registered owner, and the Petitioner, as lender.
6. Now shown to me and attached hereto as **Exhibit "C"** are copies of the "Mortgage", as defined and referred to in the Petition, and the modification of mortgage made on June 9, 2022, and registered in the New Westminster Land Title Office on June 14, 2022, under registration numbers CB1177 and CB1178.
7. Now shown to me and attached hereto as **Exhibit "D"** is a copy of Standard Mortgage Terms MT110105, referred to in the Mortgage.
8. Now shown to me and attached hereto as **Exhibit "E"** is a copy of the "Loan Agreement", as defined and referred to in the Petition.
9. Now shown to me and attached hereto as **Exhibit "F"** is a copy of the first amending agreement, dated June 9, 2022, among Chongye Development Ltd. and Amy Barsha Washington, as borrowers, Edison Washington, as guarantor, and the Petitioner, as lender, amending the Loan Agreement.
10. With respect to paragraph 7 of Part 2 of the Petition, at the time of the above noted first amending agreement, Chongye Development Ltd. and Amy Barsha Washington, as borrowers, provided the Petitioner, as lender, a replacement promissory note for the new principal amount of \$4,935,721.49 (as at June 9, 2022). Now shown to me and attached hereto as **Exhibit "G"** is copy of a promissory note dated June 9, 2022, from Chongye Development Ltd. and Amy Barsha Washington, as borrowers, to the Petitioner, as lender.
11. With respect to paragraph 14 of Part 2 of the Petition, now shown to me and attached hereto and marked **Exhibit "H"** is a copy of the letter of demand, dated October 31, 2022, referred to in the Petition.
12. None of Chongye Development Ltd., Amy Barsha Washington or Edison Washington paid in response to the above noted letter of demand.

13. As of the date of this affidavit, no responses to the above noted letter of demand have been received by the Petitioner.

14. The "Mortgage Debt", as defined in paragraph 12 of Part 2 of the Petition, as at November 28, 2022, was \$5,077,971.67, with interest thereon at the then-current rate of \$1,653.92. Now shown to me and attached hereto and marked **Exhibit "I"** is a copy of the Petitioner's payout statement dated November 28, 2022, with respect to the Mortgage.

15. I know of no fact which would constitute a defence to the whole or any part of the claims as set out in the Petition.

16. I make this affidavit in support of the Petitioner's application for an order nisi of foreclosure.

SWORN (OR AFFIRMED) BEFORE ME at  
Vancouver, British Columbia, on  
30/NOV/2022.



A Commissioner for taking Affidavits within  
British Columbia



**MICHAEL ATKINSON**

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

This is **Exhibit "A"** referred to in the affidavit of  
Michael Atkinson sworn before me at Vancouver,  
British Columbia, this 30<sup>th</sup> day of November, 2022



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A Commissioner for taking Affidavits  
For British Columbia

**TITLE SEARCH PRINT**

File Reference: 575799-6

2  
2022-11-28, 15:11:05

Requestor: Chelsea Denton

**\*\*CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN\*\*****Land Title District**

Land Title Office

VANCOUVER

VANCOUVER

**Title Number**

From Title Number

CA3968470

CA1953321

**Application Received**

2014-09-18

**Application Entered**

2014-09-25

**Registered Owner in Fee Simple**

Registered Owner/Mailing Address:

AMY BARSHA WASHINGTON, BUSINESSWOMAN  
835 EYREMOUNT DRIVE  
WEST VANCOUVER, BC  
V7S 2A8**Taxation Authority**

Vancouver, City of

**Description of Land**

Parcel Identifier:

013-255-495

Legal Description:

LOT 9 OF LOT 3 BLOCK 138 DISTRICT LOT 540 PLAN 2992

**Legal Notations**

NONE

**Charges, Liens and Interests**

Nature:

COVENANT

Registration Number:

BB4045749

Registration Date and Time:

2012-05-07 13:05

Registered Owner:

CITY OF VANCOUVER

Nature:

MORTGAGE

Registration Number:

CA8829657

Registration Date and Time:

2021-03-09 14:01

Registered Owner:

EARLSTON MORTGAGE CORP.  
INCORPORATION NO. BC0943973

Remarks:

MODIFIED BY CB1177

**TITLE SEARCH PRINT**

2022-11-28, 15:11:05

File Reference: 575799-6

Requestor: Chelsea Denton

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA8829658  
Registration Date and Time: 2021-03-09 14:01  
Registered Owner: EARLSTON MORTGAGE CORP.  
INCORPORATION NO. BC0943973  
Remarks: MODIFIED BY CB1178

Nature: MODIFICATION  
Registration Number: CB1177  
Registration Date and Time: 2022-06-14 11:42  
Remarks: MODIFICATION OF CA8829657

Nature: MODIFICATION  
Registration Number: CB1178  
Registration Date and Time: 2022-06-14 11:42  
Remarks: MODIFICATION OF CA8829658

Nature: MORTGAGE  
Registration Number: CB140141  
Registration Date and Time: 2022-08-09 13:55  
Registered Owner: PLW INVESTMENT LTD.  
INCORPORATION NO. BC1189338

Nature: CERTIFICATE OF PENDING LITIGATION  
Registration Number: CB224804  
Registration Date and Time: 2022-09-15 16:21  
Registered Owner: PLW INVESTMENT LTD.  
INCORPORATION NO. BC1189338  
Remarks: INTER ALIA

**Duplicate Indefeasible Title** NONE OUTSTANDING

**Transfers** NONE

**Pending Applications** NONE

This is **Exhibit "B"** referred to in the affidavit of  
Michael Atkinson sworn before me at Vancouver,  
British Columbia, this 30<sup>th</sup> day of November, 2022



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A Commissioner for taking Affidavits  
For British Columbia

## BENEFICIARY DIRECTION AND CHARGE AGREEMENT

THIS AGREEMENT dated for reference March 2, 2021.

BY:

**CHONGYE DEVELOPMENTS LTD.**, a British Columbia company of 4491 Cambie Street,  
Vancouver, B.C. V5Z 2Y8  
(the "**Beneficiary**")

AND:

**AMY BARSHA WASHINGTON**, an individual of 835 Eyremount Drive, West Vancouver,  
B.C. V7S 2A8  
(the "**Registered Owner**")

IN FAVOUR OF:

**EARLSTON MORTGAGE CORP.**, having an office at Suite 1703, 595 Burrard Street,  
Vancouver, B.C. V7X 1J1  
(the "**Lender**")

**WITNESSES THAT** for valuable consideration, and with the knowledge that this Agreement is being relied upon by the Lender:

### 1.0 REPRESENTATIONS RE: TRUST PROPERTY AND BARE TRUST AGREEMENT

The Beneficiary and the Registered Owner jointly and severally represent and warrant to the Lender that the Registered Owner holds or will hold in trust for the Beneficiary the real property located at or about 4408 West 3<sup>rd</sup> Avenue, Vancouver, BC V6R 1N1 and legally described as PID 013-255-495 Lot 9 of Lot 3 Block 138 District Lot 540 Plan 2992 (the "**Real Property**"), and may hold in trust some or all of the present and after-acquired personal property now or hereafter situate at, arising out of, or primarily used in connection with or relating to the ownership, operation and management of the Real Property or which becomes affixed to the Real Property (together, the "**Trust Property**"), pursuant to the terms of that certain trust declaration dated March 31, 2011 between the Registered Owner (under the name Feng Yun Shao, prior to name change), as bare trustee, and the Beneficiary (under the predecessor name 803171 B.C. Ltd.), as owner (the "**Bare Trust Agreement**"), a true copy of which, together with all amendments thereto, is attached hereto as **Schedule A**, which remains in full force and effect.

### 2.0 ACKNOWLEDGEMENT RE: REGISTERED OWNER'S LIABILITY

The Registered Owner, as borrower and the Beneficiary and certain other guarantors party thereto, as guarantors, and the Lender, have entered into a commitment letter dated on or about the date hereof (as the same may be amended, modified, restated or replaced from time to time, the "**Loan Agreement**"), which Loan Agreement provides for, *inter alia*, the following documents to be executed

and delivered by the Registered Owner to the Lender (collectively, the "Security"):

- (a) a Form B commercial mortgage and assignment of rents and leases, in the principal amount of \$5,000,000 (the "**Mortgage**") over the Trust Property securing all present and future indebtedness, liabilities and obligations of the Beneficiary and the Registered Owner to the Lender, including without limitation, all present and future indebtedness, liabilities and obligations under the Loan Agreement;
- (b) an assignment of all Material Contracts relating to the Trust Property;
- (c) an assignment of rights under insurance in respect of the Trust Property; and
- (d) such other present and future security as the Lender may from time to time require.

### 3.0 **IRREVOCABLE DIRECTION TO REGISTERED OWNER**

The Beneficiary irrevocably directs, authorizes and empowers the Registered Owner:

- (a) as security for all present and future debts and liabilities, direct and indirect, absolute and contingent, of the Beneficiary and the Registered Owner to the Lender, including without limitation, all present and future debts and liabilities, direct and indirect, absolute and contingent, of the Beneficiary and the Registered Owner to the Lender under the Loan Agreement, to mortgage, charge, assign and grant a security interest to the Lender in the Trust Property and all of the legal and beneficial right, title, interest and estate of the Registered Owner and of the Beneficiary therein, both present and future, in the manner and to the extent provided for in the Security;
- (b) to execute and deliver the Loan Agreement and the Security to the Lender;
- (c) to incur the obligations described in the Loan Agreement and the Security and in any renewal or replacement thereof or substitution therefor; and
- (d) to observe and perform all of the Registered Owner's present and future obligations under the Loan Agreement and the Security, and in any renewal or replacement thereof or substitution therefor.

### 4.0 **CONFIRMATION OF CHARGES ON BENEFICIARY'S INTEREST**

The Beneficiary and the Registered Owner confirm that the Security, once executed and delivered by the Registered Owner, will be effective to mortgage, charge and assign to the Lender an interest in all of the Beneficiary's present and future right, title and interest in and to the Trust Property.

### 5.0 **BENEFICIARY JOINS IN REGISTERED OWNER SECURITY**

The Beneficiary joins in and makes for the benefit of the Lender all of the representations and warranties set out in the Security, and the Beneficiary agrees with the Lender to cause the Registered

Owner to observe and perform all of its present and future obligations set out in or secured by the Loan Agreement and the Security.

#### **6.0 GRANT OF ADDITIONAL SECURITY AND COVENANTS**

As additional security for the Lender and as security for all present and future debts, liabilities and obligations, direct and indirect, absolute and contingent, of the Beneficiary to the Lender, the Beneficiary hereby adopts the Mortgage, *mutatis mutandis*, as if the Beneficiary were a grantor in place of the Registered Owner and were the registered, legal and beneficial owner of the Real Property, and for greater certainty:

- (a) the Beneficiary mortgages, charges and assigns to the Lender all of the Beneficiary's present and future right, title and interest in and to the Trust Property;
- (b) the Beneficiary agrees with the Lender to observe and perform all of the grantor's obligations set out in the Mortgage, *mutatis mutandis*; and
- (c) the Beneficiary makes in favour of the Lender all of the Registered Owner's representations, warranties and other agreements set out in the Mortgage, *mutatis mutandis*.

#### **7.0 CONFLICT WITH BARE TRUST AGREEMENT**

The Beneficiary and the Registered Owner agree that, notwithstanding anything to the contrary that may be set out in the Bare Trust Agreement, the Registered Owner has, and is hereby granted, the power and authority to execute the Loan Agreement and the Security and to do each of the matters contemplated by this Agreement, the Loan Agreement and the Security.

#### **8.0 GENERAL**

8.1 The Beneficiary agrees with the Lender that:

- (a) the Lender is not obliged at any time to investigate the powers exercised by the Registered Owner from time to time or to confirm any such exercise of power with the Beneficiary;
- (b) the Lender is not bound or in any way restricted by the terms of the Bare Trust Agreement and, without limiting the generality of the foregoing, in enforcing the Security and in seeking repayment of the indebtedness secured thereby, or otherwise, the Lender can deal with the Registered Owner or with the Trust Property without being restricted by the provisions of the Bare Trust Agreement;
- (c) the Beneficiary will not terminate or make any material changes, or permit any material changes to be made, to the Bare Trust Agreement, provided that the Beneficiary will provide written notice to the Lender of any proposed changes to be made to the Bare Trust Agreement;

- (d) the Beneficiary will not sell any part of the Trust Property to any other person other than as may be permitted pursuant to the terms of the Loan Agreement; and
- (e) the Beneficiary will execute and deliver to the Lender, and will cause the Registered Owner to execute and deliver to the Lender, all documents required by the Lender in connection with the Loan Agreement and the maintenance of the Security.

8.2 This Agreement is in addition to and not in substitution for the Security and the Lender may do all or any of the following:

- (a) grant time, renewals, extensions, indulgences, leases and discharges to;
- (b) take securities from;
- (c) abstain from taking additional security from;
- (d) abstain from perfecting securities of;
- (e) accept compositions from; and
- (f) otherwise deal with,

the Beneficiary, the Registered Owner, and all other persons and securities, including the Security, as the Lender may see fit without prejudice to the rights of the Lender under the Security.

8.3 Capitalized words not otherwise defined herein have the meanings ascribed to them in the Loan Agreement.

8.4 This Agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

8.5 The taking of a judgment on any covenant contained herein shall not operate to create any merger or discharge of any liability, obligation or covenant of either of the Registered Owner or the Beneficiary under any of the Security or any other securities of any form held or which may be held hereafter by the Lender from the Registered Owner or the Beneficiary, or from any other person or persons whomsoever.

8.6 If any one or more of the provisions contained in this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.7 This Agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs, representatives, successors and assigns.

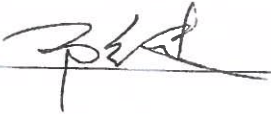
8.8 The headings to the parts and sections and clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

- 8.9 Whenever the singular or the masculine is used herein the same shall be deemed to include the plural or the body corporate where the context or the parties so require.
- 8.10 Any notice, demand or document to be delivered with respect to this Agreement shall be given in accordance with the notice provisions contained in the Loan Agreement.
- 8.11 The Beneficiary and Registered Owner waive all rights to receive from the Lender a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Agreement and the Security.
- 8.12 This Agreement may be executed in one or more counterparts, which so executed shall constitute an original and all of which together shall constitute one and the same agreement. A signed counterpart delivered by facsimile or other means of electronic transmission shall be as binding upon the parties as an originally signed counterpart.
- 8.13 This Agreement is granted to the Lender in connection with the Loan Agreement. All of the covenants, representations, warranties, rights and benefits made or given in favour of the Lender are hereby acknowledged by the Beneficiary and the Registered Owner to be, and shall be interpreted to be, for the benefit of the Lender.
- 8.14 To the extent that any provision of this Agreement conflicts with or is inconsistent with any provisions of the Loan Agreement, the Loan Agreement shall govern and prevail to resolve such conflict or inconsistency in any and all circumstances, such that the provisions of the Loan Agreement shall be paramount to supersede the provisions of the Agreement.


**[Signature Page Follows]**

IN WITNESS WHEREOF the Beneficiary and the Registered Owner have executed this Agreement as of the date set out at the beginning of this Agreement.


CHONGYE DEVELOPMENTS LTD.

Per: 

Per: LUJIAN SHAO

  
Witness

**STUART YETMAN**  
Barrister & Solicitor  
550-1130 West Pender Street  
Vancouver, BC V6E 4A4  
Tel: 604-359-3017 Fax: 604-484-2120  
Email: [stuart@yetmansLaw.com](mailto:stuart@yetmansLaw.com)

  
Amy Barsha Washington, by her attorney,  
Lujian Shao, See D.F. No. CA8344333

This is **Exhibit "C"** referred to in the affidavit of Michael Atkinson sworn before me at Vancouver, British Columbia, this 30<sup>th</sup> day of November, 2022



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A Commissioner for taking Affidavits  
For British Columbia

Status: Registered

Doc #: CA8829657

RCVD: 2021-03-09 RQST: 2022-11-28 15:38:35

FORM B\_V25

## NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT  
FORM B (Section 225)

Mar-09-2021 14:01:48.001

CA8829657 CA8829658

## MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 3 PAGES

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

Shoshanah  
Florence Webber  
1BMBTS

Digitally signed by  
Shoshanah Florence  
Webber 1BMBTS  
Date: 2021.03.04 22:25:20  
-08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

DENTONS CANADA LLP  
BARRISTERS AND SOLICITORS  
20TH FLOOR, 250 HOWE STREET  
VANCOUVER BC V6C 3R8  
Document Fees: \$149.74

Telephone No. (604) 687-4460  
File: 575799-6

Deduct LTA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:  
[PID] [legal description]

013-255-495 LOT 9 OF LOT 3 BLOCK 138 DISTRICT LOT 540 PLAN 2992

STC? YES ☐

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

AMY BARSHA WASHINGTON

835 EYRE MOUNT DRIVE  
WEST VANCOUVER BRITISH COLUMBIA  
V7S 2A8 CANADA

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

EARLSTON MORTGAGE CORP.

SUITE 1703, 595 BURNARD STREET  
VANCOUVER BRITISH COLUMBIA  
CANADA V7X 1J1  
Incorporation No  
BC0943973

5. PAYMENT PROVISIONS:

(a) Principal Amount:

\$5,000,000

(b) Interest Rate:

SEE SCHEDULE

(c) Interest Adjustment

Date: N/A

Y M D

(d) Interest Calculation Period:

N/A

(e) Payment Dates:

SEE SCHEDULE

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

N/A

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

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the  
applicant wants registered?

YES ☒ NO ☐

If YES, page and paragraph number:

MT110105

Pages 17 to 19. Paragraph 9.02

(k) Place of payment:

POSTAL ADDRESS IN  
ITEM 4

(l) Balance Due

Date: September 1,  
2022

MORTGAGE - PART 1

PAGE 2 OF 3 PAGES

6. MORTGAGE contains floating charge on land ?  
YES ☐ NO ☒

7. MORTGAGE secures a current or running account ?  
YES ☒ NO ☐

8. INTEREST MORTGAGED:

Fee Simple ☒  
Other (specify) ☐

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms ☐  
(b) Filed Standard Mortgage Terms ☒  
(c) Express Mortgage Terms ☐

D.F. Number: MT110105

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

SEE SCHEDULE

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

Officer Signature(s)

Stuart Yetman  
Barrister & Solicitor  
550-1130 West Pender Street  
Vancouver, BC V6E 4A4  
Tel: 604-359-3017 Fax: 604-484-2120  
Email: stuart@yetmansLaw.com

Execution Date		
Y	M	D
21	03	02

Borrower(s) Signature(s)

AMY BARSHA WASHINGTON  
by her attorney, Lujian Shao, See  
D.F. No. CA8344333

OFFICER CERTIFICATION:

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

**LAND TITLE ACT  
FORM E****SCHEDULE**

PAGE 3 OF 3 PAGES

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

**5(b) Interest Rate:**

For the first 12 months during which the indebtedness is outstanding: the greater of 8.50% per annum and the Prime Rate plus 6.05% per annum.

From the beginning of the 13th month: the greater of 12.50% per annum and the Prime Rate plus 10.05% per annum.

**5(e) Payment Dates:**

Principal: On Demand

Interest: On the last business day of each and every month and on repayment of the principal.

**10. ADDITIONAL OR MODIFIED TERMS:**

The Filed Standard Mortgage Terms referred to in the Form B, forming part hereof are amended as follows:

1. The definition of Prime Rate in Section 1.01 is deleted in its entirety and replaced with the following:

"Prime Rate" means the annual prime rate of interest announced, quoted or charged from time to time by The Toronto-Dominion Bank at the location designated by the Mortgagee, as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans made by The Toronto-Dominion Bank in Canada."

2. To add the following as a new Section 1.07:

"The Mortgagor and the Mortgagee confirm that in the event of an inconsistency between the provisions of the commitment letter between the Mortgagee, as lender, and, amongst others, the Mortgagor and Chongye Developments Ltd., as borrowers, dated March 2nd, 2021 (as amended, restated, amended and restated, modified, supplemented or replaced from time to time, the "Commitment Letter") and this mortgage in favour of the Mortgagee, the terms of the Commitment Letter shall prevail to the extent of any such conflict."

3. To add the following as a new Section 11.

"11. Mortgagee as Agent:

The Mortgagee may hold this Mortgage and the mortgages, charges and all other rights, entitlements, remedies and powers created herein for ourselves or, as agent, for the Mortgagee and inter alia as agent for any other lender(s) who may become party to the Commitment Letter."



**Document Fees: \$152.64**

1. Application

**Dentons Canada LLP  
Barristers and Solicitors  
20th Floor, 250 Howe Street  
Vancouver BC V6C 3R8  
(604) 687-4460**

2. Description of Land

PID/Plan Number	Legal Description
<b>013-255-495</b>	<b>LOT 9 OF LOT 3 BLOCK 138 DISTRICT LOT 540 PLAN 2992</b>

3. Nature of Interest

Type	Number	Additional Information
<b>MODIFICATION</b>	<b>CA8829657</b>	<b>Modification of Mortgage</b>
<b>MODIFICATION</b>	<b>CA8829658</b>	<b>Modification of Assignment of Rents</b>

4. Terms

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

5. Transferor(s)

**AMY BARSHA WASHINGTON**

6. Transferee(s)

<b>EARLSTON MORTGAGE CORP.</b> 1703 - 595 BURNARD STREET VANCOUVER BC V7X 1J1	<b>BC0943973</b>
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7. Additional or Modified Terms



### 8. Execution(s)

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

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

**Stuart Yetman**  
**Barrister & Solicitor**  
 550-1130 West Pender Street  
 Vancouver BC V6E 4A4

YYYY-MM-DD

**2022-06-09**

**AMY BARSHA WASHINGTON**  
 By their Attorney

Tel: 604-359-3017 Fax: 604-484-2120  
 Email: stuart@yetmansLaw.com

**Lujian Shao**  
 See CA8344333

### Officer Certification

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

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

**Shayla Hardy**  
**Barrister & Solicitor**  
 Dentons Canada LLP  
 20th Floor, 250 Howe Street  
 VANCOUVER BC V6C 3R8

YYYY-MM-DD

**2022-06-13**

**EARLSTON MORTGAGE CORP.**  
 By their Authorized Signatory

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

**Print Name: Michael Atkinson**

**Print Name:**

### Officer Certification

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

**Electronic Signature**

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

**Shayla Hardy**  
**3JGUGB**

Digitally signed by  
Shayla Hardy 3JGUGB  
Date: 2022-06-14  
11:36:31 -07:00

## TERMS OF INSTRUMENT – PART 2

BETWEEN:

**AMY BARSHA WASHINGTON**

835 Eyremount Drive, West Vancouver British Columbia V7S 2A8

(the "**Mortgagor**")

AND:

**EARLSTON MORTGAGE CORP. (INCORPORATION NO. BC0943973)**

1703, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1

(the "**Mortgagee**")

WHEREAS:

A. The Mortgagor granted a mortgage and assignment of rents (together, the "**Mortgage**") to the Mortgagee in the principal amount of \$5,000,000 dated March 2, 2021, which mortgage and assignment of rents was registered in the New Westminster Land Title Office on March 9, 2021, under registration numbers CA8829657 and CA8829658, respectively, against those lands and premises located in or around Vancouver, British Columbia and more particularly known and described within the Mortgage (collectively, the "**Property**"); and

B. The Mortgagor has requested the maturity date of the Mortgage be extended and the interest rate be amended and the Mortgagee has agreed upon condition, inter alia, that the Mortgagor execute this Modification of Mortgage; and

C. The Mortgagor and the Mortgagee wish to amend the Mortgage on the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of \$10.00 now paid by the Mortgagor to the Mortgagee (the receipt and sufficiency of which are hereby acknowledged) and of the mutual covenants and agreements contained herein, the parties hereto mutually covenant and agree as follows:

1. The balance due date set out in item 5(l) of Part 1 of the Form B Mortgage is amended to read "September 1, 2023".

2. The interest rate set out in item 5(b) of Part 1 of the Form B Mortgage is amended to read:

"Until and including March 30, 2023 during which the Indebtedness is outstanding: the greater of (a) 8.50% per annum, and (b) Prime Rate plus 6.05% per annum; and

After March 30, 2023: the greater of (a) 12.5% per annum, and (b) the Prime Rate plus 10.05% per annum."

3. The Mortgagor and the Mortgagee hereby agree that the amendments contained in this Modification of Mortgage shall be made to the Mortgage effective upon the date of registration of this Modification of Mortgage at the Land Title Office and are to be made *nunc pro tunc* as if this Modification of Mortgage had been executed on the date that the Mortgage was executed.

4. Save as to the amendments effected by this Modification of Mortgage, the Mortgage shall continue in full force and effect, unamended.

5. The Mortgagor hereby covenants and agrees that it will at all times, at its own cost and expense, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, charges, and assignments, in each case consistent with the Mortgage, as amended hereby, as the Mortgagee may reasonably require for the better mortgaging, charging, pledging and assigning unto the Mortgagee the Property.

This Modification of Mortgage shall enure to the benefit of and shall be binding upon each of the parties hereto, their administrators, heirs, executors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Modification of Mortgage on Part 1 hereof.

**END OF DOCUMENT**

**TITLE SEARCH PRINT**

File Reference: 575799-6

2022-06-14, 12:43:15

Requestor: Kerstin Schuller

**\*\*CURRENT AND CANCELLED INFORMATION SHOWN\*\***

<b>Land Title District</b>	VANCOUVER
Land Title Office	VANCOUVER
<b>Title Number</b>	CA3968470
From Title Number	CA1953321
<b>Application Received</b>	2014-09-18
<b>Application Entered</b>	2014-09-25
<b>Registered Owner in Fee Simple</b>	
Registered Owner/Mailing Address:	AMY BARSHA WASHINGTON, BUSINESSWOMAN 835 EYREMOUNT DRIVE WEST VANCOUVER, BC V7S 2A8
<b>Taxation Authority</b>	Vancouver, City of
<b>Description of Land</b>	
Parcel Identifier:	013-255-495
Legal Description:	LOT 9 OF LOT 3 BLOCK 138 DISTRICT LOT 540 PLAN 2992
<b>Legal Notations</b>	NONE
<b>Charges, Liens and Interests</b>	
Nature:	COVENANT
Registration Number:	BB4045749
Registration Date and Time:	2012-05-07 13:05
Registered Owner:	CITY OF VANCOUVER
Nature:	MORTGAGE
Registration Number:	CA2529091
Registration Date and Time:	2012-05-07 13:13
Registered Owner:	IMOR CAPITAL CORP. INCORPORATION NO. BC0627911
Transfer Number:	CA2529091 TRANSFERRED TO CA6550555
Registered Owner:	INSTAFUND MORTGAGE MANAGEMENT CORP. INCORPORATION NO. BC1135719
Transfer Number:	CA6550555
<b>Cancelled By:</b>	<b>CA7105035</b>
<b>Cancelled Date:</b>	<b>2018-10-02</b>

**TITLE SEARCH PRINT**

File Reference: 575799-6

2022-06-14, 12:43:15

Requestor: Kerstin Schuller

Nature: ASSIGNMENT OF RENTS  
 Registration Number: CA2529092  
 Registration Date and Time: 2012-05-07 13:13  
 Registered Owner: IMOR CAPITAL CORP.  
 INCORPORATION NO. BC0627911  
 Transfer Number: CA2529092 TRANSFERRED TO CA6550556  
 Registered Owner: INSTAFUND MORTGAGE MANAGEMENT CORP.  
 INCORPORATION NO. BC1135719  
 Transfer Number: CA6550556  
**Cancelled By: CA7105036**  
**Cancelled Date: 2018-10-02**

Nature: MORTGAGE  
 Registration Number: CA3708585  
 Registration Date and Time: 2014-05-02 15:55  
 Registered Owner: DE MIN LI  
**Cancelled By: CA5356247**  
**Cancelled Date: 2016-07-19**

Nature: MORTGAGE  
 Registration Number: CA4243932  
 Registration Date and Time: 2015-02-20 15:13  
 Registered Owner: ACCOUNTABLE MORTGAGE INVESTMENT CORP.  
 INCORPORATION NO. BC1010751  
**Cancelled By: CA6361870**  
**Cancelled Date: 2017-10-11**

Nature: ASSIGNMENT OF RENTS  
 Registration Number: CA4243933  
 Registration Date and Time: 2015-02-20 15:13  
 Registered Owner: ACCOUNTABLE MORTGAGE INVESTMENT CORP.  
 INCORPORATION NO. BC1010751  
**Cancelled By: CA6361871**  
**Cancelled Date: 2017-10-11**

Nature: PRIORITY AGREEMENT  
 Registration Number: CA4244089  
 Registration Date and Time: 2015-02-20 16:05  
 Remarks: GRANTING CA4243932 PRIORITY OVER CA3708585  
**Cancelled By: CA5356247**  
**Cancelled Date: 2016-07-19**

Nature: PRIORITY AGREEMENT  
 Registration Number: CA4244090  
 Registration Date and Time: 2015-02-20 16:05  
 Remarks: GRANTING CA4243933 PRIORITY OVER CA3708585  
**Cancelled By: CA5356247**  
**Cancelled Date: 2016-07-19**

**TITLE SEARCH PRINT**

File Reference: 575799-6

2022-06-14, 12:43:15

Requestor: Kerstin Schuller

Nature: CERTIFICATE OF PENDING LITIGATION  
Registration Number: BB3040363  
Registration Date and Time: 2016-06-01 14:59  
Registered Owner: GUI HUA CHEN  
Remarks: INTER ALIA  
**Cancelled By: CA5273830**  
**Cancelled Date: 2016-06-20**

Nature: CLAIM OF BUILDERS LIEN  
Registration Number: BB4093516  
Registration Date and Time: 2016-07-07 10:02  
Registered Owner: RMC READY-MIX LTD.  
INCORPORATION NO. 0639819  
**Cancelled By: BB4094390**  
**Cancelled Date: 2016-07-28**

Nature: MORTGAGE  
Registration Number: CA6230939  
Registration Date and Time: 2017-08-17 15:47  
Registered Owner: MORNING CAPITAL INC.  
INCORPORATION NO. BC1026008  
Remarks: INTER ALIA  
**Cancelled By: CA7047285**  
**Cancelled Date: 2018-09-05**

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA6230940  
Registration Date and Time: 2017-08-17 15:47  
Registered Owner: MORNING CAPITAL INC.  
INCORPORATION NO. BC1026008  
Remarks: INTER ALIA  
**Cancelled By: CA7047286**  
**Cancelled Date: 2018-09-05**

Nature: MORTGAGE  
Registration Number: CA6230991  
Registration Date and Time: 2017-08-17 15:57  
Registered Owner: TERRAPIN MORTGAGE INVESTMENT CORP.  
INCORPORATION NO. BC0783995  
Remarks: INTER ALIA  
**Cancelled By: CA7105037**  
**Cancelled Date: 2018-10-02**

## TITLE SEARCH PRINT

2022-06-14, 12:43:15

File Reference: 575799-6

Requestor: Kerstin Schuller

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA6230992  
Registration Date and Time: 2017-08-17 15:57  
Registered Owner: TERRAPIN MORTGAGE INVESTMENT CORP.  
INCORPORATION NO. BC0783995  
Remarks: INTER ALIA  
**Cancelled By: CA7105038**  
**Cancelled Date: 2018-10-02**

Nature: PRIORITY AGREEMENT  
Registration Number: CA6231070  
Registration Date and Time: 2017-08-17 16:12  
Remarks: GRANTING CA6230991 PRIORITY OVER CA6230939 AND  
CA6230940  
**Cancelled By: CA7047286**  
**Cancelled Date: 2018-09-05**

Nature: PRIORITY AGREEMENT  
Registration Number: CA6231071  
Registration Date and Time: 2017-08-17 16:12  
Remarks: GRANTING CA6230992 PRIORITY OVER CA6230939 AND  
CA6230940  
**Cancelled By: CA7047286**  
**Cancelled Date: 2018-09-05**

Nature: MORTGAGE  
Registration Number: CA7041692  
Registration Date and Time: 2018-08-31 14:30  
Registered Owner: BANCORP BALANCED MORTGAGE FUND II LTD.  
INCORPORATION NO. BC0856913  
BANCORP GROWTH MORTGAGE FUND II LTD.  
INCORPORATION NO. BC0856914  
BANCORP FINANCIAL SERVICES INC.  
INCORPORATION NO. BC0712503  
EARLSTON MORTGAGE CORP.  
INCORPORATION NO. BC0943973  
Remarks: MODIFIED BY CA7455687  
**Cancelled By: CA7925322**  
**Cancelled Date: 2019-12-12**

**TITLE SEARCH PRINT**

File Reference: 575799-6

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA7041693  
Registration Date and Time: 2018-08-31 14:30  
Registered Owner: BANCORP BALANCED MORTGAGE FUND II LTD.  
INCORPORATION NO. BC0856913  
BANCORP GROWTH MORTGAGE FUND II LTD.  
INCORPORATION NO. BC0856914  
BANCORP FINANCIAL SERVICES INC.  
INCORPORATION NO. BC0712503  
EARLSTON MORTGAGE CORP.  
INCORPORATION NO. BC0943973  
**Cancelled By: CA7925323**  
**Cancelled Date: 2019-12-12**

Nature: MORTGAGE  
Registration Number: CA7267442  
Registration Date and Time: 2018-12-21 11:26  
Registered Owner: PLW INVESTMENT LTD.  
INCORPORATION NO. BC1189338  
Remarks: INTER ALIA  
**Cancelled By: CA7447503**  
**Cancelled Date: 2019-04-15**

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA7267443  
Registration Date and Time: 2018-12-21 11:26  
Registered Owner: PLW INVESTMENT LTD.  
INCORPORATION NO. BC1189338  
Remarks: INTER ALIA  
**Cancelled By: CA7447504**  
**Cancelled Date: 2019-04-15**

Nature: MODIFICATION  
Registration Number: CA7455687  
Registration Date and Time: 2019-04-18 14:56  
Remarks: MODIFICATION OF CA7041692  
**Cancelled By: CA7925322**  
**Cancelled Date: 2019-12-12**

Nature: JUDGMENT  
Registration Number: CA7778244  
Registration Date and Time: 2019-09-30 11:13  
Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
Remarks: INTER ALIA  
**Cancelled By: CA7852018**  
**Cancelled Date: 2019-11-05**

**TITLE SEARCH PRINT**

File Reference: 575799-6

25

2022-06-14, 12:43:15

Requestor: Kerstin Schuller

Nature: MORTGAGE  
Registration Number: CA7883938  
Registration Date and Time: 2019-11-22 09:54  
Registered Owner: FLEXWOOD LIMITED  
**Cancelled By: CA8834641**  
**Cancelled Date: 2021-03-11**

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA7883939  
Registration Date and Time: 2019-11-22 09:54  
Registered Owner: FLEXWOOD LIMITED  
**Cancelled By: CA8834642**  
**Cancelled Date: 2021-03-11**

Nature: MORTGAGE  
Registration Number: CA7883940  
Registration Date and Time: 2019-11-22 09:54  
Registered Owner: AMANCAP CAPITAL MANAGEMENT INC.  
INCORPORATION NO. BC1146946  
**Cancelled By: CA8834639**  
**Cancelled Date: 2021-03-11**

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA7883941  
Registration Date and Time: 2019-11-22 09:54  
Registered Owner: AMANCAP CAPITAL MANAGEMENT INC.  
INCORPORATION NO. BC1146946  
**Cancelled By: CA8834640**  
**Cancelled Date: 2021-03-11**

Nature: PRIORITY AGREEMENT  
Registration Number: CA7884030  
Registration Date and Time: 2019-11-22 10:01  
Remarks: GRANTING CA7883938 PRIORITY OVER CA7883940 AND  
CA7883941  
**Cancelled By: CA8834640**  
**Cancelled Date: 2021-03-11**

Nature: PRIORITY AGREEMENT  
Registration Number: CA7884031  
Registration Date and Time: 2019-11-22 10:01  
Remarks: GRANTING CA7883939 PRIORITY OVER CA7883940 AND  
CA7883941  
**Cancelled By: CA8834640**  
**Cancelled Date: 2021-03-11**

**TITLE SEARCH PRINT**

File Reference: 575799-6

26

2022-06-14, 12:43:15

Requestor: Kerstin Schuller

Nature: JUDGMENT  
Registration Number: CA7973883  
Registration Date and Time: 2020-01-10 12:20  
Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
**Cancelled By: CA8860372**  
**Cancelled Date: 2021-03-23**

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA8410386  
Registration Date and Time: 2020-09-03 16:50  
Registered Owner: PLW INVESTMENT LTD.  
INCORPORATION NO. BC1189338  
INTER ALIA  
Remarks: **CA8796380**  
**Cancelled By:**  
**Cancelled Date: 2021-02-25**

Nature: MORTGAGE  
Registration Number: CA8410391  
Registration Date and Time: 2020-09-03 16:50  
Registered Owner: PLW INVESTMENT LTD.  
INCORPORATION NO. BC1189338  
INTER ALIA  
Remarks: **CA8796379**  
**Cancelled By:**  
**Cancelled Date: 2021-02-25**

Nature: MORTGAGE  
Registration Number: CA8829657  
Registration Date and Time: 2021-03-09 14:01  
Registered Owner: EARLSTON MORTGAGE CORP.  
INCORPORATION NO. BC0943973

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA8829658  
Registration Date and Time: 2021-03-09 14:01  
Registered Owner: EARLSTON MORTGAGE CORP.  
INCORPORATION NO. BC0943973

**Duplicate Indefeasible Title**

NONE OUTSTANDING

**Transfers**

NONE

**Pending Applications**

Parcel Identifier:  
Application Number/Type:

013-255-495  
CB1177 TO CB1178 MODIFICATION

27

**TITLE SEARCH PRINT**

File Reference: 575799-6

2022-06-14, 12:43:15

Requestor: Kerstin Schuller

**Corrections**

CR32925 2017-08-14 15:42:06 OWNER OCCUPATION CORRECTED

This is **Exhibit "D"** referred to in the affidavit of Michael Atkinson sworn before me at Vancouver, British Columbia, this 30<sup>th</sup> day of November, 2022



A Commissioner for taking Affidavits  
For British Columbia

29

20 JUN 2011 13:22

DUPLICATE

**STANDARD MORTGAGE TERMS**

Filed By: Fraser Milner Casgrain LLP  
 Address: 2000 - 250 Howe Street, Vancouver, British Columbia V6C 3R8  
 Reference Date: June 20, 2011

**FRASER MILNER CASGRAIN LLP ALL INDEBTEDNESS MORTGAGE**  
**LAND TITLE ACT REFERENCE NUMBER MT M1110105**

These mortgage terms are deemed to be included in and form part of every mortgage, which incorporates them by reference.

# 1. DEFINITIONS AND INTERPRETATION

1.01 In this Mortgage, the following words and phrases have the meanings indicated:

"Collateral" means the goods subject to the security interest created by paragraph 2.01(b);

"Covenantor" means the person or persons, if any, who signed the Mortgage Form as covenantor and the heirs, personal representatives, successors and assigns of the Covenantor;

"Customer" means the person or persons, if any, whose present and future indebtedness, liabilities or obligations to the Mortgagee from time to time is or are guaranteed by the Mortgagor, and the heirs, personal representatives, successors and assigns of the Customer;

"Environmental Laws" means any and all international, federal, provincial, state, municipal or local laws, regulations, treaties, orders, judgments, decrees, ordinances, official directives and authorizations relating to the environment, Hazardous Materials or occupational health and safety from time to time having application to the Lands, the Collateral, the Mortgagor or the Mortgagor's Interest;

"Event of Default" means one of the events of default under the Mortgage described in section 5;

"fiscal year" means the fiscal year of the Mortgagor or the Covenantor, as the case may be;

"financial statements" means the balance sheet, income statement, statement of retained earnings, statement of changes in financial position and such supporting schedules and notes, all fairly presenting the financial position of the Mortgagor or the Covenantor, as the case may be, all prepared in accordance with GAAP and containing comparative information for the preceding comparative period restated, if necessary, to conform to GAAP for the current period;

"financial statements for the Lands" means a statement of revenue and expenses arising from leasing and the operation of the Lands;

"GAAP" means generally accepted accounting principles, policies and standards which are provided for in the handbook of the Canadian Institute of Chartered Accountants consistently applied;

"Hazardous Materials" means all hazardous or toxic materials, pollutants, effluents, contaminants, radioactive materials, flammable explosives, chemicals known to cause cancer or reproductive toxicity, emissions, washes and all other chemicals, materials and substances, the handling, storage, release, transportation or disposal of which is or becomes prohibited, limited or regulated by any governmental or regulatory authority, or which, even if not so regulated, is or becomes known to pose a hazard to the health and safety of any person, including, without limitation, asbestos, petroleum and petroleum by-products, urea formaldehyde foam insulation, polychlorinated biphenyls, all substances from time to time designated as or considered to be a "contaminant", "waste", "hazardous substance", "hazardous material", "toxic substance" or a similar designation under any Environmental Law, including without limitation, the *Environmental Management Act*, having application to the Lands, the Collateral, the Mortgagor or the Mortgagor's Interest;

"Indebtedness" means:

- (a) all present and future indebtedness and liability (whether absolute, contingent, direct, indirect, matured, unmatured, extended, renewed, joint or several) of the Mortgagor and the Customer (and each of them if more than one) to the Mortgagee, wheresoever and howsoever incurred and any ultimate balance thereof, including, without limitation, all advances on current or running account, future advances and re-advances, Interest and all costs, expenses and other moneys payable to the Mortgagee whether or not referred to in this Mortgage; and
- (b) all other obligations of the Mortgagor and the Customer to the Mortgagee whether or not contained in this Mortgage;

"Interest" means Interest at the Interest Rate owed to the Mortgagee under this Mortgage;

"Interest Margin", if applicable, means the percentage rate above the Prime Rate set out in the Mortgage Form;

"Interest Rate" means the interest rate described in the Mortgage Form, or such other rate or rates of interest as the Mortgagee and the Mortgagor may agree upon, and, if that interest rate is stated to be a rate above the Prime Rate, means the rate per annum equal to the aggregate of the Interest Margin and the Prime Rate in effect from time to time, and such rate shall change automatically, without notice to the Mortgagor, on each date the Prime Rate is changed;

"Lands" means the lands described in Item 2 of the Mortgage Form;

"Maximum Amount" means the amount of money described in Item 5(a) of the Mortgage Form as the principal amount;

"Mortgage Form" means Part I of the form of mortgage established by regulation under the British Columbia *Land Title Act* known as "Form B Mortgage" and all schedules thereto, which form refers to these Mortgage Terms and is signed by the Mortgagor and the Covenantor, if any;

"Mortgage Terms" means these filed mortgage terms;

"Mortgagee" means the person described in the Mortgage Form as the lender and mortgagee and the heirs, personal representatives, successors and assigns of the Mortgagee;

"Mortgagee's Address" means the address of the Mortgagee described in the Mortgage Form or any other address that the Mortgagee designates in writing;

"Mortgagor" means the person or persons described in the Mortgage Form as the borrower or mortgagor and who signed the Mortgage Form as the borrower or mortgagor, and the heirs, personal representatives, successors and assigns of the Mortgagor;

"Mortgagor's Address" means the address of the Mortgagor described in the Mortgage Form or any other address that the Mortgagor may notify the Mortgagee of in writing;

"Mortgagor's Interest" means the Mortgagor's presently held right, title and interest, described in Item 8 of the Mortgage Form, in and to the Lands and the Collateral and any other right, title or interest that the Mortgagor may in the future acquire in the Lands and the Collateral and includes, without limitation, all the Mortgagor's right, title and interest as the registered owner of the fee simple or of any charge affecting the Lands;

"Permitted Encumbrances" means charges, if any, affecting the Lands or the Mortgagor's Interest which are consented to in writing by the Mortgagee;

"person" includes an individual, a corporation and a partnership of individuals or corporations or a combination thereof;

"Place of Payment" means the place of payment described in the Mortgage Form or any other place of payment that the Mortgagee may notify the Mortgagor of in writing;

"Principal Amount" means the principal amount of the Indebtedness outstanding from time to time;

"Prime Rate" means the floating annual prime business interest rate established from time to time by the Bank of Canada;

"Receiver" includes a receiver, a receiver manager and a receiver and manager;

"Taxes" means the aggregate of:

- (a) all taxes, rates, duties or assessments now or hereafter owing or claimed in respect of the Mortgagor's Interest or any machinery, equipment or improvements on the Lands, to the extent such machinery, equipment or improvements form part of the Mortgagor's Interest, or arising out of any transaction between the Mortgagor and the Mortgagee, but does not include the Mortgagee's income or capital taxes;
- (b) all penalties, interest and other moneys added to the amounts described in (a) by the taxing authorities; and
- (c) all utility charges including those for electricity, gas, water, telecommunications, telephones and cable television now or hereafter owing or claimed in respect of the Mortgagor's Interest;

"this Mortgage" means the Mortgage Form and these Mortgage Terms read together.

- 1.02 The headings for sections of these Mortgage Terms have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage.
- 1.03 All provisions of this Mortgage shall have effect to the maximum extent permitted by law, notwithstanding any agreement to the contrary.
- 1.04 Whenever the singular or masculine is used in this Mortgage the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.
- 1.05 If there is any conflict between these Mortgage Terms and the Mortgage Form, the provisions of the Mortgage Form shall govern.
- 1.06 Reference in these Mortgage Terms to any statute or Act shall mean that statute or Act, as it was on the date these Mortgage Terms were registered, and all amendments thereto and all legislation passed in substitution therefor.

## **2. MORTGAGE AND SECURITY INTEREST**

### **2.01 For consideration:**

- (a) the Mortgagor grants and mortgages to the Mortgagee absolutely the Mortgagor's Interest to have and to hold to and for the use of the Mortgagee forever; and
- (b) without in any way limiting paragraph 2.01 (a), pursuant to the British Columbia *Personal Property Security Act* and all regulations thereto, as amended from time to time, the Mortgagor grants to the Mortgagee a security interest in the Mortgagor's right, title and interest in all goods which are now fixtures on the Lands and in all goods which hereafter become fixtures on the Lands, and the Mortgagor agrees that the security interest in such goods which are now fixtures attaches immediately and the security interest in such goods which become fixtures shall attach at the time the goods become fixtures.

### **2.02 This Mortgage will be void upon:**

- (a) payment to the Mortgagee on demand of the Principal Amount up to the Maximum Amount;
- (b) payment to the Mortgagee on demand of Interest, both before and after maturity and before and after judgment, on the Principal Amount, up to the Maximum Amount;
- (c) payment of all costs, expenses and other moneys to which the Mortgagee is entitled by virtue of this Mortgage as and when such moneys become due and payable;
- (d) payment of Taxes; and
- (e) observance and performance of all agreements, provisos and conditions herein contained.

- 2.03 The Mortgagor releases to the Mortgagee all claims of the Mortgagor on the Mortgagor's Interest subject to the foregoing proviso for redemption.

- 2.04 Every part into which the Mortgagor's Interest is or may hereafter be divided stands and shall stand charged with the whole of the Indebtedness and no person shall have any right to require the Indebtedness to be apportioned upon or in respect of such parts but the Mortgagee may release any part or parts of the Mortgagor's Interest with or without sufficient consideration and without releasing the Mortgagor from this Mortgage.
- 2.05 This Mortgage is and shall be a continuing security to the Mortgagee for the payment of all of the Indebtedness, notwithstanding that there shall have been:
- (a) any apparent change in the nature, state or form of any account of the Mortgagor or the Customer with the Mortgagee;
  - (b) any new advance or re-advance by the Mortgagee to the Mortgagor or the Customer, whether by loan, discount, the drawing of a cheque by the Mortgagor or the Customer or otherwise;
  - (c) any discount or acceptance by the Mortgagee from or for the Mortgagor or the Customer of any promissory note, bill of exchange, other negotiable instrument or other commercial paper;
  - (d) any credit of any amount to any account of the Mortgagor or the Customer by reason of deposit of moneys or otherwise; or
  - (e) any renewal, replacement, substitution, alteration, reduction, satisfaction, payment, release or discharge of any promissory note, bill of exchange, other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any security held therefor;

and no such event shall be deemed to be a payment on account of the Indebtedness or any part thereof or call for or require an application as payment on account of the Indebtedness or any part thereof, or in any way affect the security of this Mortgage, unless some officer of the Mortgagee shall give a receipt to the Mortgagor to that effect.

### 3. COVENANT TO PAY

- 3.01 The Mortgagor will pay to the Mortgagee, on demand, the Principal Amount, and until such payment the Mortgagor will pay to the Mortgagee on the last day of each and every month, Interest on the Principal Amount, calculated daily on the basis of the actual number of days elapsed divided by 365 (or, in the case of a leap year, 366) and aggregated for that month; provided that if the Mortgagor pays the Principal Amount, and pays interest at the rate or rates then in effect for the Indebtedness, at the times, in the manner and upon such other terms as otherwise may be agreed upon between the Mortgagor and the Mortgagee, the Mortgagor will not be obliged to pay the Principal Amount or Interest on the terms set out above.
- 3.02 If the Mortgagor fails to pay the Indebtedness, or any part thereof, including Interest, when due, the Mortgagor will pay to the Mortgagee compound interest thereon at the Interest Rate as well after as before maturity to be computed with rests on the last day of each month.
- 3.03 All payments to the Mortgagee hereunder shall be made at the Place of Payment. Any payment made after 1:00 p.m. local time at the Place of Payment shall be deemed to have been made on the next business day.

- 3.04 Any portion of the Indebtedness which by its terms is payable on demand may be prepaid at any time without notice, bonus or penalty. The Mortgagor may not prepay any other portion of the Indebtedness unless the Mortgagee agrees in writing to permit such prepayment.
- 3.05 All Interest payable in respect of the Indebtedness shall be calculated using the nominal rate method and not the effective rate method, and the deemed reinvestment principle shall not apply to such calculations.
- 3.06 Notwithstanding that this Mortgage is stated to be payable on demand, the Mortgagee will not make demand for payment of any portion of the Indebtedness which by its terms is not payable on demand unless and until an Event of Default has occurred and has not been waived by the Mortgagee.

#### **4. REPRESENTATIONS AND WARRANTIES**

The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgagor has the right to mortgage, charge and grant a security interest in the Mortgagor's Interest to the Mortgagee;
- (b) the Mortgagor has good title to the Mortgagor's Interest and has done no act to encumber the Mortgagor's Interest except for Permitted Encumbrances;
- (c) on default the Mortgagee shall have quiet possession of the Mortgagor's Interest free from all charges except Permitted Encumbrances;
- (d) there are no environmental risks or liabilities, or breaches or allegations of breaches of Environmental Laws, known to the Mortgagor which have not been disclosed to the Mortgagee.

#### **5. DEFAULT**

Unless waived by the Mortgagee in writing, each of the following shall be an Event of Default:

- (a) default of payment of the Indebtedness, or any part thereof, when due; or
- (b) breach by the Mortgagor or the Covenantor of any other agreement herein contained which breach is not rectified within 10 days of notice thereof to the Mortgagor; or
- (c) default of payment of any moneys payable under, or in the observance or performance of any agreement, term or condition of, any charge on the Mortgagor's Interest or any instrument creating or pertaining to the Mortgagor's Interest; or
- (d) breach by the Mortgagor, the Covenantor or the Customer of any agreement in any other agreement between the Mortgagee and any of them which breach is not rectified within the time provided for therein or, if no such time for rectification is specified, within 10 days of notice thereof to the Mortgagor; or
- (e) the Mortgagor, the Covenantor or the Customer makes an assignment for the benefit of any creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the

*Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act or similar legislation in any jurisdiction, or makes an authorized assignment; or*

- (f) a Receiver of all or any part of the Mortgagor's Interest is appointed; or
- (g) an order of execution against the Mortgagor's Interest or any part thereof remains unsatisfied for a period of 10 days; or
- (h) any representation or warranty, whether or not contained herein, by or on behalf of the Mortgagor, the Covenantor or the Customer to the Mortgagee is untrue; or
- (i) without the prior written consent of the Mortgagee, the Mortgagor creates or permits to exist any mortgage, lien or charge on, claim against, or security interest in, the Mortgagor's Interest; or
- (j) the holder of any other mortgage, lien or charge on, claim against, or security interest in, the Mortgagor's Interest does anything to enforce or realize on such mortgage, lien, charge, claim or security interest; or
- (k) all or any portion of the Mortgagor's Interest is expropriated; or
- (l) the Mortgagor sells, conveys, transfers or enters into an agreement for sale of or transfer of title to the Mortgagor's Interest or any part thereof; or
- (m) if the Mortgagor, the Covenantor or the Customer is a corporation:
  - (i) an order is made or an effective resolution is passed for winding up any of them; or
  - (ii) any of them enters into an amalgamation, a merger or other similar arrangement with any other person; or
  - (iii) any of them ceases, or threatens to cease, to carry on its business; or
  - (iv) there is a change in control of any of them; or
- (n) if the Mortgagor, the Covenantor or the Customer is an individual, any of them dies or is declared incompetent to manage his or her affairs; or
- (o) the Mortgagor fails to comply with any work orders or other deficiency notices issued to the Mortgagor by any governmental authority having or claiming jurisdiction over the Lands or any buildings located on the Lands within 60 days of receiving any such work order or deficiency notice, or such longer period of time as the Mortgagee and the Mortgagor may agree upon from time to time.

## 6. MORTGAGEE'S REMEDIES

- 6.01 Upon the occurrence of an Event of Default, the Mortgagee may declare all or any portion of the Indebtedness which is not by its terms payable on demand to become immediately due and payable, and the Mortgagee may enforce and realize on the security of this Mortgage by any action permitted by law or in equity, and in particular the Mortgagee may do any one or more of the following:
- (a) apply to Court for an order that the Mortgagor's Interest be sold on terms approved by the Court;
  - (b) apply to Court to foreclose the Mortgagor's Interest;
  - (c) take whatever action is necessary to take, recover and keep possession of the Mortgagor's Interest;
  - (d) without notice sell the Mortgagor's Interest or any part thereof by public auction or private sale for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence of title or otherwise as it shall in its discretion deem proper; and in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received; and the Mortgagee may rescind or vary any contract of sale and may buy in and resell the Mortgagor's Interest or any part thereof without being answerable for loss occasioned thereby; and no purchaser shall be bound to inquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety; and no lack of default or want of notice or other requirement, or any irregularity or impropriety of any kind shall invalidate any sale; and the Mortgagee may take sale proceedings hereunder, notwithstanding that other mortgage proceedings have been taken or are then pending; and for the purposes of this paragraph the Mortgagor hereby appoints the Mortgagee as its irrevocable attorney to exercise the aforesaid powers and to execute and do all deeds, documents and things as may be necessary in the circumstances;
  - (e) appoint a Receiver of the Mortgagor's Interest and of all the properties, assets, effects and undertakings (hereinafter all together called the "Undertakings") of the Mortgagor related to or arising out of the Mortgagor's Interest and may from time to time remove any Receiver so appointed and appoint another, but the Mortgagee shall be under no liability to the Receiver for the Receiver's remuneration or otherwise, and a Receiver so appointed shall be the agent of the Mortgagor and shall have power:
    - (i) to take possession of and get in the Mortgagor's Interest and the Undertakings;
    - (ii) to sell or lease or concur in selling or leasing the Mortgagor's Interest and the Undertakings;
    - (iii) to make any arrangement or compromise which he shall think expedient; and
    - (iv) to the extent permitted by law or to such lesser extent permitted by the Receiver's appointment, to carry on, or concur in the carrying on of, any development or improvement then in progress or otherwise contemplated by the Mortgagor related to the Mortgagor's Interest or the business of the Mortgagor relating to the Mortgagor's

Interest and for such purpose from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of the Mortgagor's Interest and the Undertakings which security may rank before or pari passu with or behind this Mortgage as such security may specify and if it does not so specify it shall rank before this Mortgage; and

- (f) in respect of the Collateral, exercise the remedies of a secured party under the British Columbia *Personal Property Security Act*.

6.02 The net proceeds of any sale or lease, or both, hereunder shall be applied, subject to the claims of all secured and unsecured creditors (if any) ranking in priority to the mortgage and security interest created by this Mortgage, as the Mortgagee, in its absolute discretion, may direct:

- (a) in payment of any costs, charges, expenses and legal fees (between solicitor and own client):
  - (i) incurred by reason of non-payment of the Indebtedness and the exercise by the Mortgagee of any of its rights and remedies under this Mortgage; and
  - (ii) of and incidental to the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to the Receiver including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to the Mortgagee of the Principal Amount up to the Maximum Amount;
- (c) in or toward payment of Interest and compound interest;
- (d) in or toward payment of other moneys owing hereunder; and,

subject to applicable laws, the Mortgagee's right to payment of any amount of the Indebtedness that exceeds the Maximum Amount and the rights of other creditors, any surplus shall be paid to the Mortgagor.

## 7. GENERAL COVENANTS

7.01 The Mortgagor will execute such further assurances of the Mortgagor's Interest as the Mortgagee may require.

7.02 The Mortgagor will forthwith pay or cause to be paid:

- (a) all Taxes when due and, upon request, will furnish the Mortgagee with a copy of receipts for such payments;
- (b) all mortgages, liens, charges and security interests now or hereafter existing or claimed in respect of the whole or any part of the Mortgagor's Interest and, upon request, will furnish the Mortgagee with a copy of receipts for such payments;

- (c) all costs, charges, expenses and legal fees (between solicitor and own client) which may be incurred by the Mortgagee in:
  - (i) inspecting and appraising the value of the Mortgagor's Interest;
  - (ii) investigating title to the Mortgagor's Interest;
  - (iii) negotiating, preparing and registering this Mortgage and other necessary instruments;
  - (iv) taking, recovering and keeping possession of the Mortgagor's Interest;
  - (v) all other actions and proceedings taken in connection with or to realize on the security of this Mortgage, or to protect or enforce the Mortgagee's rights hereunder (including the Mortgagee's cost of the time and services of the Mortgagee's employees); and
  - (vi) preparing and executing a discharge of this Mortgage.

7.03 If the Mortgagee pays and satisfies the whole or any part of any Taxes, or of any mortgages, liens, charges or security interests now or hereafter existing or claimed in respect of the whole or any part of the Mortgagor's Interest, the Mortgagee shall be entitled to all the equities and securities of the person or persons so paid and the Mortgagor hereby authorizes the Mortgagee to retain any discharge thereof without registration for so long as the Mortgagee may think fit so to do.

7.04 The Mortgagor will:

- (a) obtain and maintain insurance, or cause insurance to be obtained and maintained, against such insurable risks and perils as the Mortgagee may direct including, without limitation, insurance against loss or damage by fire and other risks and perils to the Collateral and all other improvements now and hereafter on the Lands, to the extent that such improvements form part of the Mortgagor's Interest, in amounts not less than their full insurable value and, if such improvements include a steam boiler or any other object generating steam or operated by steam, the Mortgagor will insure and keep insured such improvements against loss or damage by explosion of such boiler or other object;
- (b) effect such insurance with such insurer and on such terms as may be approved by the Mortgagee with loss payable to the Mortgagee in priority to every person except the holder of any Permitted Encumbrances;
- (c) upon execution of the Mortgage Form, deliver to the Mortgagee a copy of the policy or policies evidencing such insurance and a copy of receipts for the premiums thereon;
- (d) at least 15 days prior to the expiry of an insurance policy and, should notice of cancellation be given, at least five days prior to the date fixed for cancellation of an insurance policy, deliver to the Mortgagee evidence of renewal or replacement as the case may be; and
- (e) effect such new insurance as the Mortgagee may require if the insurer or the insurance ceases to have the approval of the Mortgagee.

The Mortgagor waives any statutory right to require the insurance proceeds to be applied in any particular manner.

- 7.05 If the whole or any part of the Collateral or any other improvements now or hereafter on the Lands, to the extent that such improvements form part of the Mortgagor's Interest, is damaged the Mortgagor shall forthwith notify the Mortgagee.
- 7.06 All improvements now or hereafter on the Lands, to the extent that such improvements form part of the Mortgagor's Interest, including but without limiting the generality of the foregoing, all buildings, apparatus and equipment appurtenant to such improvements, are and shall be subject to the mortgage and security interest created by this Mortgage.
- 7.07 Without the prior written consent of the Mortgagee, the Mortgagor will not permit any part of the Lands which is subject to the Mortgagor's Interest to remain unoccupied or unused.
- 7.08 The Mortgagor will not do anything that has the effect of reducing the value of the Mortgagor's Interest, or any part thereof, or permit waste to be committed or suffered on the Lands and will maintain or cause to be maintained all Collateral and all other improvements now or hereafter on the Lands, to the extent that such improvements form part of the Mortgagor's Interest, in good order and repair to the satisfaction of the Mortgagee.
- 7.09 The Mortgagee may at such time or times as it may deem necessary and without the concurrence of the Mortgagor or any other person make such arrangements for repairing, finishing and maintaining the Collateral and any other improvements now or hereafter on the Lands, to the extent that such improvements form part of the Mortgagor's Interest, and for investigating, inspecting, taking care of, leasing, collecting of rents of and managing generally the Mortgagor's Interest, as it may deem expedient, without thereby becoming liable as a mortgagee in possession.
- 7.10 If the Mortgagor fails to make all payments required by clause 7.02 or paragraph 9.01 (b) or to insure pursuant to clause 7.04, the Mortgagee, without in any way being obliged to do so, may make such payments and effect such insurance, and all costs, charges, expenses and legal fees (between solicitor and own client) incurred by the Mortgagee in connection therewith and in connection with the exercise by the Mortgagee of its rights under clause 7.09, including an allowance for the time and services of any officer of the Mortgagee or other persons appointed for the above purpose, shall be:
  - (a) a charge on the Mortgagor's Interest in favour of the Mortgagee prior to all claims subsequent to this Mortgage;
  - (b) payable by the Mortgagor forthwith; and
  - (c) added to the Indebtedness.
- 7.11 The taking of a judgment or judgments on any of the agreements herein contained shall not operate as a merger of such agreements or affect the Mortgagee's right to Interest and any such judgment shall provide that interest thereon be computed at the same rate or rates and in the same manner as herein provided until that judgment has been fully paid and satisfied.
- 7.12 Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee in one or more sums at any future date or dates by:

- (a) direct advances to the Mortgagor or the Customer;
- (b) the issue of letters of credit or letters of guarantee at the request of the Mortgagor or the Customer and payment under such letters of credit or letters of guarantee to the beneficiaries thereof; or
- (c) the acceptance of bills of exchange issued by the Mortgagor or the Customer and payment of such bills of exchange to the holders thereof;

and the amount of such advances, re-advances and payments when so made shall be secured by this Mortgage and be repayable with Interest and this Mortgage shall be deemed to be taken as security for the ultimate balance of the Indebtedness, whether arising from the current and running accounts represented by advances, re-advances and payments as aforesaid by the Mortgagee to the Mortgagor or the Customer under a line of credit or a current loan, or otherwise, and the mortgage and security interest created by this Mortgage shall take effect forthwith on the execution of the Mortgage Form. If this Mortgage is redeemed by the Mortgagor, it shall be cancelled and shall not be re-issued but:

- (d) any partial payment made thereon by the Mortgagor or the Customer to the Mortgagee; or
- (e) any ceasing by the Mortgagor or the Customer to be indebted to the Mortgagee;

shall be deemed not to be a redemption or cancellation pro tanto or otherwise, and this Mortgage shall be and remain valid security for any subsequent advance or re-advance by the Mortgagee to the same extent as if such advance or re-advance had been made on the execution of the Mortgage Form.

7.13 Except to the extent that the Mortgagee issues letters of credit or letters of guarantee or accepts bills of exchange or other negotiable instruments at the request of the Mortgagor or the Customer and is required to make payments thereunder:

- (a) neither the execution nor the registration of the Mortgage Form shall bind the Mortgagee to advance any moneys;
- (b) the advance of moneys or any part thereof under this Mortgage shall be in the sole discretion of the Mortgagee; and
- (c) the advance of moneys from time to time shall not bind the Mortgagee to advance any further moneys.

7.14 Any and all payments made in respect of the Indebtedness and the moneys or other proceeds realized from any securities held therefor (including this Mortgage) may be applied, and re-applied, notwithstanding any previous application, on such part or parts of the Indebtedness or such other indebtedness and liability of the Mortgagor or the Customer to the Mortgagee as the Mortgagee may see fit.

7.15 This Mortgage shall not nor shall anything herein contained operate so as to create any merger, rebate or discharge of any debt owing to the Mortgagee or of any lien, bond, promissory note, bill of exchange, guarantee or other security held by or which may hereafter be held by the Mortgagee from the Mortgagor, the Covenantor or the Customer, or from any other person or persons whomsoever,

and this Mortgage shall not in any way prejudicially affect any security held or which may hereafter be held by the Mortgagee for such indebtedness or the Indebtedness or any part or parts thereof or the liability of any endorser or any other person or persons upon any such lien, bond, promissory note, bill of exchange, guarantee or other security or any renewal thereof or replacement or substitution therefor held by the Mortgagee for or on account of such indebtedness or the Indebtedness or any part or parts thereof.

- 7.16 The taking of this Mortgage shall not operate as a merger of the remedies of the Mortgagee for payment of the Indebtedness or of the remedies of the Mortgagee under any lien, bond, promissory note, bill of exchange, other negotiable instrument, other commercial paper or guarantee and notwithstanding this Mortgage or anything contained herein such remedies shall remain intact and be capable of enforcement against the Mortgagor, the Covenantor, the Customer and all other persons liable for the Indebtedness or any part or parts thereof in the same manner and to the same extent as if the Mortgage Form had not been executed.
- 7.17 The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with, the Mortgagor, the Covenantor, the Customer and all other persons and securities as the Mortgagee may see fit without prejudicing the rights of the Mortgagee under this Mortgage.
- 7.18 No sale or other dealing by the Mortgagor with the equity of redemption in the Lands or the Mortgagor's Interest shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor, the Covenantor, the Customer or any other person liable for payment of the Indebtedness.
- 7.19 The Mortgagor will observe and perform all agreements, terms and conditions in all instruments creating or pertaining to the Mortgagor's Interest.
- 7.20 The Mortgagor and the Covenantor will deliver to the Mortgagee:
  - (a) within 90 days of the end of each fiscal year, copies of its financial statements and the report of its auditor, if any, thereon;
  - (b) if the Mortgagor leases the Lands to tenants, within 90 days of the end of each fiscal year, copies of the financial statements for the Lands; and
  - (c) at any time such other information as the Mortgagee may reasonably request.
- 7.21 The Mortgagor will adhere to and comply with all restrictive covenants affecting the Mortgagor's Interest and all laws, regulations, rules, notices and orders of Canada, British Columbia or any municipality or other authority having or claiming jurisdiction over the Lands and affecting the Mortgagor's Interest including, without limitation, Environmental Laws.

7.22 The Mortgagor shall indemnify the Mortgagee, and its officers, directors, employees, agents and shareholders, in their capacities as such, and hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever, including, without limitation:

- (a) the cost, liability or damage arising out of defending, counterclaiming or claiming over against third parties in respect of any action or matter;
- (b) any cost, liability or damage arising out of a settlement of any action or proceeding entered into by the Mortgagee; and
- (c) the costs of complying with the order, direction or request of any governmental or regulatory authority having jurisdiction;

which at any time or from time to time may be paid, incurred or asserted against any of them for, with respect to or as a result of:

- (d) the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Lands or into or upon any lands, the atmosphere or any watercourse, body of water or wetland of any Hazardous Material where it has been proven that the source of the Hazardous Material is the Lands; and
- (e) any Environmental Laws.

This clause 7.22 shall survive the repayment of the Indebtedness and all other amounts owing under this Mortgage and the granting of an order absolute of foreclosure of the Lands and shall continue in full force and effect so long as any possibility of any such liability, claim or loss exists and shall apply notwithstanding any knowledge which any of the foregoing persons may have concerning such liabilities, claims or losses either now or in the future.

7.23 The Mortgagor waives any right it may have in any jurisdiction to pay any part of the Indebtedness in a currency (a "Payment Currency") other than that which the Mortgagor or the Customer has agreed to pay (an "Agreed Currency"), and if:

- (a) any part of the Indebtedness is received by the Mortgagee in a Payment Currency, whether as a result of any judgment or order or the enforcement thereof, the liquidation, receivership, bankruptcy, or insolvency of the Mortgagor or for any other reason; and
- (b) the amount of Agreed Currency which results from the conversion of the Payment Currency so received is less than the amount of the Agreed Currency which the Mortgagee is entitled to receive;

the Mortgagor shall indemnify the Mortgagee for the deficiency and any loss sustained as a result. Such conversion shall be made at such prevailing rate of exchange on such date and in such market as is determined by the Mortgagee as being most appropriate for such conversion. The Mortgagor shall pay the costs of conversion. The obligations created by this clause 7.23 are in addition to all other obligations of the Mortgagor under, and are secured by, this Mortgage.

7.24 All payments to be made under this Mortgage shall be made:

- (a) without set-off or counterclaim; and
- (b) free and clear of and without deduction for or on account of all present and future taxes, levies, imposts, deductions, charges and withholdings whatsoever together with interest therein and penalties with respect thereto, if any, and any payments made on or in respect thereof (collectively "Withholding Taxes") unless the Mortgagor is compelled by law to make payment subject to such Withholding Taxes.

If any Withholding Taxes or amounts in respect thereof must be deducted or withheld from any amounts payable or paid under this Mortgage by the Mortgagor, the Mortgagor shall pay such additional amounts as may be necessary to ensure that, after all required deductions or withholdings (including deductions and withholdings resulting from any additional amounts required to be paid by reason of this clause), the Mortgagee receives a net amount equal to the full amount which it would have received had payment not been made subject to such Withholding Taxes. The Mortgagor shall deliver to the Mortgagee evidence reasonably satisfactory to the Mortgagee (including all relevant receipts) that each payment by the Mortgagor in respect of such Withholding Taxes relating to or arising out of this Mortgage on any amount paid or payable under this Mortgage, has been duly remitted to the appropriate authority, within 10 days of receipt of a written request by the Mortgagee to do so.

## 8. MISCELLANEOUS

8.01 Every certificate signed by an officer of the Mortgagee purporting to show:

- (a) the amount of Indebtedness at any particular time due and payable under this Mortgage shall be prima facie evidence as against the Mortgagor of the amount due and payable at such time under this Mortgage; and
- (b) the Prime Rate at any particular time shall be conclusive evidence of the Prime Rate at that time.

8.02 The invalidity or unenforceability of the whole or any part of any section, clause or paragraph of this Mortgage shall not affect the validity or enforceability of any other section, clause or paragraph or the remainder of such section, clause or paragraph.

8.03 All agreements and liabilities entered into or imposed upon the Mortgagor, if more than one, shall be joint and several.

8.04 Time shall be of the essence hereof.

8.05 The Mortgagee may from time to time and at any time waive in whole or in part the benefit to it of any provision in this Mortgage or any default by the Mortgagor, the Covenantor or the Customer, but such waiver on any occasion shall be deemed not to be a waiver of such provision thereafter or of any subsequent default but no waiver shall be binding on the Mortgagee unless it is in writing.

8.06 In accordance with the British Columbia *Property Law Act*, the doctrine of consolidation is not abolished with respect to this Mortgage.

- 8.07 This Mortgage shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.
- 8.08 The Mortgagor waives all rights to receive from the Mortgagee a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Mortgage.
- 8.09 Any demand or notice herein referred to, or any notice or document relating to any action or other proceeding concerning this Mortgage, may be effectively given to the Mortgagor by the Mortgagee:
- (a) by leaving the same with an adult person on the Lands, if occupied, or placing the same on some portion thereof, if unoccupied; or
  - (b) by delivering the same or mailing the same by prepaid registered post to the Mortgagor at the Mortgagor's Address; or
  - (c) if the Mortgagor is a corporation, by delivering the same or mailing the same by prepaid registered post to the Mortgagor at its registered office; or
  - (d) by publishing the same twice in some newspaper published or circulating in the county or district in which the Lands are situate;

and to the Mortgagee by the Mortgagor by mailing such notice by prepaid registered post to the Mortgagee at the Mortgagee's Address. If the Mortgagor consists of more than one person, notice to any one of them shall be deemed to be notice to all of them.

## 9. SPECIAL INTERESTS

- 9.01 **Strata Lot:** If the Mortgagor's Interest, or any part thereof, forms part of a strata title development:
- (a) the Mortgagor shall comply with all provisions of the British Columbia *Strata Property Act*, its regulations and the by-laws and rules of the strata corporation (the "Strata Corporation") constituted by the deposit of the appropriate strata plan from time to time in force;
  - (b) the Mortgagor shall pay, on or before the due dates thereof, each and every assessment, contribution, charge, fine, interest or levy made by or on behalf of the Strata Corporation in respect of the Mortgagor's Interest;
  - (c) the Mortgagee is hereby authorized to apply to the Strata Corporation at any time and from time to time for certification of the matters referred to in paragraphs (a) and (b) above in connection with the Mortgagor's Interest, or that no moneys are owing to the Strata Corporation by the Mortgagor or to inspect or obtain copies of any records or other documents of the Strata Corporation that the Mortgagor is entitled to inspect or obtain;
  - (d) the Mortgagor's power and right to vote conferred on it by or under the *Strata Property Act* may be exercised by the Mortgagee in respect of all matters in relation to which the *Strata Property Act* allows or provides that the Mortgagee may vote, such power and rights being hereby assigned, transferred and set over unto the Mortgagee, and in respect of all other

matters, the Mortgagor hereby irrevocably appoints the Mortgagee as proxy for the Mortgagor to attend, speak and vote for and on behalf of the Mortgagor, but in the discretion of the Mortgagee, at all meetings of the Strata Corporation; provided the Mortgagee shall not be obliged to vote or to protect the interests of the Mortgagor and shall not be liable to the Mortgagor in connection with any consequences of the Mortgagee's exercise or failure to exercise such right to vote;

- (e) if for any reason whatsoever the Mortgagor votes at any meeting of the Strata Corporation, the Mortgagor shall, if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted;
- (f) if requested by the Mortgagee, the Mortgagor shall deliver to the Mortgagee, at least five days prior to each general meeting of the Strata Corporation, written notice of the meeting specifying the place, date, hour and purpose of the meeting;
- (g) at the request of the Mortgagee, the Mortgagor will deliver to the Mortgagee copies of all notices, financial statements and other documents given by the Strata Corporation to the Mortgagor; and
- (h) if the Strata Corporation transfers, charges or adds to the common property, or amends its bylaws and, in the Mortgagee's opinion, the value of the Mortgagor's Interest is reduced, the Indebtedness shall, at the option of the Mortgagee, become immediately due and payable.

9.02 **Assignment of Rents:** If the Mortgagor's Interest, or any part thereof, is or becomes subject to any lease, agreement to lease, tenancy, right of use or occupation, or licence (all of which leases, agreements to lease, tenancies, rights and licences are in this clause collectively called the "Leases"):

- (a) the Mortgagor transfers and assigns to the Mortgagee absolutely all rents and moneys of whatsoever nature or kind including repayment of tenant inducements, operating expenses and other revenue (in this clause called the "Rents") now due and payable or which may hereafter become due and payable:
  - (i) under all existing and future Leases in respect of the whole or any portion of the Mortgagor's Interest; and
  - (ii) under every existing and future guarantee of each and every one of the obligations of each and every existing or future tenant, user, occupier, or licensee of the whole or any portion of the Mortgagor's Interest;

together with the benefit of all covenants and rights therein, and, specifically, in the Leases contained, and the full power and authority to demand, collect, sue for, distrain for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Mortgagor, as security for payment of the Indebtedness;

- (b) the Mortgagor represents and warrants to the Mortgagee that:
  - (i) it has not terminated, cancelled or accepted surrender of any of the Leases or waived, released, reduced or abated any rights or remedies of the Mortgagor or obligations of any other party under any of the Leases or in connection with any of the Leases;

- (ii) none of those rights, remedies or obligations are affected by any other agreement, document or understanding or by any reduction, abatement, defence, set-off, or counterclaim, except those consented to in writing by the Mortgagee;
  - (iii) no Rents have been paid in advance for a period exceeding one month;
  - (iv) there are no existing defaults under any of the Leases; and
  - (v) there are no outstanding disputes under any of the Leases;
- (c) the Mortgagor agrees with the Mortgagee that:
- (i) without the prior written consent of the Mortgagee, it will not terminate, cancel or accept surrender of any of the Leases or waive, release, reduce or abate any rights or remedies of the Mortgagor or obligations of any other party under any of the Leases or in connection with any of the Leases;
  - (ii) without the prior written consent of the Mortgagee, none of such rights, remedies or obligations will be affected by any other agreement, document or understanding or by any reduction, abatement, defence, set-off, or counterclaim;
  - (iii) without the prior written consent of the Mortgagee, none of the Leases or the Mortgagor's rights thereunder including the right to receive the Rents, will be amended, assigned, encumbered, discounted or anticipated;
  - (iv) without the prior written consent of the Mortgagee, no Rents will be paid in advance for a period exceeding one month;
  - (v) it will observe and perform all of its obligations under each of the Leases;
  - (vi) a true copy of each of the Leases will be delivered by the Mortgagor to the Mortgagee upon demand by the Mortgagee;
  - (vii) it will execute such further assurances as may be required by the Mortgagee from time to time to perfect this assignment, including without limiting the generality of the foregoing, whenever any Lease not now existing is made or arises, it will, upon demand by the Mortgagee at any time, forthwith give the Mortgagee a specific assignment of the rents and guarantees thereunder, if any, similar to this assignment and will give any other parties thereto notice of such assignment and will obtain from them acknowledgements of such notice;
  - (viii) without the prior written consent of the Mortgagee, it will not lease or agree to lease or grant any licence or user of any part of the Mortgagor's Interest except at a rent and on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased;

- (ix) nothing herein contained shall have the effect of making the Mortgagee responsible for the collection of the Rents, or any of them, or for the performance of or in respect of the Leases, or any of them, to be observed or performed by the Mortgagor and the Mortgagee shall not, by virtue of this assignment or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands and the Mortgagee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents, or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases, or any of them, and the Mortgagee shall be liable to account only for such monies as shall actually come into its hands, less proper collection charges, and such monies may be applied on account of any indebtedness of the Mortgagor to the Mortgagee; and
- (x) upon demand by the Mortgagee at any time, the Mortgagor shall, and, at any time, the Mortgagee may, notify each and every one of the parties so obligated to pay the Rents, or any part thereof, that the same have been assigned to the Mortgagee;
- (d) the Mortgagee may enforce its rights under this clause 9.02 independently of its rights under clause 6.01; and
- (e) provided that so long as the Mortgagor does not accept prepayment of any Rents (other than the current month's Rent and the last month's Rent) the Mortgagor may collect and deal with any Rents prior to the occurrence of an Event of Default.

**9.03 Leasehold Mortgage:** If the Mortgagor's Interest, or any part thereof, is as a lessee of the Lands, or any part thereof, under a lease, agreement to lease, tenancy, right of use or occupation, or licence or any renewal, replacement or extension thereof (all of which leases, agreements to lease, tenancies, rights, licences, renewals, replacements and extensions are in this clause collectively called the "Lease"):

- (a) the Mortgagor grants and mortgages to the Mortgagee by sub-demise the Mortgagor's Interest and the Lease;
- (b) if the Lease cannot be effectively charged without consent, any charge intended to be created by this Mortgage upon the Lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such charge have been obtained;
- (c) the last 10 days of the Mortgagor's right to occupy or use the Lands under the Lease are excepted out of the charge created by this Mortgage;
- (d) the Mortgagor represents and warrants to the Mortgagee that the Lease is in good standing, the Mortgagor has the right to mortgage the Lease to the Mortgagee, all rents or other moneys payable under the Lease have been paid and all other obligations under the Lease, whether of the Mortgagor or the landlord, have been performed or complied with;
- (e) the Mortgagor agrees that any default under the Lease shall be deemed to be an Event of Default;

- (f) without the prior written consent of the Mortgagee, the Mortgagor will not surrender or terminate the Lease or permit any amendment of the terms of the Lease; and
- (g) unless otherwise permitted by the Mortgagee, the Mortgagor shall exercise every renewal of the Lease.

**9.04 Mortgage of Mortgage:** If the Mortgagor's Interest, or any part thereof, is as a mortgagee of the Lands, or any part thereof, under a mortgage (in this clause called the "Head Mortgage"):

- (a) the Mortgagor transfers and assigns to the Mortgagee absolutely all the right, title and interest of the Mortgagor in and to the Head Mortgage and the moneys now and hereafter owing thereunder, together with the full benefit of all the Mortgagor's powers under the Head Mortgage, including any guarantee contained in the Head Mortgage, and grants to the Mortgagee, full power and authority to use the name of the Mortgagor for enforcing the performance of the covenants and other matters and things contained in the Head Mortgage;
- (b) the Mortgagor represents and warrants to the Mortgagee that the Head Mortgage is good and valid security;
- (c) the Mortgagor represents and warrants to the Mortgagee that the Mortgagor has not done, nor permitted any act, matter or thing whereby the Head Mortgage has been assigned to another person, released or discharged, either in whole or in part;
- (d) the Mortgagor agrees that default of any kind under the Head Mortgage or the Mortgagor becoming entitled to take any action or proceeding under the Head Mortgage shall be deemed to be an Event of Default;
- (e) the Mortgagor shall not accept any prepayment of the moneys owing under the Head Mortgage other than in accordance with the terms thereof; provided that, if the Mortgagor is obliged to accept a prepayment, the amount thereof shall be paid to the Mortgagee as a prepayment of the Indebtedness unless the Mortgagee waives such prepayment; and
- (f) without the prior written consent of the Mortgagee, the Mortgagor will not permit any amendment to the terms of the Head Mortgage.

**9.05 Interest in Right to Purchase:**

- (a) If the Mortgagor's Interest, or any part thereof, is the vendor's fee simple subject to a right to purchase (in this clause called the "Right to Purchase"):
  - (i) the Mortgagor transfers and assigns to the Mortgagee absolutely all the right, title and interest of the Mortgagor in and to the Right to Purchase together with the full benefit of all the Mortgagor's powers under the Right to Purchase, and grants to the Mortgagee full power and authority to use the name of the Mortgagor for enforcing the performance of the covenants and other matters and things contained in the Right to Purchase;
  - (ii) the Mortgagor shall not accept any prepayment of the Right to Purchase other than in accordance with the terms thereof, provided that if the Mortgagor is obliged to accept

a prepayment, the amount thereof shall be paid to the Mortgagee as a prepayment of the Indebtedness unless the Mortgagee waives such prepayment; and

- (iii) without the prior written consent of the Mortgagee, the Mortgagor will not permit any amendment to the terms of the Right to Purchase.
- (b) If the Mortgagor's Interest, or any part thereof, is that of a purchaser under a Right to Purchase:
  - (i) the Mortgagor transfers and assigns to the Mortgagee absolutely all the right, title and interest of the Mortgagor in and to the Right to Purchase together with the full benefit of all the Mortgagor's powers under the Right to Purchase, and grants to the Mortgagee full power and authority to use the name of the Mortgagor for enforcing the performance of the covenants and other matters and things contained in the Right to Purchase;
  - (ii) the Mortgagor shall comply with all the terms and conditions of the Right to Purchase, and any default by the Mortgagor under the Right to Purchase shall be deemed to be an Event of Default; and
  - (iii) without the prior written consent of the Mortgagee, the Mortgagor will not permit any amendment to the terms of the Right to Purchase.

9.06 **Development Mortgage:** If the Mortgagor is borrowing all or part of the Indebtedness in order to purchase the Lands or construct utilities, improvements or buildings thereon, or both (in this clause called the "Development"), the Mortgagor agrees with the Mortgagee that:

- (a) the Development being or to be carried out on the Lands forms part of the security for the Indebtedness;
- (b) the Mortgagor will carry on construction of the Development continuously, diligently and with dispatch until completed and will devote its full efforts and energy to the development and construction of the Development and shall not abandon or delay completion of the Development or, without the prior written consent of the Mortgagee, depart from any plans and specifications provided to the Mortgagee in connection with the Development;
- (c) the Mortgagor will construct the Development in a good and workmanlike manner using first class quality materials in accordance with the aforesaid plans and specifications and will comply with all restrictions, conditions, ordinances, codes, regulations and laws of governmental authorities having jurisdiction over, or an interest in, the Lands or the Development including, without limitation, all Environmental Laws; and
- (d) the Mortgagor will pay or cause to be paid as soon as the same are due all claims and demands of contractors and materialmen and all wages, salaries, holiday pay, workers' compensation assessments and other charges of any nature and kind (in this clause collectively called the "Liens") which could in any circumstances constitute a lien or charge having priority over this Mortgage and will from time to time on demand provide the Mortgagee with such books, payrolls and other records, receipts, certificates and declarations as the Mortgagee may deem necessary to satisfy itself that such Liens have been paid as soon as they are due, and if a

builder's lien or Lien is filed against the Lands, the Mortgagor will cause that lien or Lien to be removed forthwith upon notice by the Mortgagee.

#### 10. COVENANTOR

10.01 For consideration, the Covenantor agrees with the Mortgagee that:

- (a) the Covenantor will at all times pay, or cause to be paid, the Indebtedness as and when due in accordance with its terms;
- (b) the Covenantor adopts each and every agreement of the Mortgagor as set out in this Mortgage and agrees with the Mortgagee to observe and perform all such agreements;
- (c) for greater certainty:
  - (i) the taking of this Mortgage shall not operate as a merger of the remedies of the Mortgagee for payment of the Indebtedness or of the remedies of the Mortgagee under any lien, bond, promissory note, bill of exchange, other negotiable instrument, other commercial paper or guarantee and notwithstanding this Mortgage or anything contained herein such remedies shall remain intact and be capable of enforcement against the Mortgagor, the Covenantor, the Customer and all other persons liable for the Indebtedness or any part or parts thereof in the same manner and to the same extent as if the Mortgage Form had not been executed;
  - (ii) the Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with, the Mortgagor, the Covenantor, the Customer and all other persons and securities as the Mortgagee may see fit without prejudicing the rights of the Mortgagee under this Mortgage;
- (d) all agreements and liabilities entered into or imposed upon the Covenantor, if more than one, shall be joint and several; and
- (e) demand may be made upon, and notice may be given to, the Covenantor in the same manner as to the Mortgagor under this Mortgage.

10.02 The Covenantor acknowledges receipt of a copy of this Mortgage.

10.03 The Covenantor waives all rights to receive from the Mortgagee a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Mortgage.

**END OF DOCUMENT**

This is **Exhibit "E"** referred to in the affidavit of Michael Atkinson sworn before me at Vancouver, British Columbia, this 30<sup>th</sup> day of November, 2022



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A Commissioner for taking Affidavits  
For British Columbia



## EARLSTON

March 2, 2021

Chongye Developments Ltd.  
Amy Barsha Washington  
4408 West 3<sup>rd</sup> Avenue  
Vancouver, BC  
V6R 1N1

Attention: Amy Washington and Edison Washington

Dear Sir/Madame:

**RE: 4408 West 3<sup>rd</sup> Avenue, Vancouver, B.C. V6R 1N1, PID 013-255-495 Lot 9 of Lot 3 Block 138 District Lot 540 Plan 2992**

This letter (the "**Commitment Letter**") is delivered to the Borrowers on the understanding that its contents shall be kept confidential by the Borrowers and Guarantor (as set out below) except to professional advisors, employees and agents of the Borrowers and Guarantor who are specifically involved in this transaction.

We are pleased to advise that Earlston Mortgage Corp., as trustee and administrator for a group of investors will, subject to final approval of the Investors (as defined below), provide a loan (the "**Loan**") substantially on the terms and conditions outlined herein.

**A. BORROWERS:**

- Chongye Developments Ltd. (the "**Beneficial Owner**")
- Amy Barsha Washington (the "**Registered Owner**")

(collectively, the "**Borrowers**" and each a "**Borrower**")

**B. GUARANTOR:**

- Edison Washington

(the "**Guarantor**")

**C. LENDER:**

Earlston Mortgage Corp. ("**Earlston**") as trustee and servicing agent for a group of investors (hereinafter called the "**Lender**").



**D. ACKNOWLEDGEMENTS:**

The Borrowers and Guarantor acknowledge that Earlston is acting as a trustee and servicing agent for a group of investors (the "**Investors**"). This commitment letter is subject to the Lender's final confirmation in writing after receipt of all required information listed under the "**Prefunding Conditions**" as detailed below, that it has board approval and sufficient funds from its Investors to fund the Loan ("**Final Confirmation**").

**E. PROPERTY:**

- 4408 West 3<sup>rd</sup> Avenue, Vancouver, BC, V6R 1N1, legally described as PID 013-255-495 Lot 9 Block 138 Plan VAP2992 District Lot 540 Land District 36 of Lot 3

(the "**Property**")

**F. LOAN: \$4,850,000 (the "Loan")**

**G. LOAN PURPOSE AND APPLICATION OF FUNDS**

The Borrowers will use the proceeds of the Loan and funds from their own resources in the amount of \$50,000 for the following (subject to final confirmation of amounts payable pursuant to an authority to pay, including without limitation, payout of the existing mortgage):

1. \$59,125.00 for payment to the Lender of a portion of the commitment fee;
2. The approximate amount of \$815,732.27 for payment to Canada Revenue Agency of all amounts due and owing;
3. The approximate amount of \$3,897,648.00 for payment in respect of existing Property mortgages to Flexwood Limited and Amancap Capital Management Inc.;
4. The approximate amount of \$36,033.95 for payment in respect of property taxes in arrears;
5. The approximate amount of \$66,255.00 for payment in respect of empty home tax;
6. The approximate amount of \$16,293.00 for payment in respect of the 2021 property tax advance levy; and
7. The approximate amount of \$12,500.00 for payment of legal fees incurred by the Lender in connection herewith.

and for no other purpose without the prior written consent of the Lender. For certainty, the above amounts are approximations and final amounts will be determined and set pursuant to a direction and acknowledgement dated as at the date the funds are disbursed from the Lender's solicitors to the Borrowers pursuant hereto and in accordance with Section X below.

**H. INTEREST RATE**

The Borrowers shall pay interest accruing daily and payable at the greater of:

1. 8.50% per annum, calculated daily, compounded monthly (effective annual rate of 8.84%); and

2. the adjustable rate of Toronto-Dominion Bank Prime Rate (which is 2.45% as at today's rate) plus 6.05% per annum, calculated daily, compounded monthly (effective annual rate of 8.84% effective as at today's rate);

for the first twelve (12) months of the term of the Loan and thereafter at the greater of:

1. 12.50% per annum, calculated daily, compounded monthly (effective annual rate of 13.24%); and
2. the adjustable rate of Toronto-Dominion Bank Prime Rate (which is 2.45% as at today's rate) plus 10.05% per annum, calculated daily, compounded monthly (effective annual rate of 13.24% effective as at today's rate);

in each case payable on the first business day of the following month, as well as after maturity, default and judgment.

#### I. LOAN TERM

The Loan will mature and is payable in full on September 1, 2022 or such earlier date as may be permitted or required as set out herein.

#### J. AMORTIZATION

Interest only.

#### K. PREPAYMENT

The Borrowers may prepay the Loan at any time prior to maturity, without penalty, provided that the Lender has received not less than \$105,000 in interest payments and provided that such prepayment is made on the last business day of a calendar month and the Borrowers have provided not less than ten (10) business days' prior written notice of its intention to prepay the Loan.

#### L. ADVANCE DATE

The Loan is anticipated to advance on or before March 3, 2021. Interest on the Loan commences on the date upon which funds are advanced to the Lender's solicitor. The first payment of interest will be due on the first business day of April, 2021.

#### M. COMMITMENT FEE

The Lender shall be entitled to a fee of \$109,125 deemed to be earned upon the signing of the initial commitment letter dated January 29, 2021 and accepted February 3, 2021 (the "**Term Sheet**"). \$5,000 (the "**Deposit**") of this amount has been paid by the Borrowers, \$59,125 is payable on funding of the Loan and \$50,000 is payable by way of a promissory note granted by the Borrowers to the Lender at an interest rate of 15.00% per annum, calculated daily, compounded monthly (effective annual rate of 16.08%) (the "**Commitment Fee Promissory Note**").

The Commitment Fee Promissory Note shall be due and payable on the earlier of (i) an Event of Default hereunder and (ii) sixty (60) days from the date hereof. Until irrevocably paid in full, the amount owing under the Commitment Fee Promissory Note shall be considered additional principal owing hereunder (the "**Additional Principal**"). For certainty, the Additional Principal shall be secured by the security, including without limitation, the Mortgage and shall, in the Lender's sole discretion, be subordinate to the Loan in all

respects, including in respect of priority of payment and application of amounts received on realization in respect of the Security.

#### **N. SECURITY DOCUMENTS**

Prior to any advance of funds, the Lender shall hold the following documents as security for the Loan the "**Security**"), which shall be in a form, scope, and substance satisfactory to the Lender and its counsel and shall constitute first ranking security, as applicable, subject only to permitted encumbrances:

1. this Commitment Letter;
2. a promissory note in the amount of \$4,850,000
3. a first mortgage in an amount of \$5,000,000 in respect of the Property (the "**Mortgage**");
4. a beneficial direction and charge from the Beneficial Owner;
5. an assignment of rents and leases in respect of the Property;
6. an assignment of all material contracts, leases, permits, plans and specifications in connection with the Property and the development of the Property;
7. a general security agreement from each Borrower in favor of the Lender;
8. unlimited guarantee from the Guarantor; and
9. all other security and supporting documents as may be deemed necessary by the Lender and its counsel. The security documents will contain all representations, warranties and covenants as the Lender may require.

#### **O. PRE-FUNDING CONDITIONS**

1. The Lender shall have received Final Confirmation;
2. Each Borrower and the Guarantor, as applicable, shall have executed and delivered the Security;
3. The corporate Borrower shall have executed and delivered a certified copy of such Borrower's directors' resolutions authorizing the borrowing of the Loan, the grant of the Security and the execution and delivery of all agreements, documents and instruments referred to herein, together with an officer's certificate, certifying certain factual matters and including certified copies of such Borrower's certificate and articles of continuance and bylaws, in form and terms satisfactory to the Lender;
4. The Borrowers shall have caused to be executed and delivered legal opinions of counsel to the Borrowers with respect to the documents referred to in this Commitment Letter in form and terms satisfactory to the Lender and its counsel;
5. The Lender will, in its sole and absolute discretion, be satisfied as to the creditworthiness of the Borrowers and the Guarantor and the adequacy of the Security contemplated herein;
6. The Lender will have completed and, in its sole and absolute discretion, be satisfied with its due diligence review of the Borrowers and the Guarantor and any of their financial records, properties and assets, including but not limited to, a review of each the Borrower's financial statements;

7. The Lender will be satisfied that the Borrowers will have sufficient funds, when combined with the Loan to make all payments required hereunder, including pursuant to Section G above.
8. All applicable registrations of the Security shall be completed to the satisfaction of the Lender;
9. The Borrowers and the Guarantor, as applicable, shall have delivered copies of the following documents to the Lender and/or its Counsel, the form and substance of which shall be subject to the Lender's approval and the Lender, in its sole discretion, shall have approved the same:
  - a) copies of the most recent Canada Revenue Agency Notice of Assessment for each Borrower and Guarantor along with confirmation of amount owing to date, including confirmation of all amounts owing and to be paid from the advance hereunder in respect of the Judgment in favour of Her Majesty the Queen in Right of Canada, registered against title to the Property as instrument number CA7973883;
  - b) confirmation of the existence of Homeowner Protection Office licence, Home Warranty Insurance and Occupancy Permit;
  - c) an appraisal report, valuing the Property at no less than \$8,000,000.00 (including GST), with a transmittal letter from the author of the report addressed to the Lender.
  - d) evidence of insurance with suitable endorsements indicating the Lender as first loss payee;
  - e) title insurance in respect of the Property in an amount and from an insurer acceptable to the Lender;
  - f) confirmation that all property taxes in respect of the Property have been paid;
  - g) payout statements in respect of any existing mortgages and any other financial encumbrances of the Property.

In the event that the Pre-Funding Conditions are not fulfilled to the complete satisfaction of the Lender or if the Loan has not funded by March 3, 2021 the Lender, in its sole discretion, reserves the right to cancel the Loan, at which time the Lender shall not be obligated to disburse funds. In this event, the Commitment Fee is considered earned and the balance of the fee will be immediately paid to the Lender.

#### **P. COSTS**

All appraisal, engineering/quantity surveyor, inspection, title, survey, securities and mortgage documentation legal fees, insurance review fees or other customary expenses are for the account of and shall be paid by the Borrowers, whether or not this transaction is completed as contemplated.

#### **Q. HAZARDOUS SUBSTANCES INDEMNITY**

In addition to any liability of the Borrowers under any instrument evidencing or securing the loan indebtedness, the Borrowers and the Guarantor shall be liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable solicitor's fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the real property security of any hazardous or noxious substances and such liability shall be evidenced in a manner satisfactory and sufficient, in the opinion of the Lender and its solicitors, to survive foreclosure of mortgage on a deed in lieu thereof or any other exercise by the Lender of any remedies available to it for any default under the Loan.

**R. FINANCIAL STATEMENTS**

The Borrowers and the Guarantor shall provide to the Lender, upon request, such financial and supporting data as the Lender may require, reflecting all material information with respect to the status and operation of the Property taken as security herein.

**S. PRIVACY ACT CONSENT**

The undersigned acknowledges that the Lender will be collecting information about the undersigned which may include financial information, credit reports, references and other information which is needed to evaluate the financing under consideration. This material will be reviewed by the Lender and will be communicated to others in connection with this transaction. The undersigned hereby explicitly consents to the above.

**T. REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF LENDING**

1. The Borrowers and the Guarantor and their respective businesses and operations are in compliance with all applicable law including, without limitation, the *Builders Lien Act* (British Columbia) and no Borrower or Guarantor nor any related party has received any notice of, citation for, any violation of any such applicable law.
2. The Borrowers and the Guarantor shall carry on and conduct business in a proper and efficient manner, in compliance in all material respects with all applicable law (including, without limitation, the *Builders Lien Act* (British Columbia) and including any requirement to establish and maintain a holdback or reserve as set out in any such applicable law).
3. Subject to compliance with all applicable provisions of the *Builders Lien Act* (British Columbia), and except to the extent that such amounts are disputed by the Borrowers in good faith and appropriate legal proceedings which do not carry any immediate risk of loss or forfeiture of any assets of the Borrowers, pay or cause to be paid as soon as the same are due, all claims and demands of contractors and materialmen and all wages, salaries, vacation pay, workers' compensation assessments, taxes or other charges of any nature or kind which could in any circumstances constitute a lien having priority over the Property or any personal property related thereto.
4. Each Borrower and Guarantor has filed, or caused to be filed, all income tax returns and other material returns in respect of taxes required to be filed, has either paid, or made adequate provision for the payment of, all taxes which are due and payable (including, without limitation, all goods and services tax), or has accrued such amounts in its financial statements for the payment of such taxes, except for charges, fees or dues which are not material in amount, and which are not delinquent, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to the best of the knowledge of any Borrower or Guarantor threatened by any governmental authority regarding any taxes (including, without limitation, goods and services taxes), nor has any Borrower or Guarantor agreed to waive or extend any statute of limitations with respect to the payment or collection of taxes.
5. No term or requirement of this Commitment Letter or any Security may be waived or varied orally, or by any course of conduct by any officer, employee or agent of the Lender. Any amendments to this Commitment Letter or other Security must be in writing and signed by a duly authorized officer of the Lender.
6. The Borrowers will allow the Lender and its authorized representatives access to the Property from time to time and also permit access to the business and financial records of the Borrowers relating to the project at all reasonable times.

7. Any payment received after 12 noon Vancouver, British Columbia time on any business day shall be deemed to have been received on the next business day. "Business Day" shall mean any day except Saturdays, Sundays and Statutory Holidays in Vancouver, B.C.
8. The Borrowers will allow the Lender to put a sign or signs on the Property indicating that financing has been provided by the Lender.

**U. EVENTS OF DEFAULT:**

Without prejudice to any of the Lender's other rights, the occurrence of any one of the following events shall be deemed to be an "Event of Default" and the Lender may, by written notice to the Borrowers, declare all amounts outstanding against the Loan to be immediately due and payable, together with accrued interest thereon and any fee or sum due hereunder:

1. A material change which adversely affects the financial status of the Borrowers or the Guarantor as determined by the Lender;
2. Any representations and/or warranties made by the Borrowers or the Guarantor to the Lender as provided herein, or in any certificate or other writing to be delivered by the Borrowers to the Lender hereunder, is incorrect in any material respect on the dates as of which such representation or warranty was made or purported to be made;
3. The Borrowers or the Guarantor default in the performance of any term, covenant, condition, agreement, undertaking or provision of this Commitment Letter or the Security;
4. Any Borrower or Guarantor is in default (after the expiry of any cure period related thereto), in any material respect, in respect of observing or performing any term, covenant or condition of any material debt instrument or material debt obligation by which it is bound;
5. Any Borrower or Guarantor, permits any *bona fide* obligation which is due by it and which forms or is capable of being made a charge upon any of its assets or undertaking to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;
6. If an encumbrancer shall take possession of or appoint a receiver, trustee, conservator, or liquidator in respect of the Property (or any substantial part thereof) or assets of the Borrowers or the Guarantor;
7. If a Borrower or an affiliate of a Borrower or any one of them or a Guarantor becomes insolvent or bankrupt or commits an act of bankruptcy;
8. If the Borrowers or any of them enters into any debt obligations in respect of the Property without the prior written consent of the Lender;
9. If an encumbrance, lien or charge, save and except for those permitted in writing by the Lender is registered against title to the Property;
10. If there is a default by a Borrower of any encumbrance approved by the Lender and registered against title to the Property;
11. If without the prior written consent of the Lender, a Borrower sells, assigns, or disposes of all, or a portion of the Property or allows the ownership of the Property or of the Borrowers to change;
12. A failure on the part of the Borrowers or the Guarantor to fund any costs and expenses related to a municipal approval process;
13. A failure to pay property taxes when due;

14. Upon failure to repay principal and/or interest or other amounts payable as required.

In the event of a default, in addition to all other remedies the Lender may be entitled to at law or in equity, the Lender may, but its actions are not limited to:

1. Demand repayment of the Loan and/or commence foreclosure;
2. Appoint a receiver or receiver manager, take possession of the assets charged and pursue all or any of the other remedies available.

**V. NON-MERGER**

It is understood and agreed that the execution, delivery and registration of the Security in connection herewith shall in no way merge or extinguish this Commitment Letter or the terms and conditions hereof, which shall survive and continue in full force and effect.

**W. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

**X. BINDING COMMITMENT**

This Agreement is binding upon the parties hereto and shall enure to the benefit of the legal successors and permitted assigns of such parties. The Borrowers and the Guarantor hereby acknowledge and agree to the terms and conditions hereof and further acknowledge that (i) any fees described hereunder are a reasonable estimate of the costs incurred in connection herewith and that such fees shall be forfeited and/or paid to the Lender as liquidated damages hereunder (and not as a penalty) if the Loan is not advanced to the Lender's solicitors on or before March 3, 2021 or, if after being advanced to the Lender's solicitors by March 3, 2021 the Loan is not subsequently advanced to the Borrowers by no later than March 12, 2021 and (ii) upon the Loan being advanced to the Lender's solicitors on or before March 3, 2021, the Borrowers shall be liable for the minimum payment of interest from such date as per Section K above.

For certainty, the Borrowers and the Guarantor acknowledge that interest on said Loan advance will accrue from the date moneys are received by the Lender's solicitors notwithstanding that these moneys may not be immediately disbursed by them or received on the date of disbursement. Further, the Lender and/or the Lender's solicitors shall not be under any obligation to advance funds to the Borrowers if the pre-funding conditions or other conditions precedent hereunder are not met. However, should the advance of the Loan not occur as a result of the pre-funding conditions or other conditions precedent not being met, the obligations of the Borrowers and Guarantor under this Agreement, including under this Section X shall remain.

**Y. JOINT AND SEVERAL OBLIGATIONS**


The obligations and agreements of each Borrower and Guarantor will be joint and several.

*[signature page to follow]*

If these terms and conditions are acceptable to you, please return an executed copy of this letter.

Yours very truly,

**EARLSTON MORTGAGE CORP.**


  
 Name: Michael Atkinson  
 Title: President


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

**AGREED AND ACCEPTED THIS DAY OF FEBRUARY, 2021**


**BORROWERS:**

**CHONGYE DEVELOPMENTS LTD.**


Per: 

Per: 

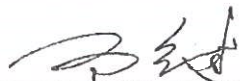
  
 Witness  
**STUART YETMAN**  
 Barrister & Solicitor  
 550-1130 West Pender Street  
 Vancouver, BC V6E 4A4  
 Tel: 604-359-3017 Fax: 604-484-2120  
 Email: stuart@yetmansLaw.com

  
 Amy Basha Washington  
 BY HER ATTORNEY  
 LU JIAN SHAO

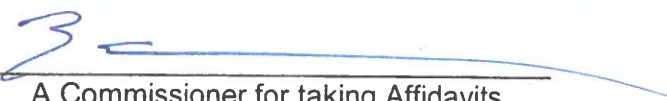
**GUARANTOR:**

  
 Witness

**STUART YETMAN**  
 Barrister & Solicitor  
 550-1130 West Pender Street  
 Vancouver, BC V6E 4A4  
 Tel: 604-359-3017 Fax: 604-484-2120  
 Email: stuart@yetmansLaw.com

  
 Edison Washington  
 BY HER ATTORNEY  
 LU JIAN SHAO

This is **Exhibit "F"** referred to in the affidavit of  
Michael Atkinson sworn before me at Vancouver,  
British Columbia, this 30<sup>th</sup> day of November, 2022

  
\_\_\_\_\_  
A Commissioner for taking Affidavits  
For British Columbia

THIS FIRST AMENDING AGREEMENT (this "Amending Agreement") is dated effective as of the 9 day of June, 2022.

AMONG:

CHONGYE DEVELOPMENTS LTD. and AMY BARSHA WASHINGTON (collectively, the "Borrowers")

- and -

EDISON WASHINGTON (collectively, the "Guarantor")

- and -

EARLSTON MORTGAGE CORP. (as trustee and servicing agent for a group of investors, the "Lender")

WHEREAS:

1. The Borrowers, the Guarantor and the Lender (collectively, the "Parties") are parties to a commitment letter dated as of March 2, 2021 (the "Loan Agreement"); and
2. The Parties wish to amend the Loan Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

#### 1. Definitions

Capitalized terms used herein, including the recitals hereto, shall have the meanings ascribed thereto in the Loan Agreement, as amended hereby, unless otherwise defined herein.

#### 2. Amendment to Loan Agreement

The Loan Agreement is hereby amended as follows:

- (a) Section H, starting on page 2, entitled "INTEREST RATE" is deleted in its entirety and the following substituted therefore:

#### "H. INTEREST RATE

The Borrowers shall pay interest accruing daily and payable at the greater of:

1. 8.50% per annum, calculated daily, compounded monthly (effective rate of (8.84%); and
2. the adjustable rate of The Toronto-Dominion Bank Prime Rate (which is 3.70% as at today's rate) plus 6.05% per annum, calculated daily, compounded monthly (effective annual rate of 10.20% effective as at today's rate);

until March 30, 2023 and thereafter at the greater of:

1. 12.50% per annum, calculated daily, compounded monthly (effective rate of 13.24%); and
2. the adjustable rate of The Toronto-Dominion Bank Prime Rate (which is 3.70% as at today's rate) plus 10.05% per annum, calculated daily, compounded monthly (effective annual rate of 14.65% effective as at today's rate);

in each case payable on the first business day of the following month, as well as after maturity, default and judgment."

- (b) Section I, on page 3, entitled "**LOAN TERM**" is hereby amended by deleting the reference therein to "September 1, 2022" and substituting therefore "September 1, 2023"

### 3. Representations and Warranties

The Borrowers and the Guarantor hereby represent and warrant to and in favour of the Lender that:

- (a) this Amending Agreement and any other documents executed in connection herewith have been duly authorized, executed and delivered by (to the extent it is a party or signatory thereto) the applicable Party and constitute legal, valid and binding obligations of each such party, enforceable in accordance with their respective terms, except as enforceability may be limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws affecting creditor's rights generally; and
- (b) all representations and warranties of the Borrower and the Guarantor in the Loan Agreement and in the Security are incorporated herein in full by this reference and are true and correct in all material respects as of the date hereof, except to the extent that any such representation or warranty expressly relates to an earlier date.

### 4. Conditions Precedent

This Amending Agreement shall become effective upon each of the following conditions precedent being performed, to the satisfaction of the Lender:

- (a) the Lender has received, in form and substance satisfactory to the Lender, duly executed copies of this Amending Agreement, the Promissory Note, a Form C (amending agreement) and the legal opinion of counsel to the Borrowers;
- (b) the Lender shall have received payment of the fee referenced in Section 5(d) below; and
- (c) the Lender shall have received such other documents, instruments, registrations and assurances as the Lender may reasonably request.

The conditions precedent in this Section 4 are inserted for the sole benefit of the Lender and can be waived only at its sole discretion.

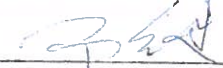
**5. Miscellaneous**

- (a) This Amending Agreement is supplemental to the Loan Agreement and forms part of, and has the same effect as though incorporated therein for all purposes thereof. For greater certainty, all references to the Loan Agreement shall mean the Loan Agreement, as amended by this Amending Agreement.
- (b) Except as amended hereby, the Loan Agreement remains in full force and effect and unamended and is hereby ratified and confirmed in all respects.
- (c) The Borrowers and the Guarantor shall do all such further acts and things and execute all such further documents as shall be reasonably required in order to properly perform and carry out the terms of this Amending Agreement.
- (d) The Borrower shall pay an amendment and extension fee in the amount of \$48,900.00 (the "**Fee**"). In respect of the Fee, (i) \$38,900.00 shall be added to the Loan as principal owing thereunder and payable as such as set out in the Loan Agreement and (ii) \$10,000.00 shall be payable at the time of delivery of an executed version of this Amending Agreement.
- (e) The Borrower shall pay in full all reasonable legal fees, costs and expenses incurred by the Lender or its agents in connection with this Amending Agreement and the Loan Agreement.
- (f) Time shall be of the essence of this Amending Agreement.
- (g) This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- (h) This Amending Agreement may be executed in any number of counterparts and by electronic delivery and by different parties and separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have caused this Amending Agreement to be duly executed as of the date first above written.

**BORROWERS:**

**CHONGYE DEVELOPMENTS LTD.**

Per:   
Lujian Shao, authorized signatory

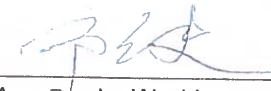
Witness

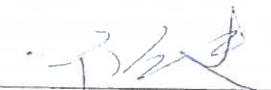
  
**STUART YETMAN**  
*Barrister & Solicitor*  
550-1130 West Pender Street  
Vancouver, BC V6E 4A4  
Tel: 604-359-3017 Fax: 604-484-2120  
Email: [stuart@yetmansLaw.com](mailto:stuart@yetmansLaw.com)

**GUARANTOR**

Witness

  
**STUART YETMAN**  
*Barrister & Solicitor*  
550-1130 West Pender Street  
Vancouver, BC V6E 4A4  
Tel: 604-359-3017 Fax: 604-484-2120  
Email: [stuart@yetmansLaw.com](mailto:stuart@yetmansLaw.com)

  
Amy Barsha Washington, by her  
attorney, Lujian Shao, See D.F. No.  
CA8344333

  
Edison Washington, by his attorney,  
Lujian Shao, See D.F. No. CA8344334

This is **Exhibit "G"** referred to in the affidavit of  
Michael Atkinson sworn before me at Vancouver,  
British Columbia, this 30<sup>th</sup> day of November, 2022



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A Commissioner for taking Affidavits  
For British Columbia

**PROMISSORY  
NOTE**

**\$4,935,721.49 (the "Principal Amount")**

**Dated: June 9, 2022**

Re: Commitment Letter dated on or about the date hereof from Earlston Mortgage Corp., as lender, accepted by, *inter alios*, Chongye Developments Ltd. and Amy Barsha Washington (as amended by a first amending agreement dated June 9, 2022 and as may be further amended, supplemented, restated and amended and restated from time to time, the "Commitment Letter")

For value received, **Chongye Developments Ltd. and Amy Barsha Washington** (referred to herein, collectively, as the "**Borrower**") hereby jointly and severally promise to pay to or to the order of **EARLSTON MORTGAGE CORP.** (the "**Lender**") the Principal Amount on the earlier of:

- (a) September 1, 2023; and
- (b) the occurrence of an Event of Default (as defined in the Commitment Letter),

together with interest accrued as of the date of this Promissory Note and accruing daily on the outstanding principal amount from the date hereof and payable at the greater of:

1. 8.50% per annum, calculated daily, compounded monthly (effective annual rate of 8.84%); and
2. A variable rate per annum (in either case, both before and after maturity, default and judgment) equal to the rate established by The Toronto Dominion Bank from time to time as such bank's prime lending rate for Canadian Dollar loans plus 6.05%;

until March 30, 2023 and thereafter at the greater of:

1. 12.50% per annum, calculated daily, compounded monthly (effective annual rate of 13.24%); and
2. A variable rate per annum (in either case, both before and after maturity, default and judgment) equal to the rate established by The Toronto Dominion Bank from time to time as such bank's prime lending rate for Canadian Dollar loans plus 10.05%), in each case payable on the first business day of the following month.

All payments under this promissory note will be made by certified cheque, bank draft or wire transfer (pursuant to wire transfer instructions provided by the Lender from time to time) and delivered to the Lender at office at Suite 1703, 595 Burrard Street, Vancouver, British Columbia V7X 1J1.

The Borrower is entitled to prepay this promissory note in whole, without penalty, provided that the Lender has received not less than \$105,000 in interest payments and provided that such

prepayment is made on the last business day of a calendar month and the Borrowers have provided not less than ten (10) business days' prior written notice of its intention to prepay this promissory note.

The undersigned waives demand and presentment for payment, notice of non-payment, protest, notice of protest and notice of dishonour. This promissory note will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. In this promissory note, "Business Day" means a day which is not a Saturday, Sunday or a statutory holiday in British Columbia.

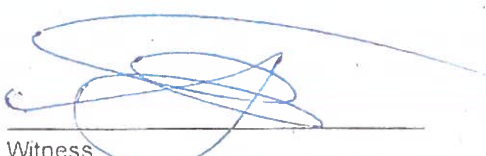
IN WITNESS WHEREOF this Agreement has been executed as of the date first above written.

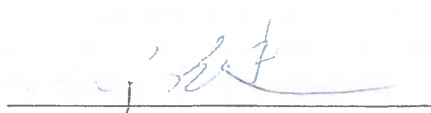
**CHONGYE DEVELOPMENTS LTD.**

Per:

  
Lujian Shao, authorized signatory

Witness



  
Amy Barsha Washington, by her attorney,  
Lujian Shao, See D.F. No. CA8344333

**STUART YETMAN**

*Barrister & Solicitor*

550-1130 West Pender Street

Vancouver, BC V6E 4A4

Tel: 604-359-3017 Fax: 604-484-2120

Email: [stuart@yetmansLaw.com](mailto:stuart@yetmansLaw.com)

This is **Exhibit "H"** referred to in the affidavit of  
Michael Atkinson sworn before me at Vancouver,  
British Columbia, this 30<sup>th</sup> day of November, 2022



---

A Commissioner for taking Affidavits  
For British Columbia



## EARLSTON

71

Sent via email to <[jessie@washingtonproperties.ca](mailto:jessie@washingtonproperties.ca)>  
and via Registered Mail to:

October 31, 2022

Chongye Developments Ltd.  
835 Eyremount Drive  
West Vancouver, BC V7S 2A8  
Attention: Amy Barsha Washington

Edison Washington  
#604 – 4963 Cambie Street  
Vancouver, BC V5Z 2Z6  
Attention: Lujian Shao (Attorney for each of Edison Washington and  
Amy Barsha Washington)

Washington Properties Inc.  
4491 Cambie St.  
Vancouver, BC V5Z 2Y8  
Attention: Amy Washington, Edison Washington and Lujian Shao

Dear Sir/Madame:

**RE: Earlston Mortgage Loan# 2021-08 in respect of 4408 West 3<sup>rd</sup> Avenue, Vancouver, B.C. V6R 1N1, PID 013-255-495 Lot 9 of Lot 3 Block 138 District Lot 540 Plan 2992, Commitment Letter dated March 2, 2021 between Chongye Developments Ltd and Amy Barsha Washington, as Borrowers, Edison Washington, as Guarantor and Earlston Mortgage Corp., as Lender and the First Amending Agreement dated June 9, 2022 between Chongye Developments Ltd and Amy Barsha Washington, as Borrowers, Edison Washington, as Guarantor and Earlston Mortgage Corp., as Lender**

We are writing you regarding the loan to Chongye Developments Ltd. and Amy Barsha Washington (collectively, the "**Borrowers**") and guaranteed by Edison Washington (the "**Guarantor**") in the initial principal amount of \$4,850,000 (the "**Loan**"), funded on March 3, 2021 and secured by a first mortgage and charge over 4408 West 3<sup>rd</sup> Avenue, Vancouver, BC in the principal amount of \$5,000,000 (the "**Mortgage**") pursuant to a commitment letter dated March 2, 2021 among the Borrowers, the Guarantor and the Lender (the "**Commitment Letter**").

The Borrower has committed an Event of Default as defined in the Commitment Letter by, among other things, not paying interest in the amount of \$45,942.78 for the month of September, 2022. This amount remains unpaid and outstanding and an additional amount of \$48,997.77 in interest has accrued for the month of October and is also now due and payable.

continued on page 2/2...



EARLSTON MORTGAGE CORP.

Suite 1703, 595 Burrard Street, Box 49131, Vancouver, BC V7X 1J1 • Tel: 604 689 1428 • Fax: 604 681 4692  
[www.earlston.ca](http://www.earlston.ca)

In connection with the above and pursuant to Section U of the Commitment Letter, Earlston Mortgage Corp. hereby makes demand upon you for irrevocable payment in full of the amount of \$5,032,162.01 (inclusive of legal fees to the date hereof, the "**Amount Owing**"), calculated as set out below, with interest accruing at a per diem rate of \$1,653.92 from November 1, 2022.

Please be advised that if irrevocable payment in full of the Amount Owing, together with interest to the date of payment and any legal fees then owing, is not received by our office on or before 4:00 p.m. (Pacific Time), November 15, 2022, by way of certified cheque or bank draft payable to Earlston Mortgage Corp., the Lender will take whatever steps it deems appropriate to seek repayment of such amounts, which may include the commencement of legal proceedings against the Borrowers and the Guarantor without further notice.

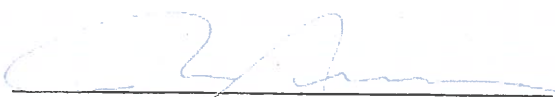
Please note that the Lender does not waive any defaults and reserves the right to exercise all remedies available to it under the Commitment Letter, the Mortgage or otherwise at law and the Lender reserves its rights to proceed against the Borrowers and the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

**Loan balance and capitalized items now due**

At September 30, 2022 (including capitalized past due interest)	\$4,981,664.27
Interest for the month of October 2022	\$48,997.74
Total Principal and Interest Outstanding	\$5,030,662.01
Legal Fees Outstanding	\$(1,500.00)
Amount Owing on November 1, 2022	\$5,032,162.01
Per diem through to November 30, 2022	\$1,653.92

Yours very truly,

**EARLSTON MORTGAGE CORP.**



Michael Atkinson  
President

Cc: Gary Rose via email: [gary.rose@dentons.com](mailto:gary.rose@dentons.com)  
Ralph Yetman via email: [Ralph@YetmansLaw.com](mailto:Ralph@YetmansLaw.com)  
Maria Siy via email: [msiy@strandco.com](mailto:msiy@strandco.com)  
John Mackay via email: [jmackay@strandco.com](mailto:jmackay@strandco.com)  
Jessie Hung via email: [jessie@washingtonproperties.ca](mailto:jessie@washingtonproperties.ca)  
Scott McLean via email: [mclean@earlston.ca](mailto:mclean@earlston.ca)

This is **Exhibit "I"** referred to in the affidavit of  
Michael Atkinson sworn before me at Vancouver,  
British Columbia, this 30<sup>th</sup> day of November, 2022



---

A Commissioner for taking Affidavits  
For British Columbia



## EARLSTON

November 28, 2022

Amy Barsha Washington  
835 Eyremount Drive  
West Vancouver, BC V7S 2A8

Washington Properties Inc.  
4491 Cambie St.  
Vancouver, BC V5Z 2Y8

Attention: Amy Washington and Edison Washington

Dear Sir/Madame:

**RE: Earlston Mortgage Loan# 2021-08 4408 West 3<sup>rd</sup> Avenue, Vancouver, B.C. V6R 1N1**

### STATEMENT FOR LOAN DISCHARGE PURPOSES

This Statement is valid for payments made up to November 28, 2022

Principal Balance as at August 31, 2022	\$4,935,721.49
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Interest to November 28, 2022	141,250.18
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Appraisal fee	1,000.00
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<b>Total Amount</b>	<b>\$5,077,971.67</b>
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Per diem interest payable from and after November 28, 2022 to and including November 30, 2022 is \$1,653.92.


Additional legal fees and other expenses of the Lender incurred in respect of the Loan shall be added to the Loan balance as they are incurred and shall be payable upon demand.

Kindly prepare the appropriate discharge documents for our review and execution. Registration of these documents will be your responsibility.

Our wire transfer instructions is provided below:

Bank:	TD Canada Trust, 700 West Georgia Street, Vancouver, BC V7Y 1A2
Transit No:	94000
Institution No:	004
Swift Code:	TDOMCATTTOR
Beneficiary:	Earlston Mortgage Corp., Suite 1703, 595 Burrard Street, Vancouver, BC V7X 1J1
Account No.:	5577138 (CAD\$ account)

Yours truly,  
EARLSTON MORTGAGE CORP.

  
Per: Michael Atkinson, President  
E&OE



EARLSTON MORTGAGE CORP.

Suite 1703, 595 Burrard Street, Box 49131, Vancouver, BC V7X 1J1 • Tel: 604 689 1428 • Fax: 604 681 4692  
[www.earlston.ca](http://www.earlston.ca)