

FORM 109
(RULE 22-2(2) AND (7))

This is the 1st affidavit
of Paul De Luca
in this case and was made on
May 5, 2025
No. 5253365
Vancouver Registry



In the Supreme Court of British Columbia

Between

PEOPLES TRUST COMPANY/COMPAGNIE DE FIDUCIE
PEOPLES

Petitioner

and

PEAK DEVELOPMENTS CORP., PEAK DEVELOPMENTS
LIMITED PARTNERSHIP, WESTCASTLE HOLDINGS LTD.,
WESTCASTLE LAND DEVELOPMENTS CORP.,
BOULEVARD CONSTRUCTION CORPORATION,
RIVERVIEW CUSTOM HOMES LTD., PHIL SALGADO, also
known as PHILIP SALGADO, CHRIS YORK, also known as
CHRISTOPHER YORK, MACKAY CONTRACTING LTD.,
KULKON CONSTRUCTION CORP., 1111053 B.C. LTD.
DOING BUSINESS AS JJ MECHANICAL, GAUER POWER
LTD., IKA BUILDERS INC., 689048 ALBERTA LIMITED,
STEVEN DOUGLAS HOWG, also known as STEVEN
DOUGLAS HOWG doing business as STP PAINTING,
JOHN DOE AND ALL TENANTS OR OCCUPIERS OF THE
SUBJECT LANDS AND PREMISES

Respondents

AFFIDAVIT

I, Paul De Luca, of Suite 1310-95 Wellington Street W., Toronto, Ontario, SWEAR (OR
AFFIRM) THAT:

1. I am the AVP, Special Loans of Peoples Group, and as such have personal
knowledge of the facts and matters hereinafter deposed to, save and except

where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. Peoples is a trust company which provides services as a commercial real estate lender. Peoples loaned monies to Peak Developments for the purposes of a real estate construction project (the "**Project**"). Peak Developments, in turn, granted first priority mortgage and personal property security in favour of Peoples. Peoples' security is discussed in greater detail below.
3. Peak Developments owns a residential real estate development located at 500 – 302nd Avenue, Kimberley, BC, V1A 3H7 and legally described as follows:
Parcel Identifier: 031-836-780
LOT 1 DISTRICT LOT 2378
KOOTENAY DISTRICT PLAN EPP124173
(the "**Lands**").
4. Peak Developments is in the business of developing 9 buildings on the Lands intended as residential rental properties. The buildings are in various states of completion. 2 buildings are believed by Peoples to be approximately 90-95% completed. One building has not started and the other 6 are between 65% and 90% completed.

The loan agreement and security

5. Pursuant to a commitment letter dated August 26, 2022 (the "**Commitment Letter**"), Peoples and Peak Developments entered into a loan agreement on the terms and conditions set out in the Commitment Letter.
6. Attached to this affidavit and marked as Exhibit "A" is a true copy of the Commitment Letter.
7. Under the Commitment Letter, the borrower is Peak Developments. The covenantors are Peak Developments LP, Westcastle Holdings, Westcastle Land, Boulevard, Mr. Salgado, Mr. York and Riverview. The principal amount of the loan was \$20,454,000.00. The term is 30 months.

8. The loan is insured by Canada Mortgage Housing Corporation. The loan matures on June 1, 2025.
9. Pursuant to the Commitment Letter, Peoples was granted security which included the following:
 - a) A mortgage (the "Mortgage") and assignment of rents granted by Peak Developments in favour of Peoples and registered in first position against the Lands in priority to the interest therein or claims thereto of the respondents;
 - b) A mortgage of beneficial interest granted by Peak Developments LP in favour of Peoples;
 - c) A project specific security agreement granted by Peak Developments in favour of Peoples charging all of Peak Developments' present and after acquired personal property situated at, arising out of, used in connection with or relating to the Lands and registered in the British Columbia Personal Property Registry in priority to the interest therein or claims thereto of the respondents;
 - d) A cost overrun, debt service and completion agreement;
 - e) An assignment of agreements granted by Peak Developments in favour of Peoples pursuant to which Peak Developments absolutely assigned and granted in favour of Peoples a security interest in any:
 - i) Insurance proceeds;
 - ii) All agreements entered into by Peak Developments with respect to the Project;
 - iii) Plans, permits, approvals, licenses, contracts and agreements relation to the construction and operation of the Project;

- iv) Letters of Credit;
 - v) Revenues, and other rights; and
 - f) The guarantees and postponement of claims of Peak Developments LP, Westcastle Holdings, Westcastle Land, Boulevard, Riverview; Salgado and York.
10. Attached to this affidavit and marked as Exhibit "B" is a true copy of the Mortgage.
 11. Attached to this affidavit and marked as Exhibit "C" is a true copy of the mortgage of the beneficial interest.
 12. Attached to this affidavit and marked as Exhibit "D" is a true copy of the security agreement.
 13. Attached to this affidavit and marked as Exhibit "E" is a true copy of the cost overrun agreement.
 14. Attached to this affidavit and marked as Exhibit "F" is a true copy of the assignment of contracts.
 15. Under the terms of the mortgage, Peak Developments is required to pay all property taxes in connection with the Lands (as well as any other amounts that could form a charge in priority to Peoples's security). Under the terms of the mortgage, Peak Developments is also prohibited from permitting or suffering the registration of a builders lien against title to the Lands.
 16. The terms of the mortgage, the security agreement, the cost overrun agreement and the assignment of contracts agreement grant Peoples, *inter alia*, the right to appoint a receiver and manager over Peak Developments upon the occurrence of an event of default.

The loan is in arrears

17. The mortgage loan made under the Commitment Letter has a principal amount of \$20,454,000.00. The current balance owing to Peoples is \$17,153,910.36 as at April 1, 2025. The loan is now in arrears.

The Project is overbudget

18. The Project is overbudget and Peak Developments has no money to either complete the Project or to keep the site secure.
19. Property taxes are in arrears for 2025 in the amount of \$16,951.96 with interest accrued to April 1, 2025, in the amount of \$388.53, and penalties totalling \$1,695.20. The sums owed for property taxes form a priority charge against the Lands and erode Peoples's security position.
20. Buildings liens have registered against the Project as follows:

Date	Charge No.	Name	Amount
January 20, 2025	CB1826406	MacKay Contracting Ltd.	\$524,062.32
February 14, 2025	CB1876435	Kulkon Construction Corp.	\$1,197,145.17
March 12, 2025	CB1921687	1111053 BC Ltd., dba JJ Mechanical	\$185,879.37
March 14, 2025	CB1927320	Gauer Power Ltd.	\$172,783.62
March 14, 2025	CB1927469	Riverview Custom Homes Ltd.	\$3,463,451.47
March 18, 2025	HB12546	IKA Builders Inc.	\$944,011.32
March 21, 2025	CB1939465	Westcastle Holdings Ltd.	\$371,487.02
March 25, 2025	CB1944843	689048 Alberta Limited	\$162,162.02
April 9, 2025	HB13198	Steven Douglas Howg	\$4,000.00

Plan

21. The immediate needs are financing to secure the site, and to obtain information, and to develop a plan for the Project.
22. In order to secure the site, the fuel supplier needs to be paid to keep the buildings heated, and the site needs to be secured. Keeping labour on site may be the best way to keep the site secured and to keep insurance in place. These needs require immediate financing.
23. A reasonable scenario for recovery is a build out, but that is still a scenario that needs to be considered on the basis of evidence and information that is lacking at this stage. It can only be determined with an appraisal, a plan with a budget, and an assessment of the validity of the liens and payables. A court appointed receiver is in the best position to gather the required information and move forward with the Project.
24. Peoples wishes to appoint a receiver to secure the site, develop a plan, and implement the plan.

The Proposed Receiver

25. D. Manning & Associates Inc. is a licensed insolvency trustee and has substantial experience as a receiver and officer of the court, including with respect to appointments of this nature. Its proposed senior building consultant for this project, Mr. Chysik, is a builder with a great deal of experience in the construction industry, and receiverships. Specifically, he has a great deal of experience in wood frame town homes.
26. D. Manning & Associates Inc. has consented to act as Receiver and Manager of Peak Developments
27. Attached to this affidavit and marked as Exhibit "G" is a true copy of the CV of Mr. Chysik.

28. Attached to this affidavit and marked as Exhibit "H" is a true copy of the CV of William Choo, of D. Manning & Associates Inc.
29. Attached to this affidavit and marked as Exhibit "I" is a true copy of the consent to act of D. Manning & Associates Inc.

SWORN (OR AFFIRMED) BEFORE ME
at the City of Toronto, in the
Province of Ontario, this 5th day of
May, 2025.


A Commissioner for taking Affidavits for
Ontario



PAUL DE LUCA



This is Exhibit "A" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario





Peoples Group

Name:	Peak Developments Corp.(General Partner of Peak Developments Limited Partnership)
Address:	1334 18 Avenue NW Calgary AB V9B 6X4
Business Tel. No.:	403-973-9875
Mobile No.:	
E-mail:	Chris@riverviewhomes.ca
Fax No.:	
Loan No.	54047
Agent / Broker:	Name: Jessica Harland Business Tel. No.: 403-303-3602 E-mail: jessica.harland@cbre.com

Prairie Office
Fax: (403) 266-5002
E-mail: LeighO@peoplestrust.com

COMMITMENT LETTER

MULTI-FAMILY
CONSTRUCTION LOAN
(CMHC Insured)

Date of Commitment Letter: August 26, 2022

Dear Sirs/Mesdames,

The Lender is pleased to confirm that a CMHC insured FIRST mortgage loan has been approved on the terms and conditions set out in this Commitment Letter.

1. BASIC LOAN INFORMATION AND MORTGAGE TERMS

Borrower		Peak Developments Corp. (General Partner of Peak Developments Limited Partnership)					
Covenantor / Guarantor		Peak Developments Limited Partnership WestCastle Holdings Ltd. WestCastle Land Developments Corp. Boulevard Construction Corporation Phil Salgado Christopher York Riverview Custom Homes Ltd.					
Principal Amount	\$20,454,000.00	Estimated Annual Interest Rate	Prime	Estimated Monthly Payment	TBD	Interest Adjustment Date	Dec-1-2022
CMHC Premium	\$255,675.00	Term	30 Months	First Payment Date	Dec-1-2022	Balance Due Date (Maturity)	June-1-2025
CMHC Application Fee	\$13,200.00	Amortization	Interest Only				
Gross Loan Amount	\$20,722,875.00			Tax Portion	N/A	Estimated Annual Taxes	TBD
COI No.	15362790	COI Expiry	May-9-2025				

peoplesgroup.com

WESTERN OFFICE
Suite 1400 - 888 Dunsmuir St.
Vancouver, BC V6C 3K4
Tel: 604-683-2881

PRAIRIE OFFICE
Suite 1130 - 605 5 Ave SW
Calgary, AB T2P 3H5
Tel: 403-237-8975

EASTERN OFFICE
Suite 1310 - 95 Wellington St. W
Toronto, ON M5J 2N7
Tel: 416-368 3266

Lands	Civic Address		Legal Description
	450 305th Street Kimberley British Columbia V1A 3H7		Lot B DL 2378 KD Plan 112091
Loan Purpose	Construction MLI Select	Estimated Funding Date	November 3, 2022 (On or before)
		Expiry Date of Commitment Letter	May 9, 2025

2. ACCEPTANCE AND COMMITMENT LETTER

This Commitment Letter, at the option of the Lender shall be null and void and of no force or effect unless:

- the Loan Parties accept the terms of this Commitment Letter and pay all required fees to the Lender's office by September 2, 2022;
- the Loan Parties, as applicable, have complied with all terms and conditions of this Commitment Letter, including without limitation the terms and conditions outlined in Schedule "B" of this Commitment Letter, to the satisfaction of the Lender and the Lender's Solicitor; and
- all Security Documents have been duly executed, validly authorized and delivered to the Lender and, where necessary, registered, and the first advance has been made by the Expiry Date.

3. ACKNOWLEDGEMENT

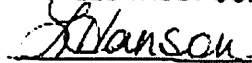
By executing this Commitment Letter, each of the Loan Parties:

- acknowledges and agrees that it has read, has received a sufficient explanation of, and understands all terms and conditions set out in, and its obligations under, this Commitment Letter;
- acknowledges and agrees that the fees of the Lender are subject to change at any time and from time to time at the sole discretion of the Lender, and that such changes to the Lender's fees will be binding on and enforceable against the Loan Parties;
- confirms that the representations and warranties set out in Schedule "C" of this Commitment Letter are true and accurate as of the date of this Commitment Letter and will be true and accurate on the initial advance of the Loan and on the date of any subsequent advance of the Loan;
- covenants and agrees to pay to the Lender any fees owing to the Lender in connection with the Loan from time to time, including without limitation the fees set out in the Fee Schedule;
- covenants and agrees to pay to CMHC any fees owing to CMHC in connection with the Loan from time to time, including without limitation all premiums and taxes on premiums;
- authorizes the Lender and the Lender's Solicitor to obtain credit information and such other Personal Information for the Loan Parties as they deem necessary or desirable in their absolute discretion from such sources as they deem necessary;
- covenants to promptly provide such further information as may be requested by the Lender and the Lender's Solicitor to process the Loan; and
- consents to the Lender verifying or re-verifying any information contained in the Loan Application at any time during the Term and any subsequent renewals of the Loan, and if applicable, both before and after default and after judgement, requesting and receiving a credit bureau report from a credit reporting agency.

This Commitment Letter shall be irrevocable and open for acceptance by the Loan Parties until 5:00 p.m. (MST time), on September 2, 2022.


Yours truly,

PEOPLES TRUST COMPANY



Leigh Hanson

Sr. Account Manager, Commercial Banking - Prairies


Peak Developments Corp. (General Partner of
Peak Developments Limited Partnership)

Name: _____

Peak Developments Limited Partnership

WestCastle Land Developments Corp.

Phil Salgado

Riverview Custom Homes Ltd.

Name:

Name: _____

Name: _____

Name:

Name

Name:

Name: _____

Multi-Family Construction Loan (LMI II) Insured
Master Document Revision: New March 2022

SCHEDULE "A" – DEFINITIONS

For the purposes of this Commitment Letter, the capitalized terms set out on in Section 1 on the first page of this Commitment Letter under the heading "Basic Loan Information and Mortgage Terms" have the corresponding meanings ascribed thereto and the following terms, when capitalized, have the following meanings:

Annual Interest Rate means the annual interest rate for the Loan to be fixed in accordance with the procedure set out in Schedule "B" of this Commitment Letter and confirmed in a letter from the Lender to the Borrower.

Borrower Completion Failure has the meaning set out in Schedule "B" of this Commitment Letter.

Borrower's Solicitor means:

Law Firm:

Contact Person - Attention:

Mailing Address:

Tel. No.:

Fax No.:

E-mail:

Budget means the construction budget for the Development.

Business Day means every day of the week except Saturdays, Sundays and statutory holidays in the Province in which the Lands are located.

Certificate of Insurance means the certificate of insurance and special conditions issued by CMHC setting out the terms and conditions under which the Loan is insured, and includes all attachments thereto.

CMHC means Canada Mortgage and Housing Corporation.

Commitment Fee means a non-refundable commitment fee in the amount of \$51,808.00 (\$25,903.00 rec'd).

Commitment Letter means, collectively, this letter and all schedules, amendments, forms and attachments hereto.

Deposit Fee means a deposit fee in the amount of \$0.00.

Development means the proposed development on the Lands.

Discharge Fee means a discharge fee in the amount specified in the Fee Schedule.

Draw Processing Fee means a non-refundable draw processing fee per construction progress draw in the amount specified in the Fee Schedule.

Fee Schedule means the Lender's schedule of fees set out in Schedule "E".

Inspection Fee means a non-refundable inspection fee in the amount specified in the Fee Schedule.

Interest Rate During Construction means a rate equal to the prime rate of the Bank of Montreal in effect from time to time during the term of the Loan.

Takeout: 5 Year Term

To be determined by the Lender at time of conversion to a 5 Year Fixed Rate Loan, based on CMHC Pool pricing, at that point.

Amortization means:

Construction: Interest Only

Takeout: 600 Months, from the Interest Adjustment Date for Long Term financing

Lender means Peoples Trust Company.

Lender's Solicitor means:

Law Firm:	<u>Cassels Brock & Blackwell LLP</u>
Contact Person - Attention:	<u>Mike Harbrook</u>
Mailing Address:	<u>Suite 2100, Scotia Plaza, 40 King St. W.</u> <u>Toronto, ON M5H 3C2</u>
Tel. No.:	<u>416 869 5382</u>
Fax No.:	<u>416 360 8877</u>
E-mail:	<u>mharbrook@cassels.com</u>

Loan means the loan described in this Commitment Letter, including all principal and interest owing from time to time.

Loan Application means the application made by the Loan Parties to the Lender for the Loan.

Loan Parties means, collectively, the Borrower and the Covenantor/Guarantor, as applicable.

Mortgage means a FIRST mortgage, or hypothec if the Lands are located in the Province of Québec, in favour of the Lender against the Lands.

Personal Information means information relating to any natural or legal person that may be of a personal or confidential nature, including without limitation credit and financial information.

Pre-Funding Conditions means, collectively, the conditions set out in Section 1 of Schedule "B" of this Commitment Letter and any other conditions set out in this Commitment Letter that must be fulfilled before an advance of the Loan, unless expressly waived in writing by the Lender.

Prime Rate means the rate of interest per annum designated from time to time during the currency of the Loan by the Bank of Montreal as being the prime commercial lending rate charged by it for demand loans in Canadian funds. If the Prime Rate changes and so often as the same occurs at any time until the amounts owing under the Loan have been paid in full, the Annual Interest Rate under the Loan shall also change by the same amount, on the same day.


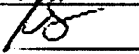
Security Documents has the meaning set out in Schedule "D" of this Commitment Letter.

Survey means in British Columbia a Survey Certificate for the Lands, prepared by a qualified provincial land surveyor, confirming that the Lands are free from unacceptable encroachments and comply with all municipal and provincial requirements, and showing the location of all easements and rights of way on the Lands.

we, our and us each means Peoples Trust Company, its successors and assigns.

you and your each means each person who has executed this Commitment Letter as Borrower and Covenantor/Guarantor.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "A":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE "B" – TERMS AND CONDITIONS

1. PRE-FUNDING TERMS AND CONDITIONS

The Lender shall have no obligation to make any advances under the Loan unless the following conditions have been complied with and the Lender has received and approved the following documents and matters in form and substance satisfactory to the Lender and the Lender's Solicitor:

- (a) Budget: The Budget;
- (b) Budget Adequacy Report: A Budget adequacy report confirming that the Budget, source of funds and use of funds will be sufficient to complete the Development. Such report will be prepared by a quantity surveyor appointed by the Lender and paid for by the Borrower. The Borrower will provide all information required to complete this report, including written confirmation as to the amounts disbursed and to be disbursed to the general contractor;
- (c) Certificate of Insurance: Compliance with all terms and conditions of, and payment of all fees in connection with, the Certificate of Insurance;
- (d) Commitment Fee: On acceptance of this Commitment Letter by the Loan Parties, the Lender shall earn and the Borrower shall pay the Commitment Fee, which represents an agreed fee to compensate the Lender for the time and effort required of its employees and agents and its expenses incurred in the review and study of documents pertaining to the subject loan transaction, legal specifications and reservation of funds, the review of the Loan Application, the preparation of this Commitment Letter and the loss of opportunity to use the funds for the Loan elsewhere. If the Loan Parties fail to comply with all conditions of this Commitment Letter by the Expiry Date, then the Lender shall be relieved and released from any further duties or obligations to the Loan Parties arising out of this Commitment Letter. Notwithstanding the foregoing, the Loan Parties shall not be released or relieved from payment of the Commitment Fee if the same has not already been paid;
- (e) Consent to Receipt of Commercial Electronic Messages: Completion of the Canada Anti-Spam Law (CASL) Express Consent Request attached hereto as Schedule "G" by each of the Loan Parties;
- (f) Construction Contracts & Plans and Specifications: Copies of all construction contracts, plans and specifications and development and planning applications, materials and drawings relating to the Development;
- (g) Environmental Assessment Report: Current environmental assessment report for the Lands and transmittal letter addressed to "Peoples Trust Company" confirming that the Lands conform to the Canadian Standards Association Phase 1 Environmental Site Assessment (Form Z768) and that the report can be relied on for mortgage underwriting purposes. The environmental assessment report must be prepared by an environmental audit firm, carrying at least \$2,000,000 in professional liability insurance, having a maximum deductible of \$25,000; A Letter of Transmittal stating that Peoples Trust and CMHC can rely on the report for mortgage lending purposes will be required.
- (h) Financial Information: Credit reports, bank reports and financial statements for each of the Loan Parties;
- (i) Insurance Review: Insurance review by the Lender's insurance consultant, RISC Inc. All costs of such review are the responsibility of the Borrower and will be either deducted from an advance of the Loan or added to the Mortgage;
- (j) Land Owner Transparency Act Compliance: Confirmation that any required *Land Owner Transparency Act* (British Columbia) filings and fees, or any other filings and fees required pursuant to similar legislation as may be applicable in the jurisdiction in which the Lands are located, have been completed and paid and are up to date with respect to the Lands;

- (k) **Money Laundering and Terrorist Financing Compliance:** Compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* (Canada);
- (l) **New Home Warranty Registration:** Confirmation that the Development is registered under a home warranty program acceptable to the Lender;
- (m) **PAD/PAC Agreement:** Completion, execution and delivery of the Lender's form of pre-authorized debit / pre-authorized chequing agreement, if the Borrower is paying each Monthly Payment by pre-authorized debit / pre-authorized chequing arrangement;
- (n) **Permits, Licenses and Approvals:** Confirmation that all permits, licenses and approvals (including, without limitation, approval for the specific number of units in the Development) are in place to proceed with the Development;
- (o) **Permitted Use:** Confirmation from the Borrower that the Loan will only be used for the Loan Purpose;
- (p) **Planning Act Compliance:** If the Lands are located in the Province of Ontario, then the Loan, this Commitment Letter and the obligations and rights of the Loan Parties, including any partial discharge of any security, are conditional on compliance with the subdivision control provisions of the *Planning Act* (Ontario).
- (q) **Profile Form(s):** Profile Form(s) attached to this Commitment Letter;
- (r) **Property Tax Assessment:** Current property tax assessment for the Lands;
- (s) **Property Tax Certificate:** Current tax certificate confirming all property taxes and utilities for the Lands are paid in full;
- (t) **Registers:** Copies of the register of directors and shareholders, in the case of a corporation, or a copy of the register of partners, in the case of a limited partnership, for each of the Loan Parties; Confirmation of Borrower ownership structure (as per CMHC COI #15362790)
- (u) **Security Documents:** Authorization, completion, execution and delivery to the Lender and, where applicable, registration of the Security Documents;
- (v) **Site Inspection:** Site inspection of the Lands by CMHC and the Lender or its representative. All costs of such inspection are the responsibility of the Borrower and will be either deducted from an advance of the Loan or added to the Mortgage;
- (w) **Survey:** A current Survey. If the Survey is more than five (5) years old, then a statutory declaration from the Borrower confirming that there have been no changes to the size or location of the improvements and any easements and encroachments disclosed by the Survey;
- (x) **Zoning Bylaws & Work Orders:** Confirmation that the Lands are compliant under existing zoning bylaws and covenants in favour of public authorities and that there are no outstanding work orders; and
- (y) **Other Documents:** Such other documents and matters as the Lender, the Lender's Solicitor and/or CMHC may require.
- (z) **National Bank of Canada** to assign the CMHC COI # 15362790 to PTC and property address to be corrected

CONSTRUCTION FINANCING

1. Construction Loan Advances. The Approved Lender must act prudently in advancing the Housing Loan in accordance with applicable legislation, best practices, and CMHC policies and guidelines relating to advancing for construction financing (including as it relates to construction lien holdbacks).

2. Applicable Laws, Regulations, Codes and Certifications. The Approved Lender must ensure that the Borrower complies with all applicable federal, provincial, territorial and municipal laws, regulations and codes in the construction of the project.

Prior to each advance, the Approved Lender must obtain from the project architect certification that the work to-date is in compliance with plans and specifications, as approved by the regulatory authority having jurisdiction.

3. Working Drawings. Prior to the start of construction, CMHC may request that the Approved Lender provide a complete set of working drawings to CMHC including: a site plan; architectural specifications; site services plan; landscape plan and structural, mechanical and electrical plans (including ventilation details). CMHC's review of this documentation does not and will not represent a warranty that the Property is in conformance with any building or property standards; the review is to be carried out solely for CMHC's internal purposes.

4. Construction Contract Type. General Contractor – Fixed Price. Prior to the start of construction, the Approved Lender is to ensure that the project is to be built under a general contractor arrangement where the contract is at a fixed price, no greater than \$21,668,854.00.

The fixed price contract is to be given as security to the Approved Lender and the Approved Lender is to confirm the acceptability of the general contractor and the form of the contract.

The fixed price contract must be bonded at the level of 50% for labour and material and 50% performance, with the Approved Lender appropriately designated the beneficiary of the bond. The Approved Lender may adjust the bonding requirements, if this is deemed prudent by the Approved Lender, after assessment of credit worthiness of subtrades, and with the concurrence of the project monitor.

Based on the broker recommendation and shown track record we can recommend : waiver of bonding

The Approved Lender will conduct credit investigations as deemed necessary on the sub-trades and will request the project monitor to provide a detailed report confirming acceptability of the major sub- trades with regard to reputation, experience and track record.

5. Project Monitoring. The Approved Lender is to ensure that sufficient safeguards are in place in order to guarantee timely completion of the construction of the project at the stated costs. Prior to the start of construction, the Approved Lender is to ensure that the project budget cost is reviewed and approved by a third party project monitor. This role is to be performed by a quantity cost surveyor preferably with a Professional Quantity Surveyor (PQS) designation who, in the opinion of the Approved Lender, holds liability insurance adequate for the size of the project

The Approved Lender shall employ the project monitor to recommend the amount of each progress advance and holdback requirements in accordance with applicable construction lien legislation, with verification of cost of work-in-place and cost to complete on every advance. In addition, the project monitor shall provide suitable certification that all monies advanced by the Approved Lender have been used for the Property in accordance with the approved budget and that invoices and contractors have been paid. The Approved Lender is to review and recommend progress advances.

The final advance date is May 9th, 2025.

FUNDING CONDITIONS 5 YEAR TAKEOUT

1. Confirmation the occupancy certificate has been issued.
2. The project architect and engineer have certified that the project is complete and that the work is in compliance with plans and specification as approved by the appropriate regulatory authority.
3. The borrower has complied with all applicable federal, provincial and municipal laws, regulations and codes (including fire safety standards) in the construction of this project.
4. Confirmation that there are no holdbacks in respect of construction liens.
5. Receipt of a formal contract in place with a professional third-party property management firm.
6. The Approved Lender shall ensure that the Borrower purchases by-law endorsement insurance to cover risks resulting from changes to the building code and municipal by-laws subsequent to the building being completed. The Approved Lender shall endeavour where possible to ensure that the same site clause requirement shall be removed from the insurance coverage. In addition the Approved Lender acknowledges that CMHC will not recognize any claim as a result of a loss due to the nonconformity of the structure.

Subject to the Borrower satisfying all the Pre-Funding Conditions, the Lender requires at least three (3) Business Days' notice from the Lender's Solicitor in order to advance funds under the Loan

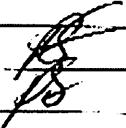

B) INTEREST, ADVANCES AND PAYMENTS

- (a) **Annual Interest Rate:** The Annual Interest Rate will be calculated on a semi-annual basis, not in advance, both before and after Maturity, default and judgment, and be paid on the Principal Amount owing from time to time. You will also pay interest on overdue interest at the Annual Interest Rate until such overdue interest is paid in full.
- (b) **Estimated Annual Interest Rate and Monthly Payment Amounts:** The Estimated Annual Interest Rate and Estimated Annual Monthly Payment amounts set out in Section 1 of this Commitment Letter are estimates only and subject to final determination in accordance with the provisions of this Schedule "B".
- (c) **Interest Generally:** The Borrower shall pay interest on the portion of the Principal Amount advanced from time to time. Interest will accrue from and including the date of advance to and excluding the date of ultimate repayment of the advance.
- (d) **Interest Rate During Construction:** The Annual Interest Rate during construction will be equal to the greater of:
 - (i) the prime rate of the Bank of Montreal in effect from time to time during the term of the Loan and
 - (ii) the minimum rate of 4.70% per annum,
 calculated daily, compounded monthly, not in advance, both before and after Maturity, until paid on the Principal Amount owing from time to time.
- (e) **Lender's Solicitor's Approval:** Loan advances shall take place only when the Security Documents, Pre-Funding Conditions and any other documents or matters with respect to the Loan which are deemed necessary or advisable by the Lender's Solicitor are complete, satisfactory and acceptable to the Lender's Solicitor.

- (f) **Loan Advances:** All advances under the Loan shall be advanced by the Lender on a cost to complete basis as certified by a quantity surveyor or architect retained by the Lender (at the Borrower's expense) and all construction advances shall be approved by CMHC, prior to the advance, less any required holdbacks pursuant to the builders lien legislation applicable in the jurisdiction in which the Lands are located. The Lender at all times reserves the right to advance funds under the Loan at its discretion and apply all or any part of the funds against payment of accrued interest. Neither the execution nor registration of the Security Documents will obligate the Lender to advance all or any part of the Loan. If at any time the estimated cost to complete the Development exceeds the undisbursed balance of the Loan, then at the Lender's option all further advances under the Loan shall be postponed until financial arrangements satisfactory to the Lender have been made to meet such excess costs.
- (g) **Long Term Interest Rate:** The Annual Interest Rate will be compounded semi-annually, not in advance, both before and after Maturity, and charged by the Lender on the Principal Amount from the Interest Adjustment Date until such time as the Principal Amount is paid in full. From the Interest Adjustment Date to the Balance Due Date, the Borrower shall pay interest at the Annual Interest Rate as follows:
- (h) The Lender shall notify the Borrower of the rate and monthly payments (based on a 50 year amortization) which shall commence on the 1st day of the month following the Interest Adjustment Date and shall continue on the 1st day of each and every month to and including the Balance Due Date.

If the Borrower substantially completes the construction of the improvements on the Lands prior to the Interest Adjustment Date, then the Interest Adjustment Date shall be amended to the date of substantial completion and the Lender shall then fix the Annual Interest Rate in accordance with the provisions of this Commitment Letter.

- (i) **Prepayment Privileges:** The Borrower shall have the right to prepay all or any part of the Loan prior to the Balance Due Date.

Borrower Initials	
Covenantor/Guarantor Initials	

- (j) **Property Taxes and Other Charges:** The Borrower is responsible and covenants and agrees to pay all taxes, assessments, utilities, condominium fees and all other amounts charged or levied against the Lands when the same are due and payable. The Borrower will pay the Lender equal monthly instalments of the Estimated Annual Taxes for the Lands. The Lender reserves the right and is authorized to deduct from any advance of the Loan the amount necessary to pay all property taxes for the Lands (including penalties, interest and unpaid utilities, property purchase tax, land transfer tax and any other charges in connection with the Lands). If property taxes for the Lands are paid through the monthly instalments, then the Borrower consents to the release of all Personal Information, including without limitation, the name and address of the Borrower and the release of the monthly instalments held by the Lender to the applicable tax authority. If the Lender gives the Borrower written notice and approval to pay their own property taxes for the Lands, then the monthly instalments will not be required.
- (k) **Québec School Taxes:** If the Lands are located in the Province of Québec, then the payment of school taxes is the Borrower's responsibility. The Borrower shall provide the Lender with confirmation of payment in full of such school taxes annually.
- (l) **Repayment:** The Borrower shall at the Lender's option make all monthly payments by either post-dated cheque or pre-authorized debit / pre-authorized chequing arrangement. The Loan is repayable on the Balance Due Date. The Lender reserves the right to deduct accrued interest from each Loan advance. We will confirm the amount of the monthly payment once the Annual Interest Rate has been set.

C) SPECIAL TERMS AND CONDITIONS

- (a) **CMHC Certificate of Insurance:** The obligation of the Lender to fund the Loan is conditional on CMHC issuing a Certificate of Insurance on terms and conditions acceptable to the Lender. All terms and conditions of the Certificate of Insurance are incorporated into and form part of this Commitment Letter. If there is a conflict between the terms of the Certificate of Insurance and this Commitment Letter, then the terms of the Certificate of Insurance prevail.
- (b) **Disclosure:** This Commitment Letter and the Loan are conditional upon and subject to full disclosure of all material facts relating to the assets and liabilities of the Loan Parties and the accuracy of all information provided and representations made in connection with the application for the Loan, including, without limitation, all information relating to the protection of the environment and public health and safety concerns. The Loan Parties shall have a continuing obligation to disclose to the Lender complete copies of all further disclosure statements and amendments filed for the Development and all further sales and contracts of purchase and sale for the lots in the Development (form and executed agreements). This Commitment Letter assumes the accuracy of the information previously supplied by the Loan Parties and will presuppose no material adverse change to any of the Loan Parties prior to any advance. Any approval or consent required to be made or given by the Lender hereunder must be expressly given by the Lender and is not to be construed by the mere delivery or receipt of documents. If prior to any advance the Lender discovers any fact or misrepresentation by the Loan Parties that would adversely affect the Lender's interest in the Security Documents, then the Lender at its discretion may terminate this Commitment Letter and will have no further obligations to any of the Loan Parties and, if the Loan has been advanced, deem the Loan Parties to be in default under the Mortgage. For clarity, these disclosure obligations shall not merge with but shall survive any and every advance of the Loan.
- (c) **Due on Sale:** If the Borrower sells, conveys, transfers or enters into an agreement for sale or transfer of its legal or beneficial interest in the Lands (including without limitation a sale of shares or other interest or an amalgamation resulting in a transfer of majority ownership or voting control in the Borrower) to a purchaser or transferee not approved in writing by the Lender and CMHC, which approval shall not be unreasonably withheld, then the Loan shall forthwith become due and payable by the Borrower at the Lender's and CMHC's option and sole discretion.
- (d) **First Right of Refusal on Maturity:** The Security Documents shall provide that the Lender shall have the first right of refusal with respect to any loan commitment that the Borrower is prepared to accept in respect of the replacement of the Loan upon its Maturity. The Borrower shall provide the Lender with a copy of any such loan commitment letter or offer, and the Lender shall have the right, exercisable by notice in writing delivered to the Borrower within three (3) Business Days of receipt of such loan commitment letter or offer, to provide the loan commitment offered therein on the same terms and conditions as therein set out. Any loan commitment which the Borrower accepts with respect to the replacement of the Loan shall be conditional for three (3) Business Days following delivery of such loan commitment to the Lender in order to allow the Lender to exercise this right of first refusal.
- (e) **Further Mortgaging:** The Borrower shall not grant financing subsequent to the Loan secured by a mortgage over the Lands without the express written consent of the Lender.
- (f) Should the Property generate a stabilized effective gross income of \$1,519,020.00 for twelve (12) consecutive months and no defaults have occurred or are imminent, the Guarantee may be released. The Borrower must, at all times, be in compliance with the Housing Loan to qualify for the release of the Guarantee. The Approved Lender must provide CMHC with written confirmation that the rental achievement requirements have been met. Confirmation must be based on units leased to bona fide tenants, in occupancy, at rent levels as evidenced by signed leases, verified by the Approved Lender in accordance with prudent industry practices. Should rental incentives or tenant inducements be part of the marketing plan, such incentives must be deducted before calculating the effective gross income.

- (g) **Loan Renewal:** The Lender shall have the first and last right of renewal of the Loan upon Maturity. The Lender may, in its absolute discretion, offer to renew the Loan by delivering a renewal offer to the Borrower no less than three (3) days prior to the Balance Due Date which may have varying terms and prepayment privileges. If on the Balance Due Date, the Borrower has not either:

- (i) repaid the Loan in full; or
- (ii) accepted the renewal offer by delivering an executed copy to the Lender confirming the Borrower's choice of term, together with all other required documents and information and paid the renewal fee specified in the renewal offer and any other outstanding fees.

then it shall be deemed that the Borrower has, but for the term length and interest rate specified in the renewal offer, accepted the terms and conditions of the renewal offer and the Loan shall be renewed for a six (6) month term. The Borrower shall pay all applicable fees under the renewal offer within three (3) Business Days of the Balance Due Date. The Annual Interest Rate for such renewal term will be fixed and as disclosed in the renewal offer. During such renewal term, the Loan may be prepaid at any time without penalty.

- (h) **Material Adverse Change.** If at any time while any portion of the Loan is outstanding pursuant to the provisions of this Commitment Letter, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of any of the Loan Parties concerning the Lands or the financial condition and responsibility of any of the Loan Parties or in the event of any material adverse change in the value of the Lands or the financial status of any of the Loan Parties, or any lessee on which the Lender relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by such one (1) or more applicable Loan Parties within thirty (30) days after written notification thereof by the Lender to such one (1) or more applicable Loan Parties, or in the event of material changes in the general state of economic and market conditions in the Province in which the Lands are located and/or Canada, which in the sole unfettered opinion of the Lender create additional risks to the Lender's security and ability to obtain timely repayment of the indebtedness herein secured, and/or in the event of regulatory and/or governmental changes and/or a general deterioration in the Lender's liquidity, which adversely impact on the Lender's compliance requirements and/or ability of the Lender to obtain the intended rate of return on its investment, in all such circumstances the Lender shall be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

- (i) **Partial Discharge Privileges:** The Borrower has no right to obtain a partial discharge of the Mortgage.

D) INSURANCE REQUIREMENTS

The Borrower shall provide the Lender with evidence of insurance in compliance with the Lender's requirements. The Borrower's terms of coverage and their insurance companies must be entirely acceptable to the Lender and the Lender's insurance consultant. Each party that comprises the Borrower shall be named insureds on all policies of insurance, which shall provide as follows:

- (a) **All-Risk Course of Construction Insurance:** To be in an amount equal to 100% of the hard and soft costs for the Development (as set out in the Budget) and include earthquake, flood and sewer back-up coverage. The policy shall be extended to include permission for partial or complete occupancy.
- (b) **Boiler and Machinery Insurance:** To be written on a Comprehensive Machinery Breakdown Form basis, incorporating the conditions, perils, extensions and stipulations of the insurance policy noted above. Coverage shall be extended to include testing and commissioning. This policy may also include a provision for suspension of coverage in accordance with the Canadian Boiler and Machinery Underwriters' Association Mortgage Clause.
- (c) **Cancellation or Amendment to any Insurance Policy:** Each policy shall provide for thirty (30) days prior written notice to the Lender of termination of the policy, or of alteration of the policy to the prejudice of the Lender. If the Borrower suspends, cancels or lets lapse any part of an insurance policy, the Lender has the right to obtain equivalent insurance on its own behalf and the insurance premium shall be paid by the

Borrower within ten (10) days after having received the Lender's notice of obtaining such insurance, with interest at the current annual interest rate. This right is in addition to any other right the Lender may have.

- (d) **Commercial General Liability Insurance:** To be written in an amount of at least \$2,000,000 with respect to each occurrence. This policy and any excess or umbrella policies shall include "Peoples Trust Company" as an additional insured, but only with regard to the operations of the Borrower. For loans of \$10,000,000 or greater, the Borrower will maintain liability insurance in an amount of \$5,000,000 or greater.
- (e) **Delayed Opening or Delayed Income Insurance:** To be written on a Gross Rentals Broad Form basis as part of the foregoing policies for the Lands, also incorporating the conditions, perils, extensions and stipulations of those insurance policies noted above. This policy shall contain a waiting period deemed acceptable to the Lender, and the period of indemnity shall be for a term of no less than twelve (12) months. Such Delayed Income coverage is to be based upon the amount of Gross Rentals assuming 100% occupancy for the intended date of completion for the Development. For the purposes of this Section 4(e) of this Schedule "B" the term "Gross Rentals" includes without limitation base rent, operating costs and expenses, and realty taxes.
- (f) **IBC Standard Mortgage Clause:** All insurance policies shall contain the Insurance Bureau of Canada Standard Mortgage Clause, and shall name "Peoples Trust Company" as first mortgagee and as first loss payee.

The Lender's insurance consultant will review the Borrower's insurance policies to ensure compliance with the Lender's insurance requirements. The Lender's insurance consultant will be paid through the proceeds of the Loan at the time of an advance.

The Borrower also authorizes and consents to the release, by its insurance provider, of all Personal Information related in any way to the property and Lands described within their insurance coverage to the Lender or any of its agents or employees, or to the Lender's insurance consultant. The Borrower will be responsible for all costs incurred for the insurance coverage and the review as described herein.

The insurance conditions established by the Lender and/or the Lender's insurance consultant do not constitute complete coverage for the Loan Parties, and the Loan Parties and their insurance provider must independently determine what insurance coverage is appropriate for the Borrower's purposes.

E) GENERAL TERMS AND CONDITIONS

- (a) **Acknowledgement:** The Loan Parties acknowledge that the Lender may have entered into this Commitment Letter to provide mortgage administration services on behalf of an investor and not on its own behalf. In such event, any requirement to advance funds or to perform any obligation under this Commitment Letter or any of the Security Documents shall be strictly those of the investor and not of the Lender and the Loan Parties hereby release the Lender from any alleged breach which may occur hereunder or thereunder.
- (b) **Annual Review:** The Borrower shall provide annual operating statements and a current rent roll for the Lands and such other documentation or information as the Lender may require, all in a form satisfactory to the Lender within (120) days of the Borrower's fiscal year-end. At the option of the Lender, the Borrower shall also provide a current net worth statement for each of the Loan Parties.
- (c) **Assignment:** None of the Loan Parties shall assign its obligations under this Commitment Letter or the Loan without the express written consent of the Lender and CMHC. Such consent is discretionary and may be unreasonably withheld. If any of the Loan Parties sells, conveys, transfers or enters into an agreement for the sale or transfer of its shares or other ownership interest or an amalgamation resulting in a transfer of its majority ownership or voting control to a purchaser or transferee not approved in writing by the Lender and CMHC, which approval shall not be unreasonably withheld, then an assignment in breach of this Section 5(c) of this Schedule "B" will be deemed to have occurred. The Lender may assign, sell or transfer all or part of its interest in the Commitment Letter or the Loan without notice to or consent from the Loan Parties.

- (d) **Choice of Language:** The parties hereto confirm that it is their wish that this Commitment Letter and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*
- (e) **Confidentiality:** This Commitment Letter and the contents hereof are confidential and shall not be disclosed by any of the Loan Parties in whole or in part to any person or entity whatsoever without the Lender's prior written consent, except on a confidential basis to the Loan Parties' accountants, lawyers and other professional advisors and on the condition that all such confidential information provided to such parties shall be used for the sole and exclusive purpose of providing professional services in connection with the Loan and this Commitment Letter.
- (f) **Consent to Disclosure and Privacy Policy:** Each of the Loan Parties acknowledges that inquiries for Personal Information for each of the Loan Parties and, if applicable, their respective officers, directors and principal shareholders, may be made at any time in connection with the Loan and in connection with any assignment, sale, syndication or securitization of the Loan by the Lender. Each of the Loan Parties consents to the making of such inquiries for Personal Information by or on behalf of the Lender and the disclosure, without restriction and without notice to or the consent of the Loan Parties, of any and all Personal Information to any credit reporting service, financial institution, rating agency, participant, investor, assignee or purchaser of all or any part of the Loan and any organization maintaining databases on the underwriting and performance of commercial mortgage loans. All Personal Information provided by or in respect of the Loan Parties in relation to the Loan will be dealt with and governed by the Lender in accordance with the terms of the Peoples Trust Privacy Policy, a copy of which is available at any of our branches, or on our website: <http://www.peoplestrust.com>. The Lender and its service providers may use and store Personal Information at facilities in various countries (including Canada and the United States of America). The personal information protection laws of those countries may differ from the laws of the jurisdiction in which you are located, and might permit courts, government, law enforcement and regulatory agencies and security authorities to access your Personal Information without notice. The personal information will be stored in a file kept at the address of the Lender as indicated from time to time to the Loan Parties. Each of the Loan Parties has the right to access his or her file and rectify any personal information in the file which may be obsolete or incorrect. To exercise the right of access and rectification, please attend the designated office of the Lender, or write to the Lender, and the information in the file will be provided. Each of the Loan Parties acknowledges and agrees that the collection, storage, use and disclosure of Personal Information in the manner described in this paragraph is appropriate in these circumstances.
- (g) **Consumer Protection Act (Québec):** If the Lands are located in the Province of Québec, then in order for the Borrower to benefit from an exemption to the principal disclosure provisions of the *Consumer Protection Act* (Québec), one of the following conditions has to be met:
- (i) The Borrower is not a natural person within the meaning of the *Civil Code of Québec*; or
 - (ii) The Borrower is a natural person within the meaning of the *Civil Code of Québec* but is entering into this Commitment Letter and:
 - (A) the Mortgage granted pursuant to this Commitment Letter charges an immovable property containing more than four living units or is used mainly for commercial, industrial or professional purposes;
 - (B) the Mortgage granted pursuant to this Commitment Letter has a first rank on the Lands; or
 - (C) the Lender has fulfilled all the conditions set out in Section 22 of the *Regulation respecting the application of the Consumer Protection Act*.



- (h) **Costs:** The Loan Parties shall pay all costs incurred by the Lender in connection with this Commitment Letter and the Loan, including without limitation the legal account of the Lender's Solicitor, all registration fees, appraisal fees, consulting fees (if any), inspection fees, costs of enforcement and any other fees and all out-of-pocket expenses incurred by the Lender, which costs shall for clarity be secured by the security interests and the Security Documents provided by the Loan Parties. The Loan Parties shall pay the costs of the Lender regardless whether or not all or any part of the Loan is advanced. Such costs may be deducted out of the Loan funds to be advanced to the Borrower and this Commitment Letter shall constitute an irrevocable direction by the Loan Parties in that regard. All fees paid by the Lender which are the responsibility of the Borrower shall bear interest at the Annual Interest Rate until the Lender is reimbursed therefor.
- (i) **Counterparts:** This Commitment Letter may be executed and delivered in counterparts and all counterparts so executed and delivered will constitute a single original copy of this Commitment Letter.
- (j) **Currency:** Unless otherwise indicated herein, all funds are expressed in Canadian dollars.
- (k) **Default:** There shall not at the time of any and every advance of the Loan be any default that has occurred and is continuing, and no state of affairs or event shall exist which, with the passage of time, the giving of notice or both, would constitute a default under this Commitment Letter or any of the Security Documents, and none of the Loan Parties shall be deceased, insolvent or subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding up, dissolution, receivership or maternal litigation or continuation under the laws of any jurisdiction. Any default under this Commitment Letter shall be deemed to be a default under the Security Documents. Any default under the Security Documents shall be deemed to be a default under this Commitment Letter.
- (l) **Draw Processing Fee:** The Borrower shall pay to the Lender a Draw Processing Fee for each advance of the Loan. If the total number of advances of the Loan exceeds two (2), then a CMHC progress advance fee of \$350.00 per advance will also apply and be deducted from each advance.
- (m) **Environmental Liability:** In addition to any liability imposed on the Loan Parties under the Security Documents, the Loan Parties shall indemnify and hold harmless the Lender, its shareholders, directors and officers from all claims and be liable for all expenses, damages or liabilities of the Lender, its shareholders, directors and officers (including, without limitation, all reasonable legal fees, disbursements and applicable taxes) 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 Lands of any hazardous or noxious substances and such liability shall survive foreclosure of the Mortgage and any other existing obligations of the Loan Parties to the Lender in respect of the Loan and any other exercise by the Lender of any remedies available to it for any default under the Loan.
- (n) **Execution and Delivery by Facsimile or E-Mail:** This Commitment Letter may be executed and delivered by the parties by facsimile or e-mail (in which case it shall be saved in .PDF format and attached to the e-mail) transmission. If so executed and delivered, this Commitment Letter will for all purposes be deemed as effective as if the parties had delivered an executed original copy of this Commitment Letter. Be advised that e-mail communication is generally not secure because an e-mail potentially passes through many points and jurisdictions on its route from you to us. If you choose to e-mail us, we strongly recommend that you password protect your document and do not include personal financial information (such as account numbers) within the e-mail as we cannot guarantee its confidentiality in its transmission to us. If you password protect, please send us the password in a separate e-mail.
- (o) **Full Discharge:** Upon the Borrower's repayment in full of the Loan and other charges owing thereon, the Lender shall provide the Borrower with a discharge of the Security Documents (to be prepared and delivered to the Lender by the Borrower or the Borrower's Solicitor) upon payment to the Lender of the Discharge Fee.
- (p) **Governing Law:** This Commitment Letter and all matters arising under it will be governed by and interpreted and construed in accordance with the applicable laws of the Province in which the Lands are located and Canada.

- (q) **Independent Consultant and Engineering Reports:** The Lender will at its discretion as it deems necessary from time to time be entitled to enlist the services of a consultant and/or engineer to conduct a current site inspection of the Lands. All costs incurred in connection with such consultant and/or engineer services are the responsibility of the Borrower and will be either deducted from an advance of the Loan or added to the principal balance of the Loan.
- (r) **Inspection Fee:** The Borrower shall from time to time pay the Lender the Inspection Fee, which shall be deemed to be earned upon the occurrence of any applicable inspection.
- (s) **Mutation Duties – Province of Québec:** If the Lands are located in the Province of Québec, then the Borrower consents to the Lender's Solicitor or a legal representative of the Lender withholding from Loan proceeds in an amount sufficient to pay the estimated mutation duties when they become due. The Borrower shall be responsible for and shall pay any shortfall immediately. Proof of payment of mutation duties shall be forwarded to the Lender by the Lender's Solicitor, as the case may be. In the event the taxing authority has not levied the mutation duties, the Lender's Solicitor will withhold an estimated amount from the Loan proceeds which will be held in trust, and the mutation duties paid when the due. The Borrower will be responsible for any shortfall in payment of the mutation duties.
- (t) **Other Agreements:** This Commitment Letter and any attached schedules, forms and documents when accepted by the Loan Parties shall constitute the entire agreement between the Loan Parties and the Lender with respect to the Loan and, excepting the Security Documents, the Commitment Letter shall supersede all other agreements, understandings or commitments, whether oral or written.
- (u) **Payment Deferral Program:** The Loan will not at any time during the Term qualify under any payment deferral program administered by the Lender.
- (v) **Photos:** The Borrower shall at all times allow the Lender to photograph or utilize existing photographs of the Lands for use in the Lender's internal and external marketing programs.
- (w) **Proceeds of Crime, Money Laundering and Terrorism:** Each of the Loan Parties consents and agrees to provide the Lender and the Lender's Solicitor with such documentation and information, including without limitation identification, as the Lender and the Lender's Solicitor may require from time to time to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (Canada)*.
- (x) **Property Site Inspection:** Renewal of the Loan, if offered by the Lender, may be subject to a satisfactory site inspection of the Lands. The Lender or its representative will arrange for the site inspection and all costs associated with this inspection are the responsibility of the Borrower, including without limitation the Inspection Fee.
- (y) **Québec Interpretation Matters:** For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Commitment Letter may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec: (a) "personal property" shall include "movable property", (b) "real property" or "real estate" or "lands" shall include "immovable property", (c) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim", "reservation of ownership" and a resolutive clause, (d) all references to filing, perfection, priority, remedies, registering or recording under a Personal Property Security Act shall include publication under the *Civil Code of Québec*, (e) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" hypothec as against third parties, (f) an "agent" shall include a "mandatary", (g) "legal owner" shall be including "holding title on behalf of an owner as mandatory or prête-nom", (h) "joint and several" shall include "solidary", (i) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (j) "easement" shall include "servitude", (k) "priority" shall include "rank" or "prior claim", as applicable (l) "solicitor" shall include "legal counsel" (m) "survey" shall include "certificate of location and survey plan", (n) "lease" shall include a "leasing contract", (o) "guarantee" and "guarantor" shall include "suretyship" and "surety", respectively; (p) "Mortgage"

shall include deed of hypothec or hypothec agreement; "Security Documents" shall include deed of hypothec or hypothec agreement, as applicable; and (q) "mortgagee" shall include the hypothecary creditor.

- (z) **Severability:** Each of the provisions in this Commitment Letter is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Commitment Letter. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Commitment Letter invalid or unenforceable in any respect.
- (aa) **Signage:** The Lender shall at all times have the right to install on the Lands, at the Lender's expense, a sign indicating the source of financing for the Development, the location of which shall be mutually agreed to by the Lender and the Borrower.
- (bb) **Survival and Discrepancy:** The execution, delivery and, where applicable, registration of the Security Documents shall in no way merge or extinguish the Commitment Letter, which shall survive and continue in full force and effect. If there is a discrepancy between the Commitment Letter and the Security Documents, then the Lender, at its discretion, shall determine which document prevails.
- (cc) **Time:** Time shall be of the essence in this Commitment Letter and in all matters in relation to the Loan.
- (dd) **Title Insurance in Lieu of Survey:** The Lender, at its sole discretion, may accept title insurance from an approved title insurer in lieu of a Survey. The Borrower shall, notwithstanding the foregoing, provide the Lender with an up-to-date building location Survey when footings and/or foundations for the Development are in place.
- (ee) **Waiver:** Except as otherwise expressly provided herein, this Commitment Letter cannot be waived, changed, amended, discharged or terminated, other than by an agreement in writing executed by the party against whom the enforcement of any waiver, change, amendment, discharge or termination is sought.

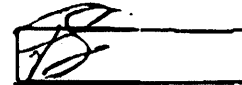
Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "B":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE "C" - REPRESENTATIONS AND WARRANTIES

The Loan Parties jointly and severally represent and warrant that:

1. The Borrower is the legal and beneficial owner of all the right, title and interest to the Lands and holds no portion of the legal or beneficial interest in the Lands in trust for any other parties:



OR

_____ is the legal owner of the Lands and holds the Lands in trust as agent, nominee and bare trustee for and on behalf of _____ who is the beneficial owner of the Lands, pursuant to a declaration of bare trust and agency agreement dated _____;



The Loan Parties shall initial next to the option that applies and, if necessary, complete the blanks.

2. None of the Loan Parties has in the last twelve (12) months been or currently is in arrears or default under any loan which it has with any lender, except as disclosed in the Loan Application and approved by the Lender;
3. None of the Loan Parties has in the last twelve (12) months been or currently is in arrears or default under any loan insured by CMHC, except as disclosed in the Loan Application and approved by the Lender;
4. None of the Loan Parties or any property manager or agent on behalf of any of the Loan Parties is negotiating any special financial arrangement with CMHC;
5. All financial statements and other documents delivered and information provided by the Loan Parties in connection with Loan are true, complete, accurate and representative of the financial condition of the Loan Parties;
6. None of the Loan Parties is in default under any agreement, document or instrument to which it is a party that materially affects its business, property, assets or financial condition;
7. There will not at the time of any and every advance of the Loan be any default that has occurred and is continuing, and no state of affairs or event will exist which, with the passage of time, the giving of notice or both, would constitute a default under this Commitment Letter or any of the Security Documents, and none of the Loan Parties will be insolvent or subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under the laws of any jurisdiction;
8. All statutory holdbacks for the Development have been held and will be held in the account, amount and manner required by the builders lien legislation governing the Development;
9. All advances under the Loan will be for the sole account, benefit and use of the Borrower for the Loan Purpose, unless the Lender provides written approval that any advance of the Loan may be for the account, benefit and use of a party other than the Borrower, which approval may be unreasonably withheld at the Lender's sole discretion; and
10. The Borrower will use the Loan only for the Loan Purpose and for no other purpose whatsoever.
11. The Borrower will not use the Loan for any personal, family or household purposes.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "C":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE 'D' – SECURITY

The Loan Parties shall grant the Lender the following security (collectively, the "Security Documents") in connection with the Loan, all of which shall be in a form and substance satisfactory to the Lender and the Lender's Solicitor.

1. First Mortgage on 450 305th Street, Kimberley, British Columbia V1A 3H7
2. Mortgage of Beneficial Interest against the Lands (if the Lands have a different legal and beneficial owner);
3. General Assignment of Rents and/or Leases against the Lands:-
4. Covenant Agreement Obtain the joint and several guarantee of Peak Developments Limited Partnership, Westcastle Holdings Ltd., WestCastle Land Developments Corp., Boulevard Construction Corporation, Phil Salgado, Christopher York and Riverview Custom Homes Ltd. to an amount equal to 100% of the outstanding Housing Loan (including principal, interest and costs incurred for recovery or preservation of the property).
5. General Assignment of all Insurance Proceeds with respect to the Lands from the Borrower;
6. General Security Agreement charging all personal property attached to or relating to the Development and all personal property situated on the Lands;
7. Environmental Indemnity from the Loan Parties;
8. Title Insurance, when applicable, to be obtained from First Canadian Title, Stewart Title or Chicago Title;
9. Cost Overrun Completion Agreement from the Borrower and Guarantor.
10. Assignment of all Permits, Licences, Approvals and Construction Contracts related to the Development and the Lands from the Borrower;
11. Assignment of Plans and Specifications related to the Development and the Lands from the Borrower;
12. Assignment of Rights Under Contracts related to the Development and the Lands from the Borrower;
13. Statutory Declaration from each of the Loan Parties confirming that it is in compliance with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental, municipal, or civil authority or agency in connection with the payment of any monies owing thereunder, including without limitation all applicable payments of goods and services tax, harmonized sales tax and payroll remittances owing to the applicable agency or authority, have been made to date and will be made on time going forward;
14. Attestation signed by borrower with respect to the intended use of funds as set out in the approved Certificate of Insurance # 15362790.
15. Any other documents set out in the CMHC Certificate of Insurance 15362790, and
16. Such other documents containing such other assurances, information, opinions and covenants which the Lender, CMHC or the Lender's Solicitor may require.

25. SCHEDULE C – MLI SELECT PRODUCT FLEXIBILITIES – CLAUSES TO REGISTER AGAINST THE PROPERTY

MANDATORY SOCIAL OUTCOME COVENANT TO BE INCLUDED BY THE APPROVED LENDER IN THE INSURED MORTGAGE/HYPOTHEC REGISTERED ON TITLE: SOCIAL OUTCOME COVENANT

The following covenants (collectively, the "Social Outcome Covenant") shall form part of the Mortgage registered on title to the property granted as security for the housing loan insured by CMHC.

Capitalized terms and expressions used in this Social Outcome Covenant shall have the meanings set out below.

DEFINED TERMS:

In this Social Outcome Covenant, the following terms will have the following meanings:

Affordability Criteria means the social outcome criteria relating to affordability outlined in the table below, which apply to the Project:

	LEVEL	At the Time of First Occupancy	During the Affordability Period
New Construction	3	A minimum of 25% of the units in the Project must be designated as affordable units (the "Affordable Units") with residential rents at or below 30% of the median renter income* in the subject market (the "Base Affordable Rents").	<ol style="list-style-type: none"> 1. A minimum of 25% of the units in the Project must be designated as Affordable Units; 2. The Base Affordable Rents for the Affordable Units (the 25% of the units as identified by the borrower and attached by rent roll under <u>SCHEDULE D – Affordable Housing Rent Roll</u>) shall not increase by an amount greater than the annual increase permitted under applicable legislation/regulations or, in the absence of such legislation, then rent increases will be limited to the applicable consumer price index as stipulated in the applicable Statistics Canada table (Consumer Price Index, Shelter, by Province or Territory –Rented Accommodation); and 3. At any time during the Affordability Period, an existing Affordable Unit can be replaced with a new affordable unit, provided that the following conditions are met: (i) the new affordable unit is of a similar type (i.e. same number of bedrooms) as the existing Affordable Unit (as per the attached rent roll under <u>SCHEDULE D – Affordable Housing Rent Roll</u>); and (ii) the rent of the new affordable unit must not surpass the maximum rent allowable for the existing Affordable Unit, based on the Base Affordable Rents and any permitted annual rent increases outlined above

*Median renter income refers to real median total household income of renter households, before-taxes, as published by

CMHC at www.cmhc.ca.

Affordability Period means i) in the case of new construction or major renovation or regeneration projects, a minimum of a ten (10) year period commencing on date of the first occupancy permit for an Affordable Unit in the Project; and ii) in the case of an existing building, a minimum of a ten (10) year period commencing on the interest adjustment date of the housing loan secured by this Mortgage.

Approved Lender means the approved lender or mortgagee/hypothecary creditor under the housing loan secured by this Mortgage and insured by CMHC

CMHC means Canada Mortgage and Housing Corporation.

Mortgage means this mortgage, charge or hypothec granted to the Approved Lender in support of the housing loan insured by CMHC pursuant to the National Housing Act



Mortgagor means the borrower or mortgagor/hypothecary debtor named in this Mortgage, and includes the beneficial owner or nominee, for purposes of this Social Outcome Covenant.

Project means the multiple unit residential project located on the property described in this Mortgage

Covenants:

1. Prior to the first advance under the housing loan secured by the Mortgage, the Mortgagor must provide evidence to the Approved Lender, in accordance with CMHC's prescribed documentation requirements, that the Project will comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant.
2. The Project must, at all times during the Affordability Period, comply with the Affordability Criteria.
3. The Mortgagor shall provide annually a certificate of compliance (the "Certificate"), in the form attached below, confirming compliance with the Affordability Criteria, together with a copy of the rent roll in a form acceptable to CMHC. The Approved Lender will advise CMHC in writing of any non-compliance identified by the Mortgagor in the Certificate.
4. The Mortgagor shall maintain books and records to support confirmation of compliance and shall give the Approved Lender or CMHC access to such books and records during regular business hours on ten (10) days notice.
5. The Mortgagor acknowledges that it is a condition of the housing loan that the Project comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant. In the event of non-compliance, which cannot be resolved to CMHC's satisfaction, the Approved Lender shall, at CMHC's direction, call the housing loan in default and take mortgage/hypothecary remedies as required by CMHC. Non-compliance with this Social Outcome Covenant by the Mortgagor may also result in other measures to be taken by CMHC, including restricting future access to CMHC products or programs.
6. This Social Outcome Covenant shall enure to the benefit of and be binding upon the 6 parties and their respective successors and permitted assigns.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "D":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE "E" – LENDER'S FEES

Mortgage Administration



Fee Types	Description	Associated Fee
Amortization Schedule Reprints	For an amortization schedule reprint request.	\$75
Annual Administration Fee	For administration of your mortgage.	\$250
Annual Property Tax Administration Fee	For administration of property taxes for your mortgage.	\$250
Approval Fee for the Borrower to Pay Their Own Property Taxes (post-funding).	For a request by the borrower to pay their own taxes.	\$1000
Approval for Subsequent Financing	For approval of a second mortgage charge.	Fee of \$2500 or 1/2% of remaining principal balance, whichever is greater (with a maximum of \$5000)
Auto Renewal Fee	For the auto-renewal of a mortgage.	\$1000 or 10 bps of loan balance, whichever is greater
Construction Draw Fee (per draw)	For funding of a construction draw.	\$350
Discharge Fee	For review and execution of discharge documents prepared by the borrower's legal counsel.	\$500
Discharge Fee Unit Sales	For execution of discharge documents prepared by the borrower's legal counsel for the sale of condominium units.	\$500 for one title, then \$250 per unit, up to 10 units, then \$100 for the remaining balance
Duplicate Document Requests	For a request of duplicate documents.	\$50 per document
Fee for signing of plans or other LTO documents	For the execution of development plans or other LTO documents	\$250
Inspection Fee	For a property site inspection exclusive of travel costs.	\$500
Mortgage Loan Statement Reprints	For a request of duplicate mortgage statements.	\$75
Fee Types	Description	Associated Fee
Partial Discharge Fee	For a partial discharge of security.	\$1000 or 10 bps of loan balance, whichever is greater

Payment Date Change Fee	For a change to the monthly payment date of the mortgage prior to funding.	\$250
Payment Via Cheque Fee	For processing of a monthly mortgage payment by cheque. Fee is payable in each instance payment is made by cheque.	\$100
PPSA Registration Fee	For the registration of PPSA charges exclusive of costs.	\$125
Property Insurance Administration Fee	For annual administration of property insurance.	\$250
Property Tax Search Fee	For a property tax search request.	\$150
Property Tax Status Fee	For a property tax status request.	\$150
Renewal Fee	For the renewal of a mortgage.	\$1000 or 10 bps of loan balance, whichever is greater
Returned Payment Fee	For an item that is returned NSF or for any other reason the item is returned.	\$125
School Tax Search Fee (QC only)	For a school tax search in Quebec.	\$150

Default Administration

Fee Types	Description	Associated Fee
Default Loan Management Fee	For managing a loan in default.	\$2500
Non-Compliance Fee	For review and/or confirmation of non-compliance of mortgage terms and conditions post funding.	\$1000
Notice of Sale Fee (Ontario)	For each issuance of a notice of sale as the initial step in the power of sale process in Ontario once a default has occurred.	\$1750

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "E":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE "F" – ADDITIONAL INFORMATION

Borrower's Insurance Broker/Agent means:

Insurance Broker Company:

Contact Person - Attention:

Mailing Address:

Tel. No:

Fax No.:

E-mail:

Quantity Surveyor means:

Firm Name:

Contact Person - Attention:


Mailing Address:

Tel. No:

Fax No.:

E-mail:

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "F".

Borrower Initials	
Covenantor/Guarantor Initials	



Peoples Group

SCHEDULE "G" – PROFILE FORM(S)

(see attached)

SCHEDULE "H" – CANADA ANTI-SPAM LAW (CASL) EXPRESS CONSENT REQUEST

By providing the e-mail address below, each individual named below consents to receive commercial electronic messages sent by and on behalf of the Lender regarding all matters in relation to the Loan and other loan products offered by the Lender. Each individual named below understands that such individual can later withdraw consent by using the unsubscribe function in the message or by contacting the Lender at Suite 1130, 605 – 5th Ave SW Calgary, AB T2P 3H5 / Leigh Hanson / Leighh@peoplestrust.com / Mobile: 403-700-1721

Name: P. Salgado E-mail: PSalgado@Westcoastdevelopment.com
 Name: P. Salgado E-mail: PSalgado@Westcoastdevelopment.com
 Name: _____ E-mail: _____

By providing the above name and e-mail address, you represent and warrant that you have authority to provide express consent on behalf of the e-mail recipient. Please be advised that if express consent is not provided, the Lender may nonetheless send transactional or other electronic correspondence to recipients, as permitted or required under the applicable laws of the Province in which the Lands are located and Canada.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "H".

Borrower Initials	
Covenantor/Guarantor Initials	



Name	Peak Developments Corp (General Partner of Peak Developments Limited Partnership)
Address	1334 18 Avenue NW Calgary AB V9B 6X4
Business Telephone	403-973-9675
Mobile Phone	
E-mail	Chris@riverviewhomes.ca
Fax	
Loan No.	54047
Agent / Broker	Name: Jessica Harland Business Tel. No.: 403-303-3602 E-mail: jessica.harland@cbre.com

Prairie Office
Fax: (403) 266-5002
E-mail: LeighO@peoplestrust.com

COMMITMENT LETTER

MULTI-FAMILY CONSTRUCTION LOAN (CMHC Insured)

Date of Commitment Letter: **August 26, 2022**

Dear Sirs/Mesdames,

The Lender is pleased to confirm that a CMHC insured FIRST mortgage loan has been approved on the terms and conditions set out in this Commitment Letter.

1. BASIC LOAN INFORMATION AND MORTGAGE TERMS

Borrower		Peak Developments Corp. (General Partner of Peak Developments Limited Partnership)					
Guarantor		Peak Developments Limited Partnership WestCastle Holdings Ltd. WestCastle Land Developments Corp. Boulevard Construction Corporation Phil Salgado Christopher York Riverview Custom Homes Ltd.					
Principal Amount	\$20,454,000.00	Estimated Annual Interest Rate	Prime	Estimated Monthly Payment	TBD	Interest Adjustment Date	Dec-1-2022
CMHC Premium	\$255,675.00	Term	30 Months	First Payment Date	Dec-1-2022	Balance Due Date (Maturity)	June-1-2025
CMHC Application Fee	\$13,200.00	Amortization	Interest Only	Tax Portion	N/A	Estimated Annual Taxes	TBD
Grossed-out Amount	\$20,722,875.00						
COPI No.	15362790	COPI Expire	May-9-2025				

peoplesgroup.com

WESTERN OFFICE
Suite 1400 - 888 Dunsmuir St.
Vancouver, BC V6C 3K4
Tel: 604-683-2881

PRAIRIE OFFICE
Suite 1130 - 605 5 Ave SW
Calgary, AB T2P 3H5
Tel: 403-237-8975

EASTERN OFFICE
Suite 1310 - 95 Wellington St. W
Toronto, ON M5J 2N7
Tel: 416-368-3266

Lands	Civic Address 450 305th Street Kimberley British Columbia V1A 3H7	Legal Description Lot B DL 2378 KD Plan 112091
Loan Purpose	Construction MLI Select	Estimated Funding Date November 3, 2022 (On or before)
		Expiry Date of Commitment Letter May 9, 2025

2. ACCEPTANCE AND COMMITMENT LETTER

This Commitment Letter, at the option of the Lender shall be null and void and of no force or effect unless:

- the Loan Parties accept the terms of this Commitment Letter and pay all required fees to the Lender's office by September 2, 2022;
- the Loan Parties, as applicable, have complied with all terms and conditions of this Commitment Letter, including without limitation the terms and conditions outlined in Schedule "B" of this Commitment Letter, to the satisfaction of the Lender and the Lender's Solicitor; and
- all Security Documents have been duly executed, validly authorized and delivered to the Lender and, where necessary, registered, and the first advance has been made by the Expiry Date.

3. ACKNOWLEDGEMENT

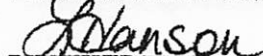
By executing this Commitment Letter, each of the Loan Parties:

- acknowledges and agrees that it has read, has received a sufficient explanation of, and understands all terms and conditions set out in, and its obligations under, this Commitment Letter;
- acknowledges and agrees that the fees of the Lender are subject to change at any time and from time to time at the sole discretion of the Lender, and that such changes to the Lender's fees will be binding on and enforceable against the Loan Parties;
- confirms that the representations and warranties set out in Schedule "C" of this Commitment Letter are true and accurate as of the date of this Commitment Letter and will be true and accurate on the initial advance of the Loan and on the date of any subsequent advance of the Loan;
- covenants and agrees to pay to the Lender any fees owing to the Lender in connection with the Loan from time to time, including without limitation the fees set out in the Fee Schedule;
- covenants and agrees to pay to CMHC any fees owing to CMHC in connection with the Loan from time to time, including without limitation all premiums and taxes on premiums;
- authorizes the Lender and the Lender's Solicitor to obtain credit information and such other Personal Information for the Loan Parties as they deem necessary or desirable in their absolute discretion from such sources as they deem necessary;
- covenants to promptly provide such further information as may be requested by the Lender and the Lender's Solicitor to process the Loan; and
- consents to the Lender verifying or re-verifying any information contained in the Loan Application at any time during the Term and any subsequent renewals of the Loan, and if applicable, both before and after default, and after judgement, requesting and receiving a credit bureau report from a credit reporting agency.

This Commitment Letter shall be irrevocable and open for acceptance by the Loan Parties until 5:00 p.m. (MST time), on September 2, 2022.

Yours truly,

PEOPLES TRUST COMPANY



Leigh Hanson

Sr. Account Manager, Commercial Banking - Prairies

The Loan Parties hereby accept this Commitment Letter this 31 day of AUGUST, 2022.

Borrower:

Peak Developments Corp. (General Partner of
Peak Developments Limited Partnership)

Witness (required where an individual signs):

ARDI UJIANI

Name:

Covenantor/Guarantor:

Peak Developments Limited Partnership

Witness (required where an individual signs):

ARDI UJIANI

Name:

WestCastle Holdings Ltd.

Name:

WestCastle Land Developments Corp.

Name:

Boulevard Construction Corporation

Name:

Phil Salgado

Name:

Christopher York

Name:

Riverview Custom Homes Ltd.

Name:

The Profile Form(s) attached to and forming part of this Commitment Letter must be fully completed and executed by each of the Loan Parties and returned with this Commitment Letter. Failure to complete and return, or any delay in returning, the Profile Form(s) will prohibit the Lender from processing the Loan.

SCHEDULE "A" – DEFINITIONS

For the purposes of this Commitment Letter, the capitalized terms set out on in Section 1 on the first page of this Commitment Letter under the heading "Basic Loan Information and Mortgage Terms" have the corresponding meanings ascribed thereto and the following terms, when capitalized, have the following meanings:

Annual Interest Rate means the annual interest rate for the Loan to be fixed in accordance with the procedure set out in Schedule "B" of this Commitment Letter and confirmed in a letter from the Lender to the Borrower.

Borrower Completion Failure has the meaning set out in Schedule "B" of this Commitment Letter.

Borrower's Solicitor means:

Law Firm:

McLeod Law

Contact Person - Attention:

NEIL HUTTON

Mailing Address:

300 14905 Bonmarter Road SE CALGARY, AB, T2X 3J3

Tel. No.:

403-225-6416

Fax No.:

403-271-1769

E-mail:

anhutton@mcLeod-law.com

Budget means the construction budget for the Development.

Business Day means every day of the week except Saturdays, Sundays and statutory holidays in the Province in which the Lands are located.

Certificate of Insurance means the certificate of insurance and special conditions issued by CMHC setting out the terms and conditions under which the Loan is insured, and includes all attachments thereto.

CMHC means Canada Mortgage and Housing Corporation.

Commitment Fee means a non-refundable commitment fee in the amount of \$51,808.00 (\$25,803.00 rec'd).

Commitment Letter means, collectively, this letter and all schedules, amendments, forms and attachments hereto.

Deposit Fee means a deposit fee in the amount of \$0.00.

Development means the proposed development on the Lands.

Discharge Fee means a discharge fee in the amount specified in the Fee Schedule.

Draw Processing Fee means a non-refundable draw processing fee per construction progress draw in the amount specified in the Fee Schedule.

Fee Schedule means the Lender's schedule of fees set out in Schedule "E".

Inspection Fee means a non-refundable inspection fee in the amount specified in the Fee Schedule.

Interest Rate During Construction means a rate equal to the prime rate of the Bank of Montreal in effect from time to time during the term of the Loan.

Takeout: 5 Year Term

To be determined by the Lender at time of conversion to a 5 Year Fixed Rate Loan, based on CMHC Pool pricing, at that point.

Amortization means:

Construction: Interest Only

Takeout: 600 Months, from the Interest Adjustment Date for Long Term financing

Lender means Peoples Trust Company.

Lender's Solicitor means:

Law Firm: Cassels Brock & Blackwell LLP

Contact Person - Attention: Mike Harbrook

Mailing Address: Suite 2100, Scotia Plaza, 40 King St. W.

Toronto, ON M5H 3C2

Tel. No.: 416 869 5382

Fax No.: 416 360 8877

E-mail: mharbrook@cassels.com

Loan means the loan described in this Commitment Letter, including all principal and interest owing from time to time.

Loan Application means the application made by the Loan Parties to the Lender for the Loan.

Loan Parties means, collectively, the Borrower and the Covenantor/Guarantor, as applicable.

Mortgage means a FIRST mortgage, or hypothec if the Lands are located in the Province of Québec, in favour of the Lender against the Lands.

Personal Information means information relating to any natural or legal person that may be of a personal or confidential nature, including without limitation credit and financial information.

Pre-Funding Conditions means, collectively, the conditions set out in Section 1 of Schedule "B" of this Commitment Letter and any other conditions set out in this Commitment Letter that must be fulfilled before an advance of the Loan, unless expressly waived in writing by the Lender.

Prime Rate means the rate of interest per annum designated from time to time during the currency of the Loan by the Bank of Montreal as being the prime commercial lending rate charged by it for demand loans in Canadian funds. If the Prime Rate changes and so often as the same occurs at any time until the amounts owing under the Loan have been paid in full, the Annual Interest Rate under the Loan shall also change by the same amount, on the same day.

Security Documents has the meaning set out in Schedule "D" of this Commitment Letter.

Survey means in British Columbia a Survey Certificate for the Lands, prepared by a qualified provincial land surveyor, confirming that the Lands are free from unacceptable encroachments and comply with all municipal and provincial requirements, and showing the location of all easements and rights of way on the Lands.

we, our and us each means Peoples Trust Company, its successors and assigns.

you and your each means each person who has executed this Commitment Letter as Borrower and Covenantor/Guarantor.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "A":

Borrower initials	<i>LM</i>
Covenantor/Guarantor initials	<i>LM</i>

SCHEDULE "B" – TERMS AND CONDITIONS

1. PRE-FUNDING TERMS AND CONDITIONS

The Lender shall have no obligation to make any advances under the Loan unless the following conditions have been complied with and the Lender has received and approved the following documents and matters in form and substance satisfactory to the Lender and the Lender's Solicitor:

- (a) **Budget:** The Budget;
- (b) **Budget Adequacy Report:** A Budget adequacy report confirming that the Budget, source of funds and use of funds will be sufficient to complete the Development. Such report will be prepared by a quantity surveyor appointed by the Lender and paid for by the Borrower. The Borrower will provide all information required to complete this report, including written confirmation as to the amounts disbursed and to be disbursed to the general contractor;
- (c) **Certificate of Insurance:** Compliance with all terms and conditions of, and payment of all fees in connection with, the Certificate of Insurance;
- (d) **Commitment Fee:** On acceptance of this Commitment Letter by the Loan Parties, the Lender shall earn and the Borrower shall pay the Commitment Fee, which represents an agreed fee to compensate the Lender for the time and effort required of its employees and agents and its expenses incurred in the review and study of documents pertaining to the subject loan transaction, legal specifications and reservation of funds, the review of the Loan Application, the preparation of this Commitment Letter and the loss of opportunity to use the funds for the Loan elsewhere. If the Loan Parties fail to comply with all conditions of this Commitment Letter by the Expiry Date, then the Lender shall be relieved and released from any further duties or obligations to the Loan Parties arising out of this Commitment Letter. Notwithstanding the foregoing, the Loan Parties shall not be released or relieved from payment of the Commitment Fee if the same has not already been paid;
- (e) **Consent to Receipt of Commercial Electronic Messages:** Completion of the Canada Anti-Spam Law (CASL) Express Consent Request attached hereto as Schedule "G" by each of the Loan Parties;
- (f) **Construction Contracts & Plans and Specifications:** Copies of all construction contracts, plans and specifications and development and planning applications, materials and drawings relating to the Development;
- (g) **Environmental Assessment Report:** Current environmental assessment report for the Lands and transmittal letter addressed to "Peoples Trust Company" confirming that the Lands conform to the Canadian Standards Association Phase 1 Environmental Site Assessment (Form Z768) and that the report can be relied on for mortgage underwriting purposes. The environmental assessment report must be prepared by an environmental audit firm, carrying at least \$2,000,000 in professional liability insurance, having a maximum deductible of \$25,000; A Letter of Transmittal stating that Peoples Trust and CMHC can rely on the report for mortgage lending purposes will be required.
- (h) **Financial Information:** Credit reports, bank reports and financial statements for each of the Loan Parties;
- (i) **Insurance Review:** Insurance review by the Lender's insurance consultant, RISC Inc. All costs of such review are the responsibility of the Borrower and will be either deducted from an advance of the Loan or added to the Mortgage;
- (j) **Land Owner Transparency Act Compliance:** Confirmation that any required *Land Owner Transparency Act* (British Columbia) filings and fees, or any other filings and fees required pursuant to similar legislation as may be applicable in the jurisdiction in which the Lands are located, have been completed and paid and are up to date with respect to the Lands;

- (k) **Money Laundering and Terrorist Financing Compliance:** Compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* (Canada);
- (l) **New Home Warranty Registration:** Confirmation that the Development is registered under a home warranty program acceptable to the Lender;
- (m) **PAD/PAC Agreement:** Completion, execution and delivery of the Lender's form of pre-authorized debit / pre-authorized chequing agreement, if the Borrower is paying each Monthly Payment by pre-authorized debit / pre-authorized chequing arrangement;
- (n) **Permits, Licenses and Approvals:** Confirmation that all permits, licenses and approvals (including, without limitation, approval for the specific number of units in the Development) are in place to proceed with the Development;
- (o) **Permitted Use:** Confirmation from the Borrower that the Loan will only be used for the Loan Purpose;
- (p) **Planning Act Compliance:** If the Lands are located in the Province of Ontario, then the Loan, this Commitment Letter and the obligations and rights of the Loan Parties, including any partial discharge of any security, are conditional on compliance with the subdivision control provisions of the *Planning Act* (Ontario).
- (q) **Profile Form(s):** Profile Form(s) attached to this Commitment Letter;
- (r) **Property Tax Assessment:** Current property tax assessment for the Lands;
- (s) **Property Tax Certificate:** Current tax certificate confirming all property taxes and utilities for the Lands are paid in full;
- (t) **Registers:** Copies of the register of directors and shareholders, in the case of a corporation, or a copy of the register of partners, in the case of a limited partnership, for each of the Loan Parties; Confirmation of Borrower ownership structure (as per CMHC COI #15362790)
- (u) **Security Documents:** Authorization, completion, execution and delivery to the Lender and, where applicable, registration of the Security Documents;
- (v) **Site Inspection:** Site inspection of the Lands by CMHC and the Lender or its representative. All costs of such inspection are the responsibility of the Borrower and will be either deducted from an advance of the Loan or added to the Mortgage;
- (w) **Survey:** A current Survey. If the Survey is more than five (5) years old, then a statutory declaration from the Borrower confirming that there have been no changes to the size or location of the improvements and any easements and encroachments disclosed by the Survey;
- (x) **Zoning Bylaws & Work Orders:** Confirmation that the Lands are compliant under existing zoning bylaws and covenants in favour of public authorities and that there are no outstanding work orders; and
- (y) **Other Documents:** Such other documents and matters as the Lender, the Lender's Solicitor and/or CMHC may require.
- (z) **National Bank of Canada to assign the CMHC COI # 15362790 to PTC and property address to be corrected**

CONSTRUCTION FINANCING

1. Construction Loan Advances. The Approved Lender must act prudently in advancing the Housing Loan in accordance with applicable legislation, best practices, and CMHC policies and guidelines relating to advancing for construction financing (including as it relates to construction lien holdbacks).

2. Applicable Laws, Regulations, Codes and Certifications. The Approved Lender must ensure that the Borrower complies with all applicable federal, provincial, territorial and municipal laws, regulations and codes in the construction of the project.

Prior to each advance, the Approved Lender must obtain from the project architect certification that the work to-date is in compliance with plans and specifications, as approved by the regulatory authority having jurisdiction.

3. Working Drawings. Prior to the start of construction, CMHC may request that the Approved Lender provide a complete set of working drawings to CMHC including: a site plan; architectural specifications; site services plan; landscape plan and structural, mechanical and electrical plans (including ventilation details). CMHC's review of this documentation does not and will not represent a warranty that the Property is in conformance with any building or property standards; the review is to be carried out solely for CMHC's internal purposes.

4. Construction Contract Type. General Contractor – Fixed Price. Prior to the start of construction, the Approved Lender is to ensure that the project is to be built under a general contractor arrangement where the contract is at a fixed price, no greater than \$21,688,854.00.

The fixed price contract is to be given as security to the Approved Lender and the Approved Lender is to confirm the acceptability of the general contractor and the form of the contract.

The fixed price contract must be bonded at the level of 50% for labour and material and 50% performance, with the Approved Lender appropriately designated the beneficiary of the bond. The Approved Lender may adjust the bonding requirements, if this is deemed prudent by the Approved Lender, after assessment of credit worthiness of subtrades, and with the concurrence of the project monitor.

Based on the broker recommendation and shown track record we can recommend : waiver of bonding

The Approved Lender will conduct credit investigations as deemed necessary on the sub-trades and will request the project monitor to provide a detailed report confirming acceptability of the major sub-trades with regard to reputation, experience and track record.

5. Project Monitoring. The Approved Lender is to ensure that sufficient safeguards are in place in order to guarantee timely completion of the construction of the project at the stated costs. Prior to the start of construction, the Approved Lender is to ensure that the project budget cost is reviewed and approved by a third party project monitor. This role is to be performed by a quantity cost surveyor preferably with a Professional Quantity Surveyor (PQS) designation who, in the opinion of the Approved Lender, holds liability insurance adequate for the size of the project.

The Approved Lender shall employ the project monitor to recommend the amount of each progress advance and holdback requirements in accordance with applicable construction lien legislation, with verification of cost of work-in-place and cost to complete on every advance. In addition, the project monitor shall provide suitable certification that all monies advanced by the Approved Lender have been used for the Property in accordance with the approved budget and that invoices and contractors have been paid. The Approved Lender is to review and recommend progress advances.

The final advance date is May 8th, 2025.

FUNDING CONDITIONS 5 YEAR TAKEOUT

1. Confirmation the occupancy certificate has been issued.
2. The project architect and engineer have certified that the project is complete and that the work is in compliance with plans and specification as approved by the appropriate regulatory authority.
3. The borrower has complied with all applicable federal, provincial and municipal laws, regulations and codes (including fire safety standards) in the construction of this project.
4. Confirmation that there are no holdbacks in respect of construction liens.
5. Receipt of a formal contract in place with a professional third-party property management firm.
6. The Approved Lender shall ensure that the Borrower purchases by-law endorsement insurance to cover risks resulting from changes to the building code and municipal by-laws subsequent to the building being completed. The Approved Lender shall endeavour where possible to ensure that the same site clause requirement shall be removed from the insurance coverage. In addition the Approved Lender acknowledges that CMHC will not recognize any claim as a result of a loss due to the nonconformity of the structure.

Subject to the Borrower satisfying all the Pre-Funding Conditions, the Lender requires at least three (3) Business Days' notice from the Lender's Solicitor in order to advance funds under the Loan



B) INTEREST, ADVANCES AND PAYMENTS

- (a) **Annual Interest Rate:** The Annual Interest Rate will be calculated on a semi-annual basis, not in advance, both before and after Maturity, default and judgment, and be paid on the Principal Amount owing from time to time. You will also pay interest on overdue interest at the Annual Interest Rate until such overdue interest is paid in full.
- (b) **Estimated Annual Interest Rate and Monthly Payment Amounts:** The Estimated Annual Interest Rate and Estimated Annual Monthly Payment amounts set out in Section 1 of this Commitment Letter are estimates only and subject to final determination in accordance with the provisions of this Schedule "B".
- (c) **Interest Generally:** The Borrower shall pay interest on the portion of the Principal Amount advanced from time to time. Interest will accrue from and including the date of advance to and excluding the date of ultimate repayment of the advance.
- (d) **Interest Rate During Construction:** The Annual Interest Rate during construction will be equal to the greater of:
 - (i) the prime rate of the Bank of Montreal in effect from time to time during the term of the Loan and
 - (ii) the minimum rate of 4.70% per annum,
 calculated daily, compounded monthly, not in advance, both before and after Maturity, until paid on the Principal Amount owing from time to time.
- (e) **Lender's Solicitor's Approval:** Loan advances shall take place only when the Security Documents, Pre-Funding Conditions and any other documents or matters with respect to the Loan which are deemed necessary or advisable by the Lender's Solicitor are complete, satisfactory and acceptable to the Lender's Solicitor.

- (f) **Loan Advances:** All advances under the Loan shall be advanced by the Lender on a cost to complete basis as certified by a quantity surveyor or architect retained by the Lender (at the Borrower's expense) and all construction advances shall be approved by CMHC, prior to the advance, less any required holdbacks pursuant to the builders lien legislation applicable in the jurisdiction in which the Lands are located. The Lender at all times reserves the right to advance funds under the Loan at its discretion and apply all or any part of the funds against payment of accrued interest. Neither the execution nor registration of the Security Documents will obligate the Lender to advance all or any part of the Loan. If at any time the estimated cost to complete the Development exceeds the undisbursed balance of the Loan, then at the Lender's option all further advances under the Loan shall be postponed until financial arrangements satisfactory to the Lender have been made to meet such excess costs.
- (g) **Long Term Interest Rate:** The Annual Interest Rate will be compounded semi-annually, not in advance, both before and after Maturity, and charged by the Lender on the Principal Amount from the Interest Adjustment Date until such time as the Principal Amount is paid in full. From the Interest Adjustment Date to the Balance Due Date, the Borrower shall pay interest at the Annual Interest Rate as follows:
- (h) The Lender shall notify the Borrower of the rate and monthly payments (based on a 50 year amortization) which shall commence on the 1st day of the month following the Interest Adjustment Date and shall continue on the 1st day of each and every month to and including the Balance Due Date.

If the Borrower substantially completes the construction of the improvements on the Lands prior to the Interest Adjustment Date, then the Interest Adjustment Date shall be amended to the date of substantial completion and the Lender shall then fix the Annual Interest Rate in accordance with the provisions of this Commitment Letter.

- (i) **Prepayment Privileges:** The Borrower shall have the right to prepay all or any part of the Loan prior to the Balance Due Date.

Borrower Initials	
Covenantor/Guarantor Initials	

- (j) **Property Taxes and Other Charges:** The Borrower is responsible and covenants and agrees to pay all taxes, assessments, utilities, condominium fees and all other amounts charged or levied against the Lands when the same are due and payable. The Borrower will pay the Lender equal monthly instalments of the Estimated Annual Taxes for the Lands. The Lender reserves the right and is authorized to deduct from any advance of the Loan the amount necessary to pay all property taxes for the Lands (including penalties, interest and unpaid utilities, property purchase tax, land transfer tax and any other charges in connection with the Lands). If property taxes for the Lands are paid through the monthly instalments, then the Borrower consents to the release of all Personal Information, including without limitation, the name and address of the Borrower and the release of the monthly instalments held by the Lender to the applicable tax authority. If the Lender gives the Borrower written notice and approval to pay their own property taxes for the Lands, then the monthly instalments will not be required.
- (k) **Québec School Taxes:** If the Lands are located in the Province of Québec, then the payment of school taxes is the Borrower's responsibility. The Borrower shall provide the Lender with confirmation of payment in full of such school taxes annually.
- (l) **Repayment:** The Borrower shall at the Lender's option make all monthly payments by either post-dated cheque or pre-authorized debit / pre-authorized chequing arrangement. The Loan is repayable on the Balance Due Date. The Lender reserves the right to deduct accrued interest from each Loan advance. We will confirm the amount of the monthly payment once the Annual Interest Rate has been set.

C) SPECIAL TERMS AND CONDITIONS

- (a) **CMHC Certificate of Insurance:** The obligation of the Lender to fund the Loan is conditional on CMHC issuing a Certificate of Insurance on terms and conditions acceptable to the Lender. All terms and conditions of the Certificate of Insurance are incorporated into and form part of this Commitment Letter. If there is a conflict between the terms of the Certificate of Insurance and this Commitment Letter, then the terms of the Certificate of Insurance prevail.
- (b) **Disclosure:** This Commitment Letter and the Loan are conditional upon and subject to full disclosure of all material facts relating to the assets and liabilities of the Loan Parties and the accuracy of all information provided and representations made in connection with the application for the Loan, including, without limitation, all information relating to the protection of the environment and public health and safety concerns. The Loan Parties shall have a continuing obligation to disclose to the Lender complete copies of all further disclosure statements and amendments filed for the Development and all further sales and contracts of purchase and sale for the lots in the Development (form and executed agreements). This Commitment Letter assumes the accuracy of the information previously supplied by the Loan Parties and will presuppose no material adverse change to any of the Loan Parties prior to any advance. Any approval or consent required to be made or given by the Lender hereunder must be expressly given by the Lender and is not to be construed by the mere delivery or receipt of documents. If prior to any advance the Lender discovers any fact or misrepresentation by the Loan Parties that would adversely affect the Lender's interest in the Security Documents, then the Lender at its discretion may terminate this Commitment Letter and will have no further obligations to any of the Loan Parties and, if the Loan has been advanced, deem the Loan Parties to be in default under the Mortgage. For clarity, these disclosure obligations shall not merge with but shall survive any and every advance of the Loan.
- (c) **Due on Sale:** If the Borrower sells, conveys, transfers or enters into an agreement for sale or transfer of its legal or beneficial interest in the Lands (including without limitation a sale of shares or other interest or an amalgamation resulting in a transfer of majority ownership or voting control in the Borrower) to a purchaser or transferee not approved in writing by the Lender and CMHC, which approval shall not be unreasonably withheld, then the Loan shall forthwith become due and payable by the Borrower at the Lender's and CMHC's option and sole discretion.
- (d) **First Right of Refusal on Maturity:** The Security Documents shall provide that the Lender shall have the first right of refusal with respect to any loan commitment that the Borrower is prepared to accept in respect of the replacement of the Loan upon its Maturity. The Borrower shall provide the Lender with a copy of any such loan commitment letter or offer, and the Lender shall have the right, exercisable by notice in writing delivered to the Borrower within three (3) Business Days of receipt of such loan commitment letter or offer, to provide the loan commitment offered therein on the same terms and conditions as therein set out. Any loan commitment which the Borrower accepts with respect to the replacement of the Loan shall be conditional for three (3) Business Days following delivery of such loan commitment to the Lender in order to allow the Lender to exercise this right of first refusal.
- (e) **Further Mortgaging:** The Borrower shall not grant financing subsequent to the Loan secured by a mortgage over the Lands without the express written consent of the Lender.
- (f) **Should the Property generate a stabilized effective gross income of \$1,519,020.00 for twelve (12) consecutive months and no defaults have occurred or are imminent, the Guarantees may be released. The Borrower must, at all times, be in compliance with the Housing Loan to qualify for the release of the Guarantee. The Approved Lender must provide CMHC with written confirmation that the rental achievement requirements have been met. Confirmation must be based on units leased to bona fide tenants, in occupancy, at rent levels as evidenced by signed leases, verified by the Approved Lender in accordance with prudent industry practices. Should rental incentives or tenant inducements be part of the marketing plan, such incentives must be deducted before calculating the effective gross income.**

- (g) **Loan Renewal:** The Lender shall have the first and last right of renewal of the Loan upon Maturity. The Lender may, in its absolute discretion, offer to renew the Loan by delivering a renewal offer to the Borrower no less than three (3) days prior to the Balance Due Date which may have varying terms and prepayment privileges. If on the Balance Due Date, the Borrower has not either:

- (i) repaid the Loan in full; or
- (ii) accepted the renewal offer by delivering an executed copy to the Lender confirming the Borrower's choice of term, together with all other required documents and information and paid the renewal fee specified in the renewal offer and any other outstanding fees,

then it shall be deemed that the Borrower has, but for the term length and interest rate specified in the renewal offer, accepted the terms and conditions of the renewal offer and the Loan shall be renewed for a six (6) month term. The Borrower shall pay all applicable fees under the renewal offer within three (3) Business Days of the Balance Due Date. The Annual Interest Rate for such renewal term will be fixed and as disclosed in the renewal offer. During such renewal term, the Loan may be prepaid at any time without penalty.

- (h) **Material Adverse Change:** If at any time while any portion of the Loan is outstanding pursuant to the provisions of this Commitment Letter, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of any of the Loan Parties concerning the Lands or the financial condition and responsibility of any of the Loan Parties or in the event of any material adverse change in the value of the Lands or the financial status of any of the Loan Parties, or any lessee on which the Lender relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by such one (1) or more applicable Loan Parties within thirty (30) days after written notification thereof by the Lender to such one (1) or more applicable Loan Parties, or in the event of material changes in the general state of economic and market conditions in the Province in which the Lands are located and/or Canada, which in the sole unfettered opinion of the Lender create additional risks to the Lender's security and ability to obtain timely repayment of the indebtedness herein secured, and/or in the event of regulatory and/or governmental changes and/or a general deterioration in the Lender's liquidity, which adversely impact on the Lender's compliance requirements and/or ability of the Lender to obtain the intended rate of return on its investment, in all such circumstances the Lender shall be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

- (i) **Partial Discharge Privileges:** The Borrower has no right to obtain a partial discharge of the Mortgage.

D) INSURANCE REQUIREMENTS

The Borrower shall provide the Lender with evidence of insurance in compliance with the Lender's requirements. The Borrower's terms of coverage and their insurance companies must be entirely acceptable to the Lender and the Lender's insurance consultant. Each party that comprises the Borrower shall be named insureds on all policies of insurance, which shall provide as follows:

- (a) **All-Risk Course of Construction Insurance:** To be in an amount equal to 100% of the hard and soft costs for the Development (as set out in the Budget) and include earthquake, flood and sewer back-up coverage. The policy shall be extended to include permission for partial or complete occupancy.
- (b) **Boiler and Machinery Insurance:** To be written on a Comprehensive Machinery Breakdown Form basis, incorporating the conditions, perils, extensions and stipulations of the insurance policy noted above. Coverage shall be extended to include testing and commissioning. This policy may also include a provision for suspension of coverage in accordance with the Canadian Boiler and Machinery Underwriters' Association Mortgage Clause.
- (c) **Cancellation or Amendment to any Insurance Policy:** Each policy shall provide for thirty (30) days prior written notice to the Lender of termination of the policy, or of alteration of the policy to the prejudice of the Lender. If the Borrower suspends, cancels or lets lapse any part of an insurance policy, the Lender has the right to obtain equivalent insurance on its own behalf and the insurance premium shall be paid by the

Borrower within ten (10) days after having received the Lender's notice of obtaining such insurance, with interest at the current annual interest rate. This right is in addition to any other right the Lender may have.

- (d) **Commercial General Liability Insurance:** To be written in an amount of at least \$2,000,000 with respect to each occurrence. This policy and any excess or umbrella policies shall include "Peoples Trust Company" as an additional insured, but only with regard to the operations of the Borrower. For loans of \$10,000,000 or greater, the Borrower will maintain liability insurance in an amount of \$5,000,000 or greater.
- (e) **Delayed Opening or Delayed Income Insurance:** To be written on a Gross Rentals Broad Form basis as part of the foregoing policies for the Lands, also incorporating the conditions, perils, extensions and stipulations of those insurance policies noted above. This policy shall contain a waiting period deemed acceptable to the Lender, and the period of indemnity shall be for a term of no less than twelve (12) months. Such Delayed Income coverage is to be based upon the amount of Gross Rentals assuming 100% occupancy for the intended date of completion for the Development. For the purposes of this Section 4(e) of this Schedule "B" the term "Gross Rentals" includes without limitation base rent, operating costs and expenses, and realty taxes.
- (f) **IBC Standard Mortgage Clause:** All insurance policies shall contain the Insurance Bureau of Canada Standard Mortgage Clause, and shall name "Peoples Trust Company" as first mortgagee and as first loss payee.

The Lender's insurance consultant will review the Borrower's insurance policies to ensure compliance with the Lender's insurance requirements. The Lender's insurance consultant will be paid through the proceeds of the Loan at the time of an advance.

The Borrower also authorizes and consents to the release, by its insurance provider, of all Personal Information related in any way to the property and Lands described within their insurance coverage to the Lender or any of its agents or employees, or to the Lender's insurance consultant. The Borrower will be responsible for all costs incurred for the insurance coverage and the review as described herein.

The insurance conditions established by the Lender and/or the Lender's insurance consultant do not constitute complete coverage for the Loan Parties, and the Loan Parties and their insurance provider must independently determine what insurance coverage is appropriate for the Borrower's purposes.

E) GENERAL TERMS AND CONDITIONS

- (a) **Acknowledgement:** The Loan Parties acknowledge that the Lender may have entered into this Commitment Letter to provide mortgage administration services on behalf of an investor and not on its own behalf. In such event, any requirement to advance funds or to perform any obligation under this Commitment Letter or any of the Security Documents shall be strictly those of the investor and not of the Lender and the Loan Parties hereby release the Lender from any alleged breach which may occur hereunder or thereunder.
- (b) **Annual Review:** The Borrower shall provide annual operating statements and a current rent roll for the Lands and such other documentation or information as the Lender may require, all in a form satisfactory to the Lender within (120) days of the Borrower's fiscal year-end. At the option of the Lender, the Borrower shall also provide a current net worth statement for each of the Loan Parties.
- (c) **Assignment:** None of the Loan Parties shall assign its obligations under this Commitment Letter or the Loan without the express written consent of the Lender and CMHC. Such consent is discretionary and may be unreasonably withheld. If any of the Loan Parties sells, conveys, transfers or enters into an agreement for the sale or transfer of its shares or other ownership interest or an amalgamation resulting in a transfer of its majority ownership or voting control to a purchaser or transferee not approved in writing by the Lender and CMHC, which approval shall not be unreasonably withheld, then an assignment in breach of this Section 5(c) of this Schedule "B" will be deemed to have occurred. The Lender may assign, sell or transfer all or part of its interest in the Commitment Letter or the Loan without notice to or consent from the Loan Parties.

- (d) **Choice of Language:** The parties hereto confirm that it is their wish that this Commitment Letter and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*
- (e) **Confidentiality:** This Commitment Letter and the contents hereof are confidential and shall not be disclosed by any of the Loan Parties in whole or in part to any person or entity whatsoever without the Lender's prior written consent, except on a confidential basis to the Loan Parties' accountants, lawyers and other professional advisors and on the condition that all such confidential information provided to such parties shall be used for the sole and exclusive purpose of providing professional services in connection with the Loan and this Commitment Letter.
- (f) **Consent to Disclosure and Privacy Policy:** Each of the Loan Parties acknowledges that inquiries for Personal Information for each of the Loan Parties and, if applicable, their respective officers, directors and principal shareholders, may be made at any time in connection with the Loan and in connection with any assignment, sale, syndication or securitization of the Loan by the Lender. Each of the Loan Parties consents to the making of such inquiries for Personal Information by or on behalf of the Lender and the disclosure, without restriction and without notice to or the consent of the Loan Parties, of any and all Personal Information to any credit reporting service, financial institution, rating agency, participant, investor, assignee or purchaser of all or any part of the Loan and any organization maintaining databases on the underwriting and performance of commercial mortgage loans. All Personal Information provided by or in respect of the Loan Parties in relation to the Loan will be dealt with and governed by the Lender in accordance with the terms of the Peoples Trust Privacy Policy, a copy of which is available at any of our branches, or on our website: <http://www.peoplestrust.com>. The Lender and its service providers may use and store Personal Information at facilities in various countries (including Canada and the United States of America). The personal information protection laws of those countries may differ from the laws of the jurisdiction in which you are located, and might permit courts, government, law enforcement and regulatory agencies and security authorities to access your Personal Information without notice. The personal information will be stored in a file kept at the address of the Lender as indicated from time to time to the Loan Parties. Each of the Loan Parties has the right to access his or her file and rectify any personal information in the file which may be obsolete or incorrect. To exercise the right of access and rectification, please attend the designated office of the Lender, or write to the Lender, and the information in the file will be provided. Each of the Loan Parties acknowledges and agrees that the collection, storage, use and disclosure of Personal Information in the manner described in this paragraph is appropriate in these circumstances.
- (g) **Consumer Protection Act (Québec):** If the Lands are located in the Province of Québec, then in order for the Borrower to benefit from an exemption to the principal disclosure provisions of the *Consumer Protection Act* (Québec), one of the following conditions has to be met:
- (I) The Borrower is not a natural person within the meaning of the *Civil Code of Québec*; or
 - (II) The Borrower is a natural person within the meaning of the *Civil Code of Québec* but is entering into this Commitment Letter and:
 - (A) the Mortgage granted pursuant to this Commitment Letter charges an immovable property containing more than four living units or is used mainly for commercial, industrial or professional purposes;
 - (B) the Mortgage granted pursuant to this Commitment Letter has a first rank on the Lands; or
 - (C) the Lender has fulfilled all the conditions set out in Section 22 of the *Regulation respecting the application of the Consumer Protection Act*.

- (h) **Costs:** The Loan Parties shall pay all costs incurred by the Lender in connection with this Commitment Letter and the Loan, including without limitation the legal account of the Lender's Solicitor, all registration fees, appraisal fees, consulting fees (if any), inspection fees, costs of enforcement and any other fees and all out-of-pocket expenses incurred by the Lender, which costs shall for clarity be secured by the security interests and the Security Documents provided by the Loan Parties. The Loan Parties shall pay the costs of the Lender regardless whether or not all or any part of the Loan is advanced. Such costs may be deducted out of the Loan funds to be advanced to the Borrower and this Commitment Letter shall constitute an irrevocable direction by the Loan Parties in that regard. All fees paid by the Lender which are the responsibility of the Borrower shall bear interest at the Annual Interest Rate until the Lender is reimbursed therefor.
- (i) **Counterparts:** This Commitment Letter may be executed and delivered in counterparts and all counterparts so executed and delivered will constitute a single original copy of this Commitment Letter.
- (j) **Currency:** Unless otherwise indicated herein, all funds are expressed in Canadian dollars.
- (k) **Default:** There shall not at the time of any and every advance of the Loan be any default that has occurred and is continuing, and no state of affairs or event shall exist which, with the passage of time, the giving of notice or both, would constitute a default under this Commitment Letter or any of the Security Documents, and none of the Loan Parties shall be deceased, insolvent or subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under the laws of any jurisdiction. Any default under this Commitment Letter shall be deemed to be a default under the Security Documents. Any default under the Security Documents shall be deemed to be a default under this Commitment Letter.
- (l) **Draw Processing Fee:** The Borrower shall pay to the Lender a Draw Processing Fee for each advance of the Loan. If the total number of advances of the Loan exceeds two (2), then a CMHC progress advance fee of \$350.00 per advance will also apply and be deducted from each advance.
- (m) **Environmental Liability:** In addition to any liability imposed on the Loan Parties under the Security Documents, the Loan Parties shall indemnify and hold harmless the Lender, its shareholders, directors and officers from all claims and be liable for all expenses, damages or liabilities of the Lender, its shareholders, directors and officers (including, without limitation, all reasonable legal fees, disbursements and applicable taxes) 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 Lands of any hazardous or noxious substances and such liability shall survive foreclosure of the Mortgage and any other existing obligations of the Loan Parties to the Lender in respect of the Loan and any other exercise by the Lender of any remedies available to it for any default under the Loan.
- (n) **Execution and Delivery by Facsimile or E-Mail:** This Commitment Letter may be executed and delivered by the parties by facsimile or e-mail (in which case it shall be saved in .PDF format and attached to the e-mail) transmission. If so executed and delivered, this Commitment Letter will for all purposes be deemed as effective as if the parties had delivered an executed original copy of this Commitment Letter. Be advised that e-mail communication is generally not secure because an e-mail potentially passes through many points and jurisdictions on its route from you to us. If you choose to e-mail us, we strongly recommend that you password protect your document and do not include personal financial information (such as account numbers) within the e-mail as we cannot guarantee its confidentiality in its transmission to us. If you password protect, please send us the password in a separate e-mail.
- (o) **Full Discharge:** Upon the Borrower's repayment in full of the Loan and other charges owing thereon, the Lender shall provide the Borrower with a discharge of the Security Documents (to be prepared and delivered to the Lender by the Borrower or the Borrower's Solicitor) upon payment to the Lender of the Discharge Fee.
- (p) **Governing Law:** This Commitment Letter and all matters arising under it will be governed by and interpreted and construed in accordance with the applicable laws of the Province in which the Lands are located and Canada.

- (q) **Independent Consultant and Engineering Reports:** The Lender will at its discretion as it deems necessary from time to time be entitled to enlist the services of a consultant and/or engineer to conduct a current site inspection of the Lands. All costs incurred in connection with such consultant and/or engineer services are the responsibility of the Borrower and will be either deducted from an advance of the Loan or added to the principal balance of the Loan.
- (r) **Inspection Fee:** The Borrower shall from time to time pay the Lender the Inspection Fee, which shall be deemed to be earned upon the occurrence of any applicable inspection.
- (s) **Mutation Duties -- Province of Québec:** If the Lands are located in the Province of Québec, then the Borrower consents to the Lender's Solicitor or a legal representative of the Lender withholding from Loan proceeds in an amount sufficient to pay the estimated mutation duties when they become due. The Borrower shall be responsible for and shall pay any shortfall immediately. Proof of payment of mutation duties shall be forwarded to the Lender by the Lender's Solicitor, as the case may be. In the event the taxing authority has not levied the mutation duties, the Lender's Solicitor will withhold an estimated amount from the Loan proceeds which will be held in trust, and the mutation duties paid when the due. The Borrower will be responsible for any shortfall in payment of the mutation duties.
- (t) **Other Agreements:** This Commitment Letter and any attached schedules, forms and documents when accepted by the Loan Parties shall constitute the entire agreement between the Loan Parties and the Lender with respect to the Loan and, excepting the Security Documents, the Commitment Letter shall supersede all other agreements, understandings or commitments, whether oral or written.
- (u) **Payment Deferral Program:** The Loan will not at any time during the Term qualify under any payment deferral program administered by the Lender.
- (v) **Photos:** The Borrower shall at all times allow the Lender to photograph or utilize existing photographs of the Lands for use in the Lender's internal and external marketing programs.
- (w) **Proceeds of Crime, Money Laundering and Terrorism:** Each of the Loan Parties consents and agrees to provide the Lender and the Lender's Solicitor with such documentation and information, including without limitation identification, as the Lender and the Lender's Solicitor may require from time to time to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (Canada)*.
- (x) **Property Site Inspection:** Renewal of the Loan, if offered by the Lender, may be subject to a satisfactory site inspection of the Lands. The Lender or its representative will arrange for the site inspection and all costs associated with this inspection are the responsibility of the Borrower, including without limitation the Inspection Fee.
- (y) **Québec Interpretation Matters:** For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Commitment Letter may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec: (a) "personal property" shall include "movable property", (b) "real property" or "real estate" or "lands" shall include "immovable property", (c) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim", "reservation of ownership" and a resolatory clause, (d) all references to filing, perfection, priority, remedies, registering or recording under a Personal Property Security Act shall include publication under the *Civil Code of Québec*, (e) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" hypothec as against third parties, (f) an "agent" shall include a "mandatary", (g) "legal owner" shall be including "holding title on behalf of an owner as mandatory or prête-nom", (h) "joint and several" shall include "solidary", (i) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (j) "easement" shall include "servitude", (k) "priority" shall include "rank" or "prior claim", as applicable (l) "solicitor" shall include "legal counsel" (m) "survey" shall include "certificate of location and survey plan", (n) "lease" shall include a "leasing contract", (o) "guarantee" and "guarantor" shall include "suretyship" and "surety", respectively; (p) "Mortgage"

shall include deed of hypothec or hypothec agreement; "Security Documents" shall include deed of hypothec or hypothec agreement, as applicable; and (q) "mortgages" shall include the hypothecary creditor.

- (z) **Severability:** Each of the provisions in this Commitment Letter is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Commitment Letter. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Commitment Letter invalid or unenforceable in any respect.
- (aa) **Signage:** The Lender shall at all times have the right to install on the Lands, at the Lender's expense, a sign indicating the source of financing for the Development, the location of which shall be mutually agreed to by the Lender and the Borrower.
- (bb) **Survival and Discrepancy:** The execution, delivery and, where applicable, registration of the Security Documents shall in no way merge or extinguish the Commitment Letter, which shall survive and continue in full force and effect. If there is a discrepancy between the Commitment Letter and the Security Documents, then the Lender, at its discretion, shall determine which document prevails.
- (cc) **Time:** Time shall be of the essence in this Commitment Letter and in all matters in relation to the Loan.
- (dd) **Title Insurance in Lieu of Survey:** The Lender, at its sole discretion, may accept title insurance from an approved title insurer in lieu of a Survey. The Borrower shall, notwithstanding the foregoing, provide the Lender with an up-to-date building location Survey when footings and/or foundations for the Development are in place.
- (ee) **Waiver:** Except as otherwise expressly provided herein, this Commitment Letter cannot be waived, changed, amended, discharged or terminated, other than by an agreement in writing executed by the party against whom the enforcement of any waiver, change, amendment, discharge or termination is sought.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "B":

Borrower Initials	<i>my</i>
Covenantor/Guarantor Initials	<i>W</i>

SCHEDULE "C" – REPRESENTATIONS AND WARRANTIES

The Loan Parties jointly and severally represent and warrant that:

1. The Borrower is the legal and beneficial owner of all the right, title and interest to the Lands and holds no portion of the legal or beneficial interest in the Lands in trust for any other parties;

LM
[Redacted Signature]

OR

_____ is the legal owner of the Lands and holds the Lands in trust as agent, nominee and bare trustee for and on behalf of _____, who is the beneficial owner of the Lands, pursuant to a declaration of bare trust and agency agreement dated _____;

[Redacted Signature]

The Loan Parties shall initial next to the option that applies and, if necessary, complete the blanks.

2. None of the Loan Parties has in the last twelve (12) months been or currently is in arrears or default under any loan which it has with any lender, except as disclosed in the Loan Application and approved by the Lender;
3. None of the Loan Parties has in the last twelve (12) months been or currently is in arrears or default under any loan insured by CMHC, except as disclosed in the Loan Application and approved by the Lender;
4. None of the Loan Parties or any property manager or agent on behalf of any of the Loan Parties is negotiating any special financial arrangement with CMHC;
5. All financial statements and other documents delivered and information provided by the Loan Parties in connection with Loan are true, complete, accurate and representative of the financial condition of the Loan Parties;
6. None of the Loan Parties is in default under any agreement, document or instrument to which it is a party that materially affects its business, property, assets or financial condition;
7. There will not at the time of any and every advance of the Loan be any default that has occurred and is continuing, and no state of affairs or event will exist which, with the passage of time, the giving of notice or both, would constitute a default under this Commitment Letter or any of the Security Documents, and none of the Loan Parties will be insolvent or subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under the laws of any jurisdiction;
8. All statutory holdbacks for the Development have been held and will be held in the account, amount and manner required by the builders lien legislation governing the Development;
9. All advances under the Loan will be for the sole account, benefit and use of the Borrower for the Loan Purpose, unless the Lender provides written approval that any advance of the Loan may be for the account, benefit and use of a party other than the Borrower, which approval may be unreasonably withheld at the Lender's sole discretion; and
10. The Borrower will use the Loan only for the Loan Purpose and for no other purpose whatsoever.
11. The Borrower will not use the Loan for any personal, family or household purposes.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "C":

Borrower Initials	<i>LM</i>
Covenantor/Guarantor Initials	<i>LM</i>

SCHEDULE "D" – SECURITY

The Loan Parties shall grant the Lender the following security (collectively, the "Security Documents") in connection with the Loan, all of which shall be in a form and substance satisfactory to the Lender and the Lender's Solicitor:

1. First Mortgage on 450 305th Street, Kimberley, British Columbia V1A 3H7
2. Mortgage of Beneficial Interest against the Lands (if the Lands have a different legal and beneficial owner);
3. General Assignment of Rents and/or Leases against the Lands;
4. Covenant Agreement Obtain the joint and several guarantee of Peak Developments Limited Partnership, Westcastle Holdings Ltd., WestCastle Land Developments Corp., Boulevard Construction Corporation, Phil Selgado, Christopher York and Riverview Custom Homes Ltd. to an amount equal to 100% of the outstanding Housing Loan (including principal, interest and costs incurred for recovery or preservation of the property).
5. General Assignment of all Insurance Proceeds with respect to the Lands from the Borrower;
6. General Security Agreement charging all personal property attached to or relating to the Development and all personal property situated on the Lands;
7. Environmental Indemnity from the Loan Parties;
8. Title Insurance, when applicable, to be obtained from First Canadian Title, Stewart Title or Chicago Title;
9. Cost Overrun Completion Agreement from the Borrower and Guarantor;
10. Assignment of all Permits, Licences, Approvals and Construction Contracts related to the Development and the Lands from the Borrower;
11. Assignment of Plans and Specifications related to the Development and the Lands from the Borrower;
12. Assignment of Rights Under Contracts related to the Development and the Lands from the Borrower;
13. Statutory Declaration from each of the Loan Parties confirming that it is in compliance with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental, municipal, or civil authority or agency in connection with the payment of any monies owing thereunder, including without limitation all applicable payments of goods and services tax, harmonized sales tax and payroll remittances owing to the applicable agency or authority, have been made to date and will be made on time going forward;
14. Attestation signed by borrower with respect to the intended use of funds as set out in the approved Certificate of Insurance # 15362790.
15. Any other documents set out in the CMHC Certificate of Insurance 15362790, and
16. Such other documents containing such other assurances, information, opinions and covenants which the Lender, CMHC or the Lender's Solicitor may require.

25. SCHEDULE C – MLI SELECT PRODUCT FLEXIBILITIES – CLAUSES TO REGISTER AGAINST THE PROPERTY

MANDATORY SOCIAL OUTCOME COVENANT TO BE INCLUDED BY THE APPROVED LENDER IN THE INSURED MORTGAGE/HYPOTHEC REGISTERED ON TITLE: SOCIAL OUTCOME COVENANT

The following covenants (collectively, the "Social Outcome Covenant") shall form part of the Mortgage registered on title to the property granted as security for the housing loan insured by CMHC.

Capitalized terms and expressions used in this Social Outcome Covenant shall have the meanings set out below.

DEFINED TERMS:

In this Social Outcome Covenant, the following terms will have the following meanings:

Affordability Criteria means the social outcome criteria relating to affordability outlined in the table below, which apply to the Project:

	LEVEL	At the Time of First Occupancy	During the Affordability Period
New Construction	3	A minimum of 25% of the units in the Project must be designated as affordable units (the "Affordable Units") with residential rents at or below 30% of the median renter income* in the subject market (the "Base Affordable Rents").	<ol style="list-style-type: none"> 1. A minimum of 25% of the units in the Project must be designated as Affordable Units; 2. The Base Affordable Rents for the Affordable Units (the 25% of the units as identified by the borrower and attached by rent roll under <u>SCHEDULE D – Affordable Housing Rent Roll</u>) shall not increase by an amount greater than the annual increase permitted under applicable legislation/regulations or, in the absence of such legislation, then rent increases will be limited to the applicable consumer price index as stipulated in the applicable Statistics Canada table (Consumer Price Index, Shelter, by Province or Territory –Rented Accommodation); and 3. At any time during the Affordability Period, an existing Affordable Unit can be replaced with a new affordable unit, provided that the following conditions are met: (i) the new affordable unit is of a similar type (i.e. same number of bedrooms) as the existing Affordable Unit (as per the attached rent roll under <u>SCHEDULE D – Affordable Housing Rent Roll</u>); and (ii) the rent of the new affordable unit must not surpass the maximum rent allowable for the existing Affordable Unit, based on the Base Affordable Rents and any permitted annual rent increases outlined above

*Median renter income refers to real median total household income of renter households, before-taxes, as published by

CMHC at www.cmhc.ca.

Affordability Period means i) in the case of new construction or major renovation or regeneration projects, a minimum of a ten (10) year period commencing on date of the first occupancy permit for an Affordable Unit in the Project; and ii) in the case of an existing building, a minimum of a ten (10) year period commencing on the interest adjustment date of the housing loan secured by this Mortgage.

Approved Lender means the approved lender or mortgagee/hypothecary creditor under the housing loan secured by this Mortgage and insured by CMHC.

CMHC means Canada Mortgage and Housing Corporation.

Mortgage means this mortgage, charge or hypothec granted to the Approved Lender in support of the housing loan insured by CMHC pursuant to the National Housing Act.



Mortgagor means the borrower or mortgagor/hypothecary debtor named in this Mortgage, and includes the beneficial owner or nominee, for purposes of this Social Outcome Covenant.

Project means the multiple unit residential project located on the property described in this Mortgage

Covenants:

1. Prior to the first advance under the housing loan secured by the Mortgage, the Mortgagor must provide evidence to the Approved Lender, in accordance with CMHC's prescribed documentation requirements, that the Project will comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant.
2. The Project must, at all times during the Affordability Period, comply with the Affordability Criteria.
3. The Mortgagor shall provide annually a certificate of compliance (the "Certificate"), in the form attached below, confirming compliance with the Affordability Criteria, together with a copy of the rent roll in a form acceptable to CMHC. The Approved Lender will advise CMHC in writing of any non-compliance identified by the Mortgagor in the Certificate.
4. The Mortgagor shall maintain books and records to support confirmation of compliance and shall give the Approved Lender or CMHC access to such books and records during regular business hours on ten (10) days notice.
5. The Mortgagor acknowledges that it is a condition of the housing loan that the Project comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant. In the event of non-compliance, which cannot be resolved to CMHC's satisfaction, the Approved Lender shall, at CMHC's direction, call the housing loan in default and take mortgage/hypothecary remedies as required by CMHC. Non-compliance with this Social Outcome Covenant by the Mortgagor may also result in other measures to be taken by CMHC, including restricting future access to CMHC products or programs.
6. This Social Outcome Covenant shall enure to the benefit of and be binding upon the 6 parties and their respective successors and permitted assigns.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "D":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE "E" – LENDER'S FEES

Mortgage Administration



Fee Types	Description	Associated Fee
Amortization Schedule Reprints	For an amortization schedule reprint request.	\$75
Annual Administration Fee	For administration of your mortgage.	\$250
Annual Property Tax Administration Fee	For administration of property taxes for your mortgage.	\$250
Approval Fee for the Borrower to Pay Their Own Property Taxes (post-funding)	For a request by the borrower to pay their own taxes.	\$1000
Approval for Subsequent Financing	For approval of a second mortgage charge.	Fee of \$2500 or 1/2% of remaining principal balance, whichever is greater (with a maximum of \$5000)
Auto Renewal Fee	For the auto-renewal of a mortgage.	\$1000 or 10 bps of loan balance, whichever is greater
Construction Draw Fee (per draw)	For funding of a construction draw.	\$350
Discharge Fee	For review and execution of discharge documents prepared by the borrower's legal counsel.	\$500
Discharge Fee Unit Sales	For execution of discharge documents prepared by the borrower's legal counsel for the sale of condominium units.	\$500 for one title, then \$250 per unit, up to 10 units, then \$100 for the remaining balance
Duplicate Document Requests	For a request of duplicate documents.	\$50 per document
Fee for signing of plans or other LTO documents	For the execution of development plans or other LTO documents	\$250
Inspection Fee	For a property site inspection exclusive of travel costs.	\$500
Mortgage Loan Statement Reprints	For a request of duplicate mortgage statements.	\$75
Fee Types	Description	Associated Fee
Partial Discharge Fee	For a partial discharge of security.	\$1000 or 10 bps of loan balance, whichever is greater

Payment Date Change Fee	For a change to the monthly payment date of the mortgage prior to funding.	\$250
Payment via Cheque Fee	For processing of a monthly mortgage payment by cheque. Fee is payable in each instance payment is made by cheque.	\$100
PPSA Registration Fee	For the registration of PPSA charges exclusive of costs.	\$125
Property Insurance Administration Fee	For annual administration of property insurance.	\$250
Property Tax Search Fee	For a property tax search request.	\$150
Property Tax Status Fee	For a property tax status request.	\$150
Renewal Fee	For the renewal of a mortgage.	\$1000 or 10 bps of loan balance, whichever is greater
Returned Payment Fee	For an item that is returned NSF or for any other reason the item is returned.	\$125
School Tax Search (Quebec only)	For a school tax search in Quebec.	\$150

Default Administration

Fee Types	Description	Associated Fee
Default Loan Management Fee	For managing a loan in default.	\$2500
Non-Compliance Fee	For review and/or confirmation of non-compliance of mortgage terms and conditions post funding.	\$1000
Notice of Sale Fee (Ontario)	For each issuance of a notice of sale as the initial step in the power of sale process in Ontario once a default has occurred.	\$1750

Each of the Loan Parties, by initialling in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "E":

Borrower Initials	
Covenantor/Guarantor Initials	

SCHEDULE "F" - ADDITIONAL INFORMATION

Borrower's Insurance Broker/Agent means:

Insurance Broker Company: MAGNA INSURANCE GROUP
 Contact Person - Attention: CITRIS SIKORSKI
 Mailing Address: 104 - 5 RICHMOND WAY SW, CALGARY, AB, T3E7M8
 Tel. No: 403.930.0465
 Fax No.:
 E-mail: csikorski@magnains.ca

Quantity Surveyor means:

Firm Name: BTY CONSULTANCY GROUP INC.
 Contact Person - Attention: NATHAN GERBRECHT
 Mailing Address: 40645-404 6 AVE SW
CALGARY AB T2P 0R9
 Tel. No: 403 269 5155
 Fax No.:
 E-mail: nathan.gerbrecht@bty.com

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "F":

Borrower Initials	<u>LM</u>
Covenantor/Guarantor Initials	<u>LM</u>



Peoples Group

SCHEDULE "G" – PROFILE FORM(S)

(see attached)

SCHEDULE "H" – CANADA ANTI-SPAM LAW (CASL) EXPRESS CONSENT REQUEST

By providing the e-mail address below, each individual named below consents to receive commercial electronic messages sent by and on behalf of the Lender regarding all matters in relation to the Loan and other loan products offered by the Lender. Each individual named below understands that such individual can later withdraw consent by using the unsubscribe function in the message or by contacting the Lender at Suite 1130, 605 – 5th Ave SW Calgary, AB T2P 3H5 / Leigh Hanson / Leighh@peoplestrust.com / Mobile: 403-700-1721

Name: Chris Goke E-mail: Chris@riversidehomes.ca
 Name: _____ E-mail: _____
 Name: _____ E-mail: _____

By providing the above name and e-mail address, you represent and warrant that you have authority to provide express consent on behalf of the e-mail recipient. Please be advised that if express consent is not provided, the Lender may nonetheless send transactional or other electronic correspondence to recipients, as permitted or required under the applicable laws of the Province in which the Lands are located and Canada.

Each of the Loan Parties, by initialing in the space provided below, hereby acknowledges and agrees that it has read and understands all terms and conditions set out in this Schedule "H":

Borrower Initials	<u>LM</u>
Covenantor/Guarantor Initials	<u>LM</u>

This is Exhibit "B" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario





1. Application

Sauna Towriss, Cassels Brock & Blackwell LLP
2200, 885 West Georgia Street
Vancouver BC V6E 2M9
778.372.7664

LTO Client No: 121379572
File No: 21923.81
Peoples Trust / Peak

2. Description of land

PID/Plan Number	Legal Description
031-836-780	LOT 1 DISTRICT LOT 2378 KOOTENAY DISTRICT PLAN EPP124173

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

PEAK DEVELOPMENTS CORP.
4500 5 St NE #6
CALGARY AB T2E 7C3

A0066582

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

PEOPLESTRUST COMPANY / COMPAGNIE DE FIDUCIE
PEOPLES
1130, 605 - 5TH AVENUE S.W.
CALGARY AB T2P 3H5

A0033943

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$20,722,875	10% Per Annum	January 1, 2023
Interest Calculation Period	Payment Dates	First Payment Date
Semi Annual, Not in Advance	1st Day of Each Month	January 1, 2023
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
Interest Only	N/A % per annum	July 1, 2025
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	July 1, 2025
If yes, page and paragraph number: Paragraph 48, Pages 10 - 13 of the Form E Schedule		

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No



8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

(b) Filed Standard Mortgage Terms

D F Number: **MT900183**

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

10. Additional or Modified Terms

See Schedule

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

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

Witnessing Officer Signature


A. Neil Hutton
Barrister & Solicitor

Execution Date

YYY-MM-DD
2022-12-09

Borrower / Party Signature(s)

PEAK DEVELOPMENTS CORP.
By their Authorized Signatory


Name: _____

Name:

Officer Certification

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

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.



1. Application

Document Fees: \$152.64

Shauna Towriss, Cassels Brock & Blackwell LLP
2200, 885 West Georgia Street
Vancouver BC V6E 2M9
778.372.7664

LTO Client No: 121379572
File No: 21923.81
Peoples Trust / Peak

2. Description of Land

PID/Plan Number Legal Description

031-836-780 LOT 1 DISTRICT LOT 2378 KOOTENAY DISTRICT PLAN EPP124173

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

PEAK DEVELOPMENTS CORP.
4500 5 ST NE #6
CALGARY AB T2E 7C3

A0125564

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

PEOPLES TRUST COMPANY / COMPAGNIE DE FIDUCIE
PEOPLES
1130, 605 - 5TH AVENUE S.W.
CALGARY AB T2P 3H5

A0033943

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$20,722,875	10% Per Annum	January 1, 2023
Interest Calculation Period	Payment Dates	First Payment Date
Semi Annual, Not in Advance	1st Day of Each Month	January 1, 2023
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
Interest Only	N/A % per annum	July 1, 2025
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	July 1, 2025
If yes, page and paragraph number: Paragraph 48, Pages S12 - S14 of the Form E Schedule		

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No



8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

(b) Filed Standard Mortgage Terms

D F Number: **MT900183**

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

10. Additional or Modified Terms

See Schedule

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

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

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

A. Neil Hutton
Barrister & Solicitor
300, 14505 Bannister Road S.E.
Calgary AB T2X 3J3

YYYY-MM-DD

2022-12-09

PEAK DEVELOPMENTS CORP.
By their Authorized Signatory

Name: Chris York

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.

**Shauna Kathleen
Haynes Towriss
R9HWBI**

**Digitally signed by
Shauna Kathleen Haynes
Towriss R9HWBI
Date: 2022-12-12
12:42:25 -08:00**

10. ADDITIONAL OR MODIFIED TERMS:

1. The following paragraphs of the CMHC Terms are modified and amended as follows:

- (a) The following is added to the end of Clause 5 of the SMT:

"In addition to the insurance requirements described above, the Mortgagor, in accordance with the provisions of this paragraph, shall maintain:

Minimum Insurance Requirements

The Mortgagor will insure and keep fully insured the Property, all personal property in or about the building(s) and all collateral security, as applicable, against the following perils:

(a) All Risks of direct physical loss or damage including, without limitation, fire, flood, earthquake, sewer back up, blanket building by-laws coverage, including demolition and debris removal for damaged and undamaged property; all on a replacement cost basis with no requirement to replace on the same or an adjacent site for an amount equal to the full replacement cost value of the property without deductions for foundations and footings. The property insurance shall include a Stated Amount Co-Insurance Clause or have no co-insurance clause applicable.

(b) Comprehensive Equipment Breakdown Insurance (Boiler and Machinery) with a limit of loss equal to that insured under paragraph (a) above, to cover all building equipment and machinery (including but not limited to pressure vessels, air conditioning and miscellaneous electrical apparatus) for explosions, electrical loss or damage and mechanical breakdown and including repair, replacement and blanket by-laws.

(c) Business Interruption or Rental Income loss insurance on a Gross Rents or Profits form acceptable to the Mortgagee acting reasonably for an indemnity period of not less than twelve (12) months with coverage of not less than 100% of the annual gross rents or income generated from the business conducted on the Property, all to insure the perils stated in (a) and (b) above.

(d) Comprehensive General Liability Insurance, inclusive of bodily injury, death or property damage or loss, all subject to a per occurrence limit of not less than \$5,000,000.00 or such other amount as the Mortgagee may reasonably request. The policy will name the Mortgagee as an additional insured (but only with respect to liability arising out of the operations of the Mortgagor).

(e) By-law endorsement insurance to allow for the payment of building upgrades as a result of changes to the building code and municipal by-laws subsequent to the building being completed, with the same site clause

requirement removed from such insurance coverage.

(f) All policies shall be permitted to contain reasonable deductibles.

(g) If, at any time during the term of the loan secured by this Mortgage, a tenant is permitted to insure the building or any portion thereof according to a lease agreement, the coverage supplied by the tenant must fully comply with the Mortgagee's requirements as noted above. In the absence of adequate coverage by the tenant, the Mortgagor's contractual obligations under this Clause 5 must be fully adhered to.

(h) If a Strata Corporation has been formed, the Mortgagor must provide the following:

a. Evidence of coverage held by the Strata Corporation;

b. Evidence of coverage with the Mortgagor named as an insured, including:

i. Property – All Improvements, Betterments & Contents insured on an All Risks form subject to Replacement Cost and include coverage for the perils of Flood, Earthquake and Sewer Back up;

ii. Equipment Breakdown, if applicable, as noted under Clause 5(b) above;

iii. Business Interruption as noted under Clause 5(c) above;

iv. Commercial General Liability as noted under Clause 5(d) above;

v. The Mortgagee must be shown as First Loss Payee (Items i, ii, iii above), subject to the Insurance Bureau of Canada Standard Mortgage Clause;

vi. 30 Days' notice of cancellation or material change must be provided to the Mortgagee;

vii. All policies must include deductibles.

(i) If the Mortgagor fails to take out and keep in force such minimum insurance as required hereunder, then the Mortgagee may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Mortgagor plus costs incurred, or use other means at its disposal under the terms of this Mortgage.

(j) It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the term of the mortgage loan secured hereby,

in no way represent an opinion as to the full scope of insurance coverage a prudent Mortgagor would arrange to adequately protect its interests and the interests of the Mortgagee and the Mortgagor must govern itself accordingly.

(k) Such other form or forms of insurance as the Mortgagee may reasonably require, given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

Each policy shall be in a form and with an insurer satisfactory to the Mortgagee acting reasonably and will provide that any loss shall be payable to the Mortgagee as first mortgagee and loss payee subject to the standard form of Mortgage Clauses approved by the Insurance Bureau of Canada. The above referenced policies shall provide that the Mortgagee shall receive thirty (30) days' prior written notice of cancellation or material change to the policies.

The Mortgagor will furnish to the Mortgagee or its solicitors, prior to the advance of any funds, certificates of insurance policies providing the above coverages. Evidence of policy renewal or satisfactory replacement must be provided annually at least thirty (30) days before expiry.

(b) Paragraph 6 of the CMHC Terms is deleted in its entirety and replaced with the following:

6. CONSTRUCTION

The Mortgagor agrees to construct any new building or buildings and other improvements on the said lands in accordance with plans and specifications which have been or are hereafter approved by Canada Mortgage and Housing Corporation and by the Mortgagee and will carry on diligently to completion the construction of the said building, buildings and other improvements.

(c) In Paragraph 8 of the CMHC Terms, add the following paragraphs:

- 8(c) In addition to any of the remedies set out in Paragraphs 8(a) and 8(b), if a default occurs under this Mortgage the Mortgagee may, in any order that it chooses, do any one or more of the following:
- i. demand payment of all money owing under this Mortgage;
 - ii. sue the Mortgagor and Covenantor (if any), and either of them, for all money owing under this Mortgage;
 - iii. take proceedings and any other legal steps to compel the Mortgagor and Covenantor (if any), and either of them, to keep their promises and agreements under this Mortgage;

- iv. apply to the Court for an order that the Lands be sold on terms approved by the Court; and
 - v. apply to the Court to foreclose the Mortgagor's interest in the Lands so that when the Court makes its final order of foreclosure the Mortgagor's interest in the Lands will be absolutely vested in and belong to the Mortgagee.
- 8(d) If the Mortgagee obtains judgment against the Mortgagor and Covenantor (if any), or either of them, as a result of a default, the remedies described in this Paragraph 8 may continue to be used by the Mortgagee to compel the Mortgagor and Covenantor (if any) to perform their promises and agreements. The Mortgagee will continue to be entitled to receive interest on the money owned under this Mortgage until the judgment is paid in full.
- 8(e) If the Mortgagee does not exercise any of the Mortgagee's rights on the happening of a default or does not ask the Mortgagor to cure the default, the Mortgagee is not prevented from later compelling the Mortgagor to cure that default or exercising any of those rights in connection with that default or any later default of the same or any other kind.
- (d) In Paragraph 12 of the CMHC Terms, first line, the word "reasonable" is added after the word "All" at the beginning of the paragraph.
- (e) In Paragraph 16 of the CMHC Terms, first line, the words "the Mortgagor or" are added before the words "the Mortgagee".
- (f) Paragraph 17 of the CMHC Terms is deleted in its entirety and replaced with the following:
 - 17. Due on Sale - The Mortgagor covenants and agrees with the Mortgagee that in the event of the Mortgagor selling, conveying, transferring or entering into an agreement for sale or transfer of title to or legal or beneficial interest in the Lands (including, but not limited to, the sale of shares or other interest or an amalgamation resulting in a transfer of majority ownership interest or voting control in the Mortgagor) to a purchaser or transferee not approved, in writing, by the Mortgagee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon shall at the option of the Mortgagee forthwith become due and payable.
- (g) Paragraph 22 of the CMHC Terms is amended as follows:
 - (i) All references to the "Condominium Act" in Paragraph 22 are deleted in their entirety and replaced with the "Strata Property Act", which is defined as: the Strata Property Act, SBC 1998, C43 and any amendments thereto or replacements thereof.

- (ii) In Paragraph 22(b) the words "a certificate in Form B of the Schedule to the Condominium Act" are deleted and the following substituted therefor: "a certificate in Form G of the Strata Property Regulation, BC Reg 43/2000 (the "Strata Property Regulation")".
- (iii) In Paragraph 22(c) the words "a certificate in Form A of the Schedule to the Condominium Act" are deleted and the following substituted therefor: "a certificate in Form F of the Strata Property Regulation".
- (iv) Paragraph 22(g) is amended by the deletion of the words "Section 28(3) of the Condominium Act" and the following substituted therefor: "Section 36(1)(c) of the Strata Property Act".
- (v) Paragraph 22(g) is further amended by adding the following words: "together with all other records and documents referred to in Section 35 of the Strata Property Act".
- (vi) The words in Paragraph 22(h) are deleted in their entirety and the following substituted therefor: "Pursuant to Section 59 of the Strata Property Act, the Mortgagor hereby authorizes in writing any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the information required by Section 59(3) of the Strata Property Act".

(h) Paragraph 25 of the CMHC Terms is amended as follows:

- (i) In Paragraph 25(c), the words "Without the consent of or notice to the Covenantor" are added at the beginning of the first sentence.
- (ii) In Paragraph 25(c), first sentence, twelfth and thirteenth lines, the words "the Mortgagor of are added before the words "the Covenantor".
- (iii) In Paragraph 25(c), second sentence, the words "and without the consent of or notice to the Covenantor" are added after the word "Covenantor".
- (iv) Paragraph 25(j) is deleted in its entirety and replaced with the following:
 - (j) All debts and liabilities present and future of the Mortgagor and Centurion Apartment Properties Limited Partnership (the "LP") and either of them owed to the Covenantor and any of them, relating to or arising from or out of the Lands, are hereby assigned to the Mortgagee as a security interest and postponed to the debt and liability of the Mortgagor and the LP and either of them to the Mortgagee for the money hereby secured. All money received by the Covenantor and any of them or their assigns thereof shall be received for the Mortgagee and shall be paid over to the Mortgagee forthwith upon receipt, unless such payment by the Mortgagor and

the LP and either of them to the Covenantor and any of them comprises only rental income derived from the Lands and such payment would not result in a default under the Mortgage and there is otherwise no existing default under the Mortgage at the time of such payment. The Covenantor hereby waives all rights to receive from the Mortgagee a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this security interest.

(i) Paragraph 26 of the CMHC Terms is amended as follows:

(i) "(and any additional renewal or extension)".

(ii) Add the following sentence at the end of Paragraph 26:

In the event that the Mortgagor is no longer the owner of the said lands or any part thereof, the Mortgagor hereby waives any right to notice of and consent to the aforesaid renewal or extension.

(j) Paragraph 29 of the CMHC Terms is amended by deleting the reference to "Section 27" and replacing it with "Section 31" and by deleting the reference to "R.S.B.C. 1977, c. 340" and replacing it with "R.S.B.C. 1996, c. 377".

2. The following paragraphs are added to the CMHC Terms:

35. DEFINED TERMS

For the purposes of this Mortgage, the following terms have the following meanings:

CMHC means Canada Mortgage and Housing Corporation.

CMHC Terms means the CMHC Standard Mortgage Terms MT900183 being Part 2 of this Mortgage.

CMHC Condition Letter means the letter from CMHC issued under number 15362790 setting forth the special conditions required by Canada Mortgage and Housing Corporation to insure the loan, as may be amended, restated or reissued from time to time.

Commitment Letter means the letter from the Mortgagee to the Mortgagor dated August 26, 2022, as may be amended, restated or renewed from time to time, setting out the terms and conditions of a loan secured by a charge on the Lands and includes the terms and conditions of the CMHC Condition Letter.

Court means a court having jurisdiction in any matter arising out of this Mortgage.

Lands means the property described in Item 2 of Part 1 of the Form B Mortgage.

Prime Rate means the rate of interest per annum designated from time to time during the currency of the loan by the Bank of Montreal as being the prime commercial lending rate charged by it for demand loans in Canadian funds.

Rental Achievement means that the Lands are generating an annualized effective gross income of \$1,519,020 based on rental units leased to bona fide tenants in occupancy of the rental units, at rent levels evidenced by signed leases and sustained for one (1) full operating year, as verified by the Mortgagee in its sole and unfettered discretion. Should rental incentives be part of the marketing plan for the unit rentals, such incentives must be deducted before calculating the effective gross income.

36. FURTHER SECURITY

As further security for this Mortgage, the Mortgagor shall grant the Mortgagee a general security agreement, an assignment of rents and any other form of security required by the Mortgagee in the form and content satisfactory to the Mortgagee.

37. DEFAULT

In addition to any other event of default under this Mortgage, each of the following events shall be considered to be an event of default:

1. If the Mortgagor is in default under any term or condition of the Security Agreement or the Assignment of Rents granted as collateral security pursuant to Paragraph 36;
2. Without limiting the terms and conditions set out in Paragraph 41 of this Mortgage, the Mortgagor fails to observe or perform, or a default occurs under, any of the terms or provisions of any mortgage, charge, pledge, lien, privilege or other encumbrance of any nature upon the Lands or any part thereof;
3. The Mortgagor or any Covenantor becomes bankrupt or insolvent and is subject to the provisions of the Bankruptcy and Insolvency Act or any other act for the benefit of creditors or goes into voluntary or compulsory liquidation or makes an assignment for the benefit of creditors or makes a proposal under the Bankruptcy and Insolvency Act, or if a petition in bankruptcy is filed against the Mortgagor or any Covenantor, or if a creditor takes judgement against the Mortgagor or any Covenantor and a bona-fide appeal from such judgement is not diligently prosecuted and a stay of proceedings of execution has not been obtained, or if the Mortgagor or any Covenantor acknowledges its insolvency;
4. An encumbrancer takes possession of the Lands or if a liquidator or receiver is appointed or an application for such appointment shall be brought with respect to all or any part of the undertaking of a property or assets of the Mortgagor;

5. Should the whole or any part of the Lands be expropriated by any authority having jurisdiction;
6. Any representation or warranty made on behalf of the Mortgagor in connection with the Mortgage, whether or not contained in the Commitment Letter, is untrue;
7. Failure by the Mortgagor to observe or perform any of the terms, conditions, provisos, covenants, stipulations, undertakings or obligations set forth in the Commitment Letter, which Commitment Letter shall continue in full force and effect so long as any monies owing or secured hereunder shall remain unpaid;
8. Without the prior written consent of the Mortgagee, there is any change in the ownership of the shares or control of the Mortgagor;
9. The Lands are left vacant or unoccupied for a period exceeding fifteen (15) days;
10. The building plan of the building on the Lands is physically altered without the written approval of the Mortgagee and CMHC, or the building ceases to be occupied by persons residing in the units as their principal residence; and
11. The number of residential rental units on the Lands permitted by the applicable municipal or governmental authority is at any time less than 119 units.

On the occurrence of an event of default, the whole of the Principal Amount then outstanding together with all other monies owing under the Mortgage shall become due and payable at the option of the Mortgagee.

38. NOTICE

Notwithstanding any other term or condition of the Mortgage or the CMHC Terms, notice, if required, may be delivered to the Mortgagor, the Covenantor and the Mortgagee in the following manner:

- (a) By sending it through post by pre-paid registered letter addressed to:
 - (i) the Mortgagor and Covenantor at:
1334 18th Avenue N.W.
Calgary, Alberta T2M 0W4
 - (ii) the Mortgagee at:
1130, 605 – 5th Avenue S.W.
Calgary, Alberta T2P 3H5

or at such other address as either party may specify in writing to the other and any notice shall be deemed to be delivered on the third Business Day after posting, provided that, if a postal strike is in effect, service must be effected by delivering to the party in accordance with Paragraph (b) below; or

- (b) By delivering it in person to the Mortgagor, the Covenantor and the Mortgagee, as the case may be, at the above address or at such other address as a party may specify in writing to the other, and any such notice shall be deemed to be delivered on the date of such delivery in person.

For the purposes of this Paragraph, the term "Business Day" means a day, other than a Saturday, Sunday or a statutory holiday in British Columbia.

39. FINANCIAL STATEMENTS

The Mortgagor shall deliver to the Mortgagee annually, not later than 120 days after the end of each fiscal year of the Mortgagor, full audited financial statements of the Mortgagor for the immediately preceding fiscal year together with supporting schedules and statements of operations, including those operations carried on from the Lands. All such statements shall be prepared in accordance with international financial reporting standards and format by a duly qualified chartered accountant, or certified general accountant. Each of the other entities described herein as a Covenantor shall deliver to the Mortgagee signed, updated audited financial statements of each Covenantor, at least annually, during the term of this Mortgage.

40. NO SALE CLAUSE

The Mortgagor agrees, and it is a condition of the loan secured by this Mortgage, that no sale of individual units will be permitted. Any attempt to sell individual units shall, at the sole discretion of the Mortgagee, be deemed a breach of this Mortgage and all monies owing under this Mortgage, including principal and interest, shall immediately become due and payable.

41. FURTHER CHARGES

The Mortgagor covenants and agrees that it will not grant or permit any further charge or encumbrance against the Lands without the express written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion.

42. PROJECT MANAGEMENT

The Mortgagor may manage the building on the Lands itself, subject to the Mortgagee having the right to periodically monitor such management arrangement, if the Mortgagee, acting reasonably and in good faith, is of the opinion that the management of the Lands is not being conducted in a satisfactory manner, having regard for the then prevailing management standards of local third party fee-based property management firms, the Lender shall have the right to give the Mortgagor written notice requiring that, within 30 days from the date of such

notice, the management be improved to the reasonable satisfaction of the Mortgagee. If Management is not improved to the Mortgagee's reasonable satisfaction then the Mortgagee may require the Mortgagor to have the building on the Lands professionally managed by an arm's length management company approved by the Mortgagee.

43. ENVIRONMENTAL FACTORS

The Mortgagor will at all times comply with all applicable laws, regulations or orders of all governing authorities relating to the protection of the environment and public health and safety matters related to the Lands. The Mortgagor further covenants to the best of the Mortgagor's knowledge and except as previously disclosed to the Mortgagee in writing that:

- (a) no notice, order, directive or claim of any kind is pending or relating to environmental, health or safety matters related to the Lands;
- (b) no hazardous or toxic materials are on, under or approximate to the Lands;
- (c) the Lands have not been used as a landfill or waste disposal site at any time;
- (d) the Lands have not been a source of hazardous materials or waste.

The Mortgagee or agent of the Mortgagee or agent of CMHC may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the Lands to inspect the Lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC (or their respective agents) may enter upon the Lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be a charge upon the Lands. Except that before default the Mortgagee shall not exercise its rights under this section more than once annually and only upon 48 hours written notice and the Mortgagor shall be entitled to have a representative present. For certainty, the Mortgagee shall repair any damage caused by environmental testing. The exercise of any of the powers enumerated in this Paragraph shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management, or control of the Lands and buildings.

44. CREDIT MANAGEMENT

The Mortgagor covenants and agrees with the Mortgagee to maintain at all times proper records and books of account with respect to the Lands and to furnish to the Mortgagee within 120 days after the end of each fiscal year of the Mortgagor, or more often if requested by the Mortgagee, management prepared financial statements of the Lands, an updated rent roll containing relevant lease terms for the Lands and a detailed, financial statement of the Mortgagor including separate and specific income and expense statements and an operating statement, relating to the Lands and the business of the Mortgagor pertaining thereto, all prepared in

accordance with generally accepted accounting principles, certified by the Mortgagor's independent, qualified accountants of recognized standing who are authorized to perform audits in British Columbia and accompanied by detailed balance sheets, profit and loss statements and all supporting schedules for the fiscal year or calendar year and any other information concerning the Mortgagor which has been made available by the Mortgagor to the public during the fiscal year, all of which shall be in a form and content satisfactory to the Mortgagee. Such statements shall clearly identify the Lands both by municipal address and by the Mortgagee's mortgage reference number, and shall be on a stand-alone basis isolated from financial and operating information from other lands owned by the Mortgagor or Covenantor (if any). The Mortgagor further covenants and agrees to provide the Mortgagee with such further financial information as required by the Mortgagee.

45. COMMITMENT LETTER

The Mortgagor acknowledges and agrees that the terms and conditions of the Commitment Letter shall survive funding of the loan secured by the Mortgage and continue to be in full force and effect after said funding, and the execution and delivery of the Mortgage and any other related or collateral documents shall not merge or extinguish the Commitment Letter or the terms and conditions contained therein. Default by the Mortgagor under any of the terms or conditions contained in the Commitment Letter shall constitute a default hereunder. In the event there is a conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail. Notwithstanding the foregoing, there will be no conflict if the terms and conditions of the Commitment Letter should enlarge or clarify the terms and conditions of this Mortgage, and vice versa, and the inclusion of supplemental rights or remedies in favour of the Mortgagee, or its designated agent(s), nominee(s) or assignee(s), contained in the Mortgage shall be deemed not to be a conflict as contemplated herein.

46. CMHC CONDITION LETTER

The Mortgagor agrees further that the terms and conditions of the CMHC Condition Letter and any amendments thereto shall survive funding of the loan secured by this Mortgage and continue to be in full force and effect and binding upon the Mortgagor both before and after funding of the Mortgage loan. The Mortgagor acknowledges that it has received and reviewed the CMHC Condition Letter and agrees that it will comply with the covenants, terms and conditions contained therein.

47. REPORTING AND INSPECTIONS

The Mortgagee shall be provided reporting of all financial and operating information pertaining to the Lands, and is entitled to undertake inspections periodically to review the status of project management of the Lands. Reporting must be on a stand-alone project basis isolating the Land's financial and operating information from that of other projects or properties owned by the Mortgagor and shall include periodic (as required from time to time by the Mortgagee) financial

reporting on the payment of operating expenses, including, but not limited to, repair and maintenance, utilities, insurance, management fees, and cleaning services. Except that before default the Mortgagee shall not exercise its rights under this section more than once annually and only upon 48 hours written notice and the Mortgagor shall be entitled to have a representative present. Notwithstanding the foregoing, if the Mortgagee identifies a deficiency it shall have the right to increase the frequency of the required reporting or inspections. The Mortgagee shall have the right to appoint a consultant or monitor who shall have the power to attend on the Lands to review the physical status of the premises and the financial status of the operation of the Lands and shall be fully permitted to report to the Mortgagee. The consultant or monitor will not take possession or control and will not exercise management determinations. The Mortgagor agrees to establish a separate project bank account, separate from any other project it may own, into which all revenue from the project on the Lands shall be deposited and from which operating expenses are to be paid.

48. ASSIGNMENT OF RENTS

For the purposes of this Paragraph, the term "Assignor" refers to the Mortgagor and the term "Assignee" refers to the Mortgagee.

NOW THEREFORE WITNESSETH THAT in consideration of the premises and of the sum of One Dollar (\$1.00) and other good and valuable consideration now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged by the Assignor), the Assignor hereby assigns to the Assignee as security for the principal and interest secured by the Mortgage, all leases of the premises of the building on the Lands and all rents and other monies (hereinafter called the "Rents") now due and payable or which hereafter become due and payable:

- (a) under every existing and future lease of and agreement to lease the whole or any portion of the Lands;
- (b) in respect of every existing and future tenancy, use and occupation of and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any lease or agreement to lease; and
- (c) under every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands,

(the lease, tenancies, guarantees and agreements above referred to are hereinafter called the "Leases") with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor, its successors and assigns.

The Assignor hereby represents, covenants and agrees that:

- (a) it has not and will not do or omit to do any act having the effect of waiving, releasing, reducing or abating the rights or remedies of the Assignor or obligations of any other party under the Leases or in connection therewith;

- (b) none of such rights, remedies and obligations are or will be affected by any other agreement, document or understanding or by any reduction, abatement, defence, set-off or counter-claim;
- (c) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, has been or will be encumbered, discounted or anticipated;
- (d) it has not and will not further assign or encumber any Rents now due or payable or hereafter to become due or payable, under the terms of any existing or future lease and/or any existing or future tenancy agreement; and
- (e) it has accepted and will accept the payment of Rents due under the Leases on a monthly basis only, and it has not accepted and will not accept any prepayment of Rents due under the Leases.

PROVIDED HOWEVER, and it is hereby specifically agreed as follows:

- (a) The Assignee will not exercise the rights granted by this agreement unless the Assignor shall be in default under any of the terms, covenants and conditions of the Mortgage provided that the Assignor agrees that the decision of the Assignee shall be final and conclusive as to the question of whether default has been made under the Mortgage;
- (b) In the event of default the Assignor agrees to execute a written notice to the tenants of the Lands, directing that the tenant pay the Rents directly to the Assignee;
- (c) Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of the Rents or any of them or for the performance of any of the obligations or conditions under or in respect of the Leases or any of them to be observed and performed by the Assignor, and the Assignee shall not by virtue of this agreement or its receipt of the Rents or any of them, become or be deemed an owner in possession of the Lands and the Assignee shall not be under any obligation to take any action or exercise any remedy in collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.

The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this assignment.

The Assignor further agrees that it will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants which are not less

favourable or desirable to the Assignor than those which a prudent landlord would expect to receive for the premises to be leased.

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

49. EQUITY RETENTION

The Mortgagor will not declare, set apart for payment or pay any dividends or redeem, reduce, purchase or retire any of its shares, at any time outstanding, or otherwise distribute to the persons entitled through the Mortgagor to any payment or amount, of any nature, or in any other way, at any time make or permit payment to its shareholders, partners or participants, or otherwise reduce its issued or paid-up capital, or its net worth, or equity, or repay any loans from its shareholders, except that the Mortgagor may from time to time make payments of rental income derived from the Lands to its shareholders, partners or participants provided that no such payment would result in a default under the Mortgage, and there is otherwise no existing default under the Mortgage at the time of any such payment.

50. COUNTERPART

This Mortgage may be executed in counterparts, and all such counterparts, including those delivered by fax or electronic means, together shall constitute a single instrument.

51. GENERAL COMPLIANCE WITH LAWS CONTAINING PAYMENT OBLIGATIONS

Without limiting the Mortgagor's obligations under any other provision of this Mortgage, the Mortgagor covenants and agrees to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations (collectively, the "Laws") of every governmental, municipal, or civil authority or agency in connection with the payment of any monies owing under the Laws, including but not limited to the payment of all goods and services tax, harmonized sales tax, B.C. transition tax and payroll remittances owing to the applicable agency or authority.

52. GOVERNING LAW

This Mortgage, including any covenants and indemnities of the Covenantor (if any) provided for herein will be governed by and construed in accordance with the laws of the Province of British Columbia, and each party hereby submits to the jurisdiction of the Court of the Province of British Columbia and agrees to be bound by any suit, action or proceeding commenced in such Court and by any order or judgment resulting from such suit, action or proceeding; provided that the foregoing will in no way limit the right of the Mortgagee to commence suits, actions or proceedings based on this Mortgage in any other jurisdiction.

53. LAND TRANSFER FORM ACT EXCLUSION

Notwithstanding that this Mortgage is declared to be made pursuant to the Land Transfer Form Act, it is understood and agreed by the Mortgagor and the Covenantor (if any) that the reinstatement provisions of the form of words numbered 15 in Column 2 of Schedule 6 of the Land Transfer Form Act shall have no force and effect in respect of this Mortgage or any of the principal, interest and other money owing under this Mortgage.

54. LIMITED COVENANT OF PEAK DEVELOPMENTS LIMITED PARTNERSHIP, WESTCASTLE HOLDINGS LTD., BOULEVARD CONSTRUCTION CORPORATION, RIVERVIEW CUSTOM HOMES LTD., PHILIP SALGADO AND CHRISTOPHER YORK (COLLECTIVELY, THE "GUARANTORS")

Notwithstanding any other term or condition of this Mortgage, but without limiting the Covenantors joint and several obligations hereunder, after Rental Achievement for twelve consecutive months and provided no defaults have occurred or are imminent, the Covenantors liability to the Mortgagee may be released. The Mortgagor must, at all times, be in compliance with the housing loan secured by this Mortgage to qualify for the release of the guarantee provided by the Guarantors in connection therewith. The Mortgagor must provide CMHC with written confirmation that the Rental Achievement requirements have been met. Confirmation must be based on units leased to bona fide tenants, in occupancy, at rent levels as evidenced by signed leases, verified by the Mortgagor in accordance with prudent industry practices. Should rental incentives or tenant inducements be part of the marketing plan, such incentives must be deducted before calculating the effective gross income.

55. RESERVE FUND FOR CAPITAL IMPROVEMENTS

The Mortgagor must establish a replacement reserve fund (the "Reserve") for repair and maintenance expenditures of the units comprising the Lands. Immediately following the review by the Mortgagee of the financial statements for the Lands, for each unit where repair and maintenance expenditures in the immediately preceding year is less than \$850.00, an amount equal to the amount of the shortfall must be paid by the Mortgagor into the Reserve. The Reserve will be maintained by the Mortgagee for the purpose of capital improvements only. Non-compliance with this requirement shall constitute default under this Mortgage. In the event of default, any amount remaining in the Reserve must be made available to reduce a claim under the CMHC policy of insurance issued with respect to the loan secured by this Mortgage.

56. NO SECONDARY FINANCING

The Mortgagor covenants and agrees that it shall not grant nor shall it permit any mortgages liens or encumbrances to be registered against title to the charged premises or placed upon the Lands without the prior written consent of the Mortgagee. A breach of this specific covenant against any further secondary financing will constitute at the sole discretion of the Mortgagee a default under the terms of the Mortgage herein.

57. HOTEL CONVERSION

The Mortgagor and Mortgagee acknowledge and agree that conversion from rental housing to hotel use shall not be permitted and the Mortgagee may deem this mortgage in default and at the option of the Mortgagee, the whole of the Principal Amount and interest shall immediately become due and payable upon the occurrence of the following:

- (a) the building plan of the building is physically altered without the written approval of the Mortgagee and CMHC; and
- (b) the project ceases to be occupied by persons utilizing the accommodation for purposes of a principal residence.

58. OWNERSHIP STRUCTURE

The Mortgagor specifically covenants that if at any time the ownership structure described in the Special Conditions to the Certificate of Insurance: Part 3 – Schedules, Schedule B – Ownership Structure Chart of the CMHC Certificate is changed without the prior written consent of the Mortgagee, it may, at the option of the Mortgagee, constitute a default under the mortgage.

The voting control of the Mortgagor shall not change without the prior written consent of the Mortgagee.

59. STAND ALONE REPORTING

The Mortgagor acknowledges that pursuant to the Certificate of Insurance issued by CMHC, the Mortgagor must maintain stand-alone project reporting for the Property, isolating the property's financial and operating information from that of any other project owned by the Mortgagor. The Mortgagor acknowledges that the Mortgagee shall be entitled to require a separate financial statement for the Property prepared in accordance with subparagraph 46(a) above for the Property alone.

The Mortgagor further acknowledges that in the event of default under the Mortgage, the Mortgagee shall be entitled to establish a separate project bank account for the Property but the Mortgagee shall not be required to do so.

60. CMHC SOCIAL OUTCOME CRITERIA & AFFORDABILITY COVENANT

The Mortgagor acknowledges and agrees that the loan is granted under CMHC's Mortgage Loan Insurance (MLI) Select product, which offers flexibilities designed to facilitate the construction, improvement or purchase of new or existing housing units in order to advance the social outcomes of affordability, increased energy efficiency and enhanced accessibility.

The following covenants shall form part of this Mortgage. These covenants (collectively, the "**Social Outcome Covenant**") shall remain in full force and effect for the duration of the Affordability Period (as defined below). Failure by the Mortgagor to comply with the social outcome criteria set out herein and/or in the CMHC COI shall constitute a default

under the loan.

Capitalized terms and expressions used in this Section shall have the meanings set out below.

(a) **Defined Terms:** In this Section, the following terms will have the following meanings:

(i) **"Affordability Criteria"** means the social outcome criteria related to affordability outlined in the table below, which apply to the Project:

	Level	At the Interest Adjustment Date	During the Affordability Period
New Construction	3	A minimum of 25% of the units in the Project must be designated as affordable units (the "Affordable Units") with residential rents at or below 30% of the meridian renter income* in the subject market (the "Base Affordable Rents").	<ul style="list-style-type: none"> A minimum of 25% of the units in the Project must be designated as Affordable Units. The Base Affordable Rents for the Affordable Units (the 25% of the units identified by the Mortgagor and attached by rent roll under Schedule D – Affordable Housing Rent Roll attached to the CMHC COI) shall not increase by an amount greater than the annual increase permitted under applicable legislation/regulations or, in the absence of such legislation, then rent increases will be limited to the applicable consumer price index as stipulated in the applicable Statistics Canada table (Consumer Price Index, Shelter, by Province or Territory – Rented Accommodation); and At any time during the Affordability Period, an existing Affordable Unit can be replaced with a new affordable unit, provided that the following conditions are met: (i) the new affordable unit is of a similar type (i.e. same number of bedrooms) as the existing Affordable Unit (as per the attached rent roll under Schedule D – Affordable Housing Rent Roll attached to the CMHC COI); and (ii) the rent of the new

			affordable unit must not surpass the maximum rent allowable for the existing Affordable Unit, based on the Base Affordable Rents and any permitted annual rent increases outlined above.
--	--	--	--

*Median renter income refers to real median total household income of renter households, before-taxes, as published by CMHC at www.cmhc.ca.

- (ii) **"Affordability Period"** means: (i) in the case of new construction or major renovation or regeneration projects, a minimum of a ten (10) year period commencing on the date of the first occupancy permit for an Affordable Unit in the Project; and (ii) in the case of an existing building, a minimum of a ten (10) year period commencing on the interest adjustment date of the housing loan secured by this Mortgage.
 - (iii) **"Approved Lender"** means the Mortgagee or mortgagee under the housing loan secured under this Mortgage and insured by CMHC.
 - (iv) **"CMHC"** means Canada Mortgage and Housing Corporation.
 - (v) **"Mortgage"** means this mortgage granted to the Approved Lender in support of the housing loan insured by CMHC pursuant to the *National Housing Act* (Canada).
 - (vi) **"Mortgagor"** means the borrower, chargor or mortgagor named in this Mortgage and includes the beneficial owner or nominee for purposes of this Social Outcome Covenant.
 - (vii) **"Project"** means the multiple unit residential project located on the property described in this Mortgage.
- (b) Covenants:
- (i) Prior to the first advance under housing loan secured by this Mortgage, the Mortgagor must provide evidence to the Approved Lender, in accordance with CMHC's prescribed documentation requirements, that the Project will comply with the social outcome criteria outlined in the CMHC COI in relation to the Social Outcome Covenant.
 - (ii) The Project must at all times during the Affordability Period comply with the Affordability Criteria.
 - (iii) The Mortgagor shall provide annually a certificate of compliance in the form attached below (the **"Certificate"**), confirming compliance with the Affordability Criteria, together with a copy of the rent roll in a form acceptable to CMHC. The Approved Lender will advise CMHC in writing of

any non-compliance identified by the Mortgagor in the Certificate or otherwise known by the Approved Lender.

- (iv) The Mortgagor shall maintain books and records to support confirmation of compliance and shall give the Approved Lender or CMHC access to such books and records during regular business hours on ten (10) days' notice.
- (v) The Mortgagor acknowledges that it is a condition of the housing loan that the Project comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant. In the event of non-compliance, which cannot be resolved to CMHC's satisfaction, the Approved Lender shall, at CMHC's direction, call the housing loan in default and take mortgage/hypothecary remedies as required by CMHC. Non-compliance with this Social Housing Covenant by the Mortgagor may also result in other measures to be taken by CMHC, including restricting future access to CMHC products or programs.
- (vi) This Social Outcome Covenant shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

(c) Form of the Certificate:

MULTI-UNIT INSURANCE PRODUCT FLEXIBILITIES – ANNUAL CERTIFICATE

MORTGAGOR'S ANNUAL FORM CERTIFICATE OF COMPLIANCE – AFFORDABLE CRITERIA PURSUANT TO THE SOCIAL OUTCOME COVENANT

For the Year Ended December 31, 20XX

TO: <Approved Lender Name> (the "Approved Lender")

AND TO: CANADA MORTGAGE AND HOUSING CORPORATION (CMHC)

RE: Mortgage loan from [lender] to [Mortgagor] secured by a mortgage/hypothec insured pursuant to the *National Housing Act* (Canada) in respect of the Project known as [] located at [municipal address] (the "Project")

CMHC Reference Number:

Capitalized terms and expressions used in this Certificate have the meanings set out in the Social Outcome Covenant in the above referenced mortgage.

I, the undersigned [name], [title] of _____ ("Mortgagor"), certify, without personal liability, to the Approved Lender and CMHC, that:

1. I am the duly appointed [title] of the Mortgagor and as such I am providing this certificate for and on behalf of the Mortgagor pursuant to the Social Outcome Covenant.

LAND TITLE ACT
FORM E
SCHEDULE

Page S-20

2. The Mortgagor has fulfilled all requirements of the Affordability Criteria and the Project was during the calendar year and continues to be in compliance with each of the terms and conditions of the Affordability Criteria pursuant to the Social Outcome Covenant.

DATED the <X> day of <month>, 20<X>.

Name:

Title:



This is Exhibit "C" referred to in the affidavit of Paul De Luca sworn before me at Toronto, Ontario this 5th day of May, 2025.

A Commissioner for taking Affidavits within Ontario

BENEFICIAL OWNER AUTHORIZATION, CONSENT & CHARGE AGREEMENT

THIS AGREEMENT made as of the 9 day of December, 2022:

BY:

PEAK DEVELOPMENTS CORP.
(the "General Partner")

AND:

PEAK DEVELOPMENTS LIMITED PARTNERSHIP
(the "Limited Partnership")

IN FAVOUR OF:

PEOPLES TRUST COMPANY
(the "Lender")

WHEREAS:

- A. The General Partner is the registered and legal owner of the Lands and, pursuant to the LP Agreement, the General Partner holds or will hold the interest in the Lands for and on behalf of the Limited Partnership,
- B. The General Partner is party to a commitment letter dated as of August 26, 2022 between the Lender, as lender, and the General Partner, as borrower, (as amended, restated or otherwise modified from time to time, the "Commitment Letter") pursuant to which the Lender agreed to provide certain credit facilities to the General Partner, subject to the terms and conditions more particularly described therein,
- C. The Limited Partnership is the sole beneficial owner of the Lands and has agreed to confirm that the General Partner is authorized and empowered to charge the Limited Partnership's interest in the Lands and the Collateral as security for the Loan, including, without limitation, by way of a collateral mortgage over the Lands granted by the General Partner in favour of the Lender,
- D. As an inducement to the Lender to make, or continue to make, the Loan available to the General Partner and to advance funds thereunder, the General Partner deems it advisable and necessary and in the best interests of the General Partner to enter into and deliver this Agreement, and
- E. The foregoing recitals are made as representations and statements of fact by the General Partner.

NOW THEREFORE, in consideration of the premises and of the advance of the Loan or any part thereof by the Lender to the General Partner and other good and valuable consideration (the receipt and adequacy whereof is hereby acknowledged) the parties covenant and agree as follows:

- 2 -

ARTICLE 1 - DEFINITIONS

1.1 Definitions

In this Agreement capitalized terms not otherwise defined herein have the same meaning as set forth in the Commitment Letter and the following terms mean as follows:

- (a) **"Agreement"** means this Agreement as amended, restated or otherwise modified from time to time,
- (b) **"Collateral"** means all present and after acquired personal property of the General Partner and/or the Limited Partnership located on or related in any way to, or used or acquired for or in connection with or derived from the acquisition, ownership, development, renovation, leasing or operation of the Lands or any part thereof, and all substitutions and replacements therefor and proceeds thereof and therefrom including, without limitation, all accounts, chattel paper, documents of title, equipment, fixtures, goods, instruments, intangibles, inventory, money and investment property (as each such term is defined in the *Personal Property Security Act* (Alberta)) with respect thereto,
- (c) **"Commitment Letter"** is defined in the recitals hereto,
- (d) **"Lands"** means the lands and premises described in Schedule "A" attached hereto, as such lands may be subdivided, consolidated, condominiumized, stratified or otherwise amended,
- (e) **"Lender"** is defined in the recitals hereto,
- (f) **"Loan"** means credit facility(ies) provided by the Lender to the General Partner pursuant to the Commitment Letter,
- (g) **"Loan Indebtedness"** means any and all indebtedness, liabilities and obligations from time to time of the General Partner to the Lender arising out of, in connection with or in any way relating to the Loan, the Commitment Letter and/or any of the Security Documents,
- (h) **"LP Agreement"** means the limited partnership agreement dated June 23, 2022 regarding the Limited Partnership, as amended, restated or otherwise modified from time to time, and
- (i) **"Security Documents"** means the loan and security documents granted by the General Partner and/or the Limited Partnership in favour of the Lender pursuant to the Commitment Letter and any other agreement, instrument, security or other obligation which the Lender may require or consider necessary heretofore, now or hereafter created and issued, granted or made by the General Partner, the Limited Partnership and/or any other person in favour of the Lender in connection with the Lands, the Collateral, the Commitment Letter, the Loan and/or the Loan Indebtedness, all as the same may from time to time be amended, restated or otherwise modified from time to time.

- 3 -

ARTICLE 2 - REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties

The General Partner and/or the Limited Partnership, as applicable, make the following representations and warranties to the Lender:

- (a) the General Partner has full power and authority to transact the business of the Limited Partnership, including with respect to the Limited Partnership's interest in the Lands and the Collateral, the operation, development, subdivision, maintenance and leasing thereof and the sale of the Lands or any part thereof, and to otherwise deal with the property of the Limited Partnership with respect to the Lands and the Collateral,
- (b) the General Partner has full power and authority to hold the Limited Partnership's interest in the Lands and the Collateral for and on behalf of the Limited Partnership and to mortgage the Lands and assign the rents and leases with respect thereto and charge and grant a security interest in the Collateral and other documents, contracts, interests, rights and property as contemplated in the Security Documents to secure the Loan Indebtedness,
- (c) the General Partner has full power and authority to execute and deliver, and to perform its obligations under each of the Security Documents, each and every lease of the Lands or part thereof and each and every agreement, transfer or contract in connection with the sale of the Lands or any part thereof,
- (d) the Limited Partnership has full power and authority to grant the security interests hereby created and to authorize and direct the General Partner to enter into each of the Security Documents to which it is a party,
- (e) pursuant to the LP Agreement, the General Partner holds title to the Lands for and on behalf of the Limited Partnership,
- (f) the LP Agreement constitutes the entire agreement with respect to the ownership of the Lands between the General Partner and the Limited Partnership, and
- (g) the Limited Partnership is the sole beneficial owner of the Lands and the Collateral and neither the General Partner nor the Limited Partnership has sold, transferred, assigned, mortgaged, pledged, hypothecated, leased or otherwise disposed of the whole or any part of its right, title and interest therein except in favour of the Lender pursuant to the Security Documents.

ARTICLE 3 - AUTHORIZATION OF GENERAL PARTNER AND GRANT OF EQUITABLE CHARGE AND SECURITY INTEREST

3.1 Authorization of General Partner

The Limited Partnership hereby irrevocably consents to and authorizes, directs and empowers the General Partner for and on behalf of the Limited Partnership to:

- 4 -

- (a) deliver to the Lender, as security for the payment of the Loan Indebtedness, each of the Security Documents to which the General Partner is a party and to perform and observe each of its obligations and covenants thereunder,
- (b) assign, grant, mortgage, pledge, charge and grant a security interest in and to and in favour of the Lender of all the legal and beneficial estate, right, title, interest and claim of the General Partner and the Limited Partnership in and to the Lands, the leases and rents with respect thereto and other documents, contracts, interests, rights and property as contemplated in the Security Documents and the Collateral as security for payment of the Loan Indebtedness on and subject to the terms and conditions of the Security Documents to which the General Partner and/or the Limited Partnership is a party, and
- (c) transact the business of the Limited Partnership with respect to the Lands including the operation, development, subdivision, maintenance and leasing thereof and the sale of the Lands or any part thereof, and to execute and deliver each lease of the Lands or any part thereof and each agreement, transfer or contract in connection with the sale of the Lands or any part thereof.

3.2 Charge

As security for the due and punctual payment and performance of all present and future indebtedness, liabilities and obligations of the General Partner to the Lender, including the Loan Indebtedness, the Limited Partnership hereby:

- (a) declares and confirms that upon execution by the General Partner, each of the Security Documents to which the General Partner and/or the Limited Partnership is a party will be effective to assign, grant, mortgage, pledge, charge and grant a security interest with respect to the General Partner's right, title and interest in and to the Lands and the Collateral and the right, title and interest of the Limited Partnership therein as the beneficial owner thereof, and
- (b) in addition to the charges created by the creation, issuance, execution and delivery by the General Partner and/or the Limited Partnership of any of the Security Documents, assigns, grants, mortgages, pledges and charges and grants a security interest in and to and in favour of the Lender, its successors and assigns, all of the beneficial estate, right, title, interest and claim of the Limited Partnership in and to the Lands, the leases and rents with respect thereto and other documents, contracts, interests, rights and property as contemplated in the Security Documents and the Collateral on and subject to the same terms and conditions as the Security Documents.

3.3 Attachment

The General Partner and the Limited Partnership acknowledge and agree that the security interests hereby created attach upon the execution of this Agreement (or in the case of any after-acquired property, upon the date of acquisition thereof), that value has been given, and that the General Partner and/or the Limited Partnership have, or in the case of after-acquired property will have, rights in the Collateral.

- 5 -

3.4 No Inquiry

The Limited Partnership agrees that the Lender is not obliged at any time to inquire into the power exercised by the General Partner from time to time or to confirm any such exercise of power with the Limited Partnership in any matter arising with respect to the Lands, the Collateral, the Loan, the Loan Indebtedness and/or the Security Documents.

ARTICLE 4 - ENFORCEMENT

4.1 Enforcement

At any time after the occurrence of an event of default pursuant to the Commitment Letter and/or any of the Security Documents, the Lender may, at its option proceed to enforce and realize upon all or any part of the security constituted hereby or all or any part of the Lands, the leases and rents with respect thereto and other documents, contracts, interests, rights and property as contemplated in the Security Documents and the Collateral and may exercise any or all of the rights and remedies contained in the Security Documents or otherwise permitted by law or in equity, as it may deem expedient. The Lender, at its sole and uncontrolled discretion, may enforce this Agreement against any party hereto without being obliged to enforce this Agreement against any other party hereto.

ARTICLE 5 - MISCELLANEOUS

5.1 Failure or Indulgence Not Waiver

No failure or delay on the part of the Lender in the exercise of any power, privilege or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, privilege or right preclude any other or further exercise of any such power, privilege or right. Each power, privilege and right hereunder is cumulative with, and not exclusive of, any power, privilege or right otherwise available.

5.2 Modification of Agreement

No alteration, modification or waiver of this Agreement or any condition, covenant, provision or term contained herein shall be binding on the Lender unless made in writing and signed by the Lender.

5.3 Entire Agreement

Upon the execution and delivery by a party of this Agreement, this Agreement shall be deemed to be finally executed and delivered by such party to the Lender as of the date hereof and shall not be subject to or affected by any condition as to the receipt by the Lender of any other security for any of the Loan Indebtedness or as to the execution and delivery by any other party or other person to the Lender of any agreement, guarantee or other instrument, including this Agreement, or by any promise or condition affecting or limiting the liability of the party except as set forth herein and no agreement, promise, representation or statement on the part of the Lender or any officer, employee or agent thereof unless contained herein forms any part of this Agreement or has induced the making hereof or shall be deemed to affect the liability of any party hereunder.

5.4 Severability

If any provision of this Agreement or any part thereof shall be found or determined to be invalid, illegal or unenforceable, such provision or such part thereof shall be severable from this Agreement and the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable provision or part had been deleted herefrom.

5.5 Effect

The provisions of this Agreement shall be in addition to and not in substitution for the provisions of the Security Documents or any other security or evidence of liability held by the Lender, all of which shall be construed as complementary to each other. Nothing contained herein shall prevent the Lender from enforcing any guarantee of the Loan Indebtedness or any of the Security Documents, or other security or evidence of liability in accordance with its terms.

5.6 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Lender, the Limited Partnership and the General Partner and their respective successors and permitted assigns.

5.7 Notices

Any notice or other communication required or permitted hereunder shall be in accordance with the Commitment Letter.

5.8 Applicable Law

This Agreement and the rights and obligations of the parties shall be governed by and be construed and interpreted according to the laws of the Province of Alberta and the federal laws of Canada applicable therein.

5.9 Interpretation

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

5.10 Time of the Essence

Time is of the essence of this Agreement.

5.11 No Merger

The taking of judgment on any covenant contained herein shall not operate to create any merger or discharge of any liability, obligation or covenant of the Limited Partnership or the General Partner hereunder, or under any of the Security Documents or any other securities of any form held or which may be held hereafter by the Lender from the Limited Partnership, the General Partner or any guarantor or from any other person or persons whomsoever.

5.12 Conflict

In the event of inconsistency or conflict between the provisions of this Agreement and the Commitment Letter, the Commitment Letter shall prevail. There will be no conflict if the terms and conditions of this Agreement should enlarge or clarify the terms and conditions of the Commitment Letter or if this Agreement or the Commitment Letter remains silent on any one of the provisions of the other.

5.13 Counterparts and Electronic Execution

This Agreement may be executed and delivered by the parties hereto in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, electronic mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument. Each party hereto agrees that the electronic signature(s), whether digital or encrypted, of any party included in this Agreement shall be as effective as delivery by such party of a manually executed copy of this Agreement and is intended to have the same force and effect as a manual signature(s).

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

INWITNESS WHEREOF this Agreement has been executed as of the day and year first above written.


PEAK DEVELOPMENTS CORP.

Per: 
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

I/we have the authority to bind the General Partner.

**PEAK DEVELOPMENTS LIMITED
PARTNERSHIP, by its general partner, PEAK
DEVELOPMENTS CORP.**

Per: 
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

I/we have the authority to bind the Limited Partnership.

SCHEDULE A
THE LANDS

PID: 031-836-780 LOT 1 DISTRICT LOT 2378 KOOTENAY DISTRICT PLAN EPP124173.
As such lands may be subdivided, consolidated, condominiumized, stratified or otherwise amended

This is Exhibit "D" referred to in the affidavit of Paul De Luca sworn before me at Toronto, Ontario this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario



SECURITY AGREEMENT

THIS SECURITY AGREEMENT DATED as of December 9, 2022.

WHEREAS PEOPLES TRUST COMPANY (the "Secured Party") has advanced or will be presently advancing to PEAK DEVELOPMENTS CORP. (the "Debtor") by way of loan the sum of \$20,722,875.00, or any portion thereof, with interest thereon pursuant to the terms of and secured by a mortgage of the lands hereinafter described in Schedule "A" hereto (the "Mortgage of Land"),

AND WHEREAS in the commitment for the said loan it was a requirement of the loan that the Debtor grant this Security Agreement to the Secured Party as additional security for the repayment of the said sum and interest,

NOW THEREFORE THIS AGREEMENT WITNESSES that:

1. SECURITY INTEREST

- (a) For value received the Debtor, hereby grants to the Secured Party, a security interest ("Security Interest") in the collateral of Debtor described in Schedule "A" hereto and in any additional Schedules from time to time added hereto,

and in all proceeds thereof, accretions thereto and substitutions therefor and, but only as they may relate to the lands described in Schedule "A", in all of the following now owned or hereafter owned or acquired by or on behalf of Debtor, namely:

- (i) all deeds, documents, writings, papers and books relating to or being records of Goods or their proceeds or by which Goods or their proceeds are or may hereafter be secured, evidenced, acknowledged or made payable including Documents of Title, Chattel Paper, Securities, Investment Property and Instruments, and
- (ii) all contractual rights and insurance claims relating to Goods,

all of the foregoing being hereinafter collectively called "Collateral".

- (b) Unless otherwise limited herein the terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "accession", "Money", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the Province of Alberta, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" or "inventory" of Debtor as those terms are defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted by Debtor to the Secured Party secures payment and performance of any and all obligations, indebtedness and liability of Debtor to the Secured Party (including interest thereon at the rate and in the manner set out in the Mortgage of Land from time to time) under the Mortgage of Land, and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased and whether Debtor be bound alone or with another or others (hereinafter collectively called the "Indebtedness"). If the Security Interest in

the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect it shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances") save for the Security Interest and those Encumbrances shown on Schedule "B", if any, or hereafter approved in writing by the Secured Party, prior to their creation or assumption,
- (b) Debtor is authorized to enter into this Security Agreement,
- (c) each debt, Chattel Paper and Instrument constituting proceeds of Goods is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor").

4. COVENANTS OF DEBTOR

The Debtor covenants and agrees:

- (a) to defend Collateral against the claims and demands of all other parties claiming the same or an interest therein, to keep Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B", if any, or hereafter approved in writing by the Secured Party prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease or otherwise dispose of Collateral or any interest therein without the prior written consent of the Secured Party and, in any event, to deposit with the Secured Party all Money received from any disposition of Collateral,
- (b) to notify the Secured Party promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
 - (ii) the details of any significant acquisition of Collateral,
 - (iii) the details of any claims or litigation affecting Debtor or Collateral,
 - (iv) any loss of or damage to Collateral,
 - (v) any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral, and
 - (vi) the return to or repossession by debtor of Collateral,
- (c) to keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance,

- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Secured Party of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith,
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable,
- (f) to insure the Goods for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Secured Party shall reasonably direct with loss payable to the Secured Party and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor,
- (g) to prevent Collateral from being or becoming an accession to other property not covered by this Security Agreement,
- (h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral and mark any and all such records and Collateral at the Secured Party's request so as to indicate the Security Interest, and
- (i) to deliver to the Secured Party from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities, Investment Property and Chattel Paper constituting, representing or relating to Collateral,
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
 - (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
 - (iv) all policies and certificates of insurance relating to Collateral, and
 - (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as the Secured Party may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and the clause titled "Collection of Debts", Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof, provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities or other Investment Property, Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof, provided that, until default, the Secured Party shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities or other Investment Property. After default, Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement or the Mortgage of Land, the Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Secured Party. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement on the Mortgage of Land, shall be received and held by Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

8. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Secured Party deems best or, at the option of the Secured Party, be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of the Secured Party hereunder, and any surplus shall be accounted for as required by law.

9. EVENTS OF DEFAULT

The happening of any breach of covenant or other agreement under the Mortgage of Land or any other default under the Mortgage of Land shall be a default hereunder.

10. ACCELERATION

Secured Party, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default or if the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of the Secured Party with respect to any Indebtedness which may now or hereafter be payable on demand.

11. REMEDIES

- (a) Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver

shall, so far as concerns responsibility for his acts, be deemed the agent of Debtor and not the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence, or nonfeasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by the Secured Party, all Money received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Secured Party. Every such Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.

- (b) Upon default, the Secured Party may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Secured Party may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Secured Party may deem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Secured Party and in addition to any other rights the Secured Party may have at law or in equity, the Secured Party shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds and whether or not in the Secured Party's possession and shall not be liable or accountable for failure to do so.
- (e) Debtor acknowledges that the Secured Party or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from the Secured Party or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in

enforcing or collecting Indebtedness and all such costs, charges and expenses together with any amounts owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) Secured Party will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.

12. MISCELLANEOUS

- (a) Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as the Secured Party may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints Secured Party or a Manager or Acting Manager from time to time of the Secured Party the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of the Secured Party, whenever Indebtedness is immediately due and payable or the Secured Party has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by the Secured Party in any capacity, whether or not due, and the Secured Party shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.
- (c) Upon Debtor's failure to perform any of its duties hereunder, the Secured Party may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to the Secured Party, forthwith upon written demand therefor, an amount equal to the expenses incurred by the Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of interest as set out in the Mortgage of Land from time to time.
- (d) Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as the Secured Party may see fit without prejudice to the liability of Debtor or the Secured Party's right to hold and realize the Security Interest. Furthermore, the Secured Party may demand, collect and sue on Collateral in either Debtor's or the Secured Party's name, at the Secured Party's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Secured

Party may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which Debtor is in any way liable and, subject to the terms under the P.P.S.A., notice of any other action taken by the Secured Party.
- (g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against the Secured Party. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.
- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (i) Whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of the Secured Party, if delivered to it or sent by prepaid registered mail addressed to it at its address where payments are being, or are to be, made and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to the Secured Party. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and is intended to remain in full force and effect until the Indebtedness is repaid and the obligations of the Debtor to the Secured Party performed notwithstanding that the Indebtedness is reduced from time to time and thereafter increased or entirely extinguished, or the Debtor by instrument in writing attempts to terminate this agreement.
- (k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all the grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provision of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

- (n) Nothing herein contained shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to the Secured Party.
- (p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) -owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- (q) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Alberta as the same may from time to time be in effect, including, where applicable, the P.P.S.A.
- (r) This Security Agreement may be executed and delivered by the parties hereto in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, electronic mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument. Each party hereto agrees that the electronic signature(s), whether digital or encrypted, of any party included in this Security Agreement shall be as effective as delivery by such party(ies) of a manually executed copy of this Security Agreement and is intended to have the same force and effect as a manual signature(s).

13. COPY OF AGREEMENT

- (a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by the Secured Party, or of any verification statement with respect to any financing statement registered by the Secured Party.

14. NAME OF DEBTOR

Debtor represents and warrants that the name of the Debtor as set out herein is accurate.

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

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

PEAK DEVELOPMENTS CORP.

Per: 
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

SCHEDULE "A"
COLLATERAL

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

Additional Information

The foregoing is limited to all present and after-acquired personal property now or hereafter situated on the lands described below (and any other legal descriptions by which such lands may be described whether by subdivision, condominiumization or otherwise) or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the lands and all accessions thereto and substitutions therefor, the debtor's interest in any present or hereafter acquired rents, book debts, security deposits and insurance proceeds relating to the lands, and proceeds.

LANDS:

Legal Description

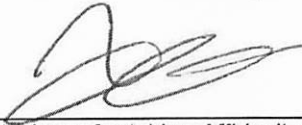
PID: 031-836-780

LOT 1 DISTRICT LOT 2378 KOOTENAY DISTRICT PLAN EPP124173

SCHEDULE "B"
ENCUMBRANCES

NIL

This is Exhibit "E" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario



COST OVERRUN, DEBT SERVICE & COMPLETION AGREEMENT

THIS AGREEMENT made as of December 8, 2022.

BY:

**PEAK DEVELOPMENTS LIMITED PARTNERSHIP, WESTCASTLE HOLDINGS LTD.,
WESTCASTLE LAND DEVELOPMENTS CORP., BOULEVARD CONSTRUCTION CORPORATION,
RIVERVIEW CUSTOM HOMES LTD., PHIL SALGADO and CHRISTOPHER YORK
(collectively, the "Covenantor")**

- and -

**PEAK DEVELOPMENTS CORP.
(the "Debtor")**

IN FAVOUR OF:

**PEOPLES TRUST COMPANY
(the "Lender")**

WHE REAS:

- A. the Lender has established credit facilities (collectively, the "**Facilities**") in favour of the Debtor pursuant to a commitment letter dated August 26, 2022 between the Debtor, as borrower, the Covenantor, as guarantors, and the Lender, as lender, (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Commitment Letter**") for the purpose of financing the construction of a 66 unit residential rental project in Kimberly, British Columbia (the "**Project**") located on the lands legally described in Schedule "A" attached hereto, and
- B. the Covenantor shall benefit from the Facilities made available by the Lender to the Debtor and has agreed to execute this Agreement to induce the Lender to make available the Facilities.

NOW THEREFORE in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Covenantor and the Debtor hereby jointly and severally covenant and agree with the Lender as follows:

1. Project Budgets and Project Schedule

The Covenantor acknowledges that it has reviewed the Commitment Letter and the security documents granted by the Debtor thereunder (collectively, the "**Security Documents**"), the Project, and the Project costs set out in the project budget for the Project, which project budget has been approved by the Lender and any applicable project monitor (the "**Project Budget**"), each as approved by the Lender.

2. Cost Overruns

If at any time prior to the completion of the Project, in the opinion of the Lender, acting reasonably, there exists a cost overrun or other increase to the budget for the Project (each, a "**Cost Overrun**"), notwithstanding that amounts remain within a contingency portion of the Project costs, the Lender will give notice in writing to the Debtor and the Covenantor identifying the nature and amount of the Cost Overrun in reasonable detail and demanding payment thereof in accordance with this Agreement. Upon receipt of such notice, the Debtor and the Covenantor shall be jointly and severally obligated to pay or

cause to be paid without recourse to the Facilities all costs of the Project (including any Cost Overrun) until the undisbursed proceeds of the Facilities are, in the opinion of the Lender (acting reasonably), sufficient to pay the costs of completing the Project. Any Cost Overrun will be paid by the Debtor or by the Covenantor on behalf of the Debtor within the time required for the Debtor to satisfy its contractual commitments in respect of the Project and before the Lender will be obligated to make any further advances under the Facilities.

3. **Debt Service**

The Covenantor hereby covenants with the Lender that it shall, upon demand of the Lender, either fund sufficient amounts:

- (a) to the Debtor, or
- (b) if directed by the Lender, directly to the Lender, in each case, to enable the Debtor to pay all and any outstanding obligations of the Debtor to the Lender.

4. **Completion Guarantee**

The Debtor covenants with the Lender that it will complete, and the Covenantor covenants with the Lender that it will cause the Debtor to complete the Project in accordance with the Project Budget, subject to any extension for force majeure as permitted under an applicable material contract, free and clear of any liens or claims of liens for materials supplied or for labour or services performed, in the event of the failure by the Debtor to complete the Project and take all necessary steps to promptly complete the Project in the manner aforesaid.

5. **Continuing Obligations**

The obligations of the Debtor and the Covenantor under Sections 2, 3 and 4 shall be continuing obligations in favour of the Lender, shall not be terminated by reason of a demand being made by the Lender hereunder, under the Commitment Letter or any security document provided thereunder, and the Lender shall be entitled to demand and re-demand under Sections 2, 3 and 4 from time to time and any time.

6. **Lender May Complete Project**

In the event that the Debtor or the Covenantor on its behalf shall fail or refuse to diligently construct or continue the construction or cause the construction or completion of the Project in accordance with the Project Budget (subject to any extension for force majeure as permitted under the applicable material contract), then, provided not less than 30 days prior written notice has been provided to the Debtor and the Covenantor, in addition to any other rights the Lender may have against the Debtor or against the Covenantor hereunder, under the Commitment Letter or any security document provided thereunder, the Lender, at its option, shall have the right to appoint a receiver or receiver-manager of the Project who shall have the right to enter upon and take charge of the Project and assume full charge of the construction of and complete the Project, and all amounts advanced for such purposes which exceed the amounts to be advanced by the Lender under the Facilities, including the reasonable legal fees incurred by the Lender or such receiver or receiver-manager incidental to the enforcement of any provisions hereof, shall constitute additional indebtedness of the Debtor and the Covenantor to the Lender under this Agreement. Any such indebtedness of the Debtor and the Covenantor to the Lender hereunder shall be payable to the Lender forthwith upon demand and shall bear interest at the interest rate then applicable to the Facilities.

7. Postponement

The Covenantor acknowledges and agrees with the Lender that the liabilities of the Debtor owing to the Covenantor with respect to any amounts advanced by the Covenantor to the Debtor pursuant to this Agreement or otherwise are postponed to the obligations of the Debtor to the Lender and that until all such obligations have repaid in full and the Facilities have been cancelled, no repayment on account of such liabilities of the Debtor to the Covenantor shall be made other than as permitted under the Commitment Letter.

8. General

- (a) This Agreement shall be in addition to and not in substitution for any of the other Security Documents or other security now held or hereinafter acquired by the Lender and the Lender may do all or any of the following:
 - (i) grant time, renewals, extensions, indulgences, releases and discharges to,
 - (ii) take securities from,
 - (iii) abstain from taking additional security from,
 - (iv) abstain from perfecting securities of, or
 - (v) accept compositions from,

and otherwise deal with the Covenantor, the Debtor and other persons and securities, including the Security Documents, as the Lender may see fit without prejudice to the rights of the Lender under this Agreement, the Commitment Letter or any other security document provided thereunder or any other securities.
- (b) This Agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of Alberta.
- (c) The taking of judgment on any covenant contained herein shall not operate to create any merger or discharge of any liability or obligation of the Debtor or the Covenantor under the Commitment Letter or any other security document provided thereunder, in any form held or which may be held hereafter by the Lender from the Covenantor or the Debtor or from any other person or persons whomsoever.
- (d) 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 shall not be in any way affected or impaired thereby.
- (e) This Agreement shall enure to the benefit of and be binding on their successors and assignees.
- (f) The headings to the sections of this Agreement are inserted for convenience only and shall not affect the construction thereof. Unless the context otherwise requires, words importing the singular include the plural and vice versa.
- (g) Time is of the essence of this Agreement.

- (h) Any default under this Agreement shall constitute a breach of the terms of the Commitment Letter and the other security documents provided thereunder.
- (i) The obligations of the Debtor and the entities comprising the Covenantor hereunder shall be joint and several.

9. **Communication**

Any notice of communication required or permitted to be given under this Agreement will be in writing and will be effectively made and given if given in accordance with the notice provisions of the Commitment Letter.

10. **Lender**

The Covenantor hereby acknowledges that this Agreement is granted to the Lender and shall be held by the Lender for and on behalf of itself as Lender and the Lender in accordance with the terms of the Commitment Letter.

11. **Defined Terms**

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Commitment Letter.

12. **Counterparts and Electronic Execution**

This Agreement may be executed and delivered by the parties hereto in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, electronic mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument. Each party hereto agrees that the electronic signature(s), whether digital or encrypted, of any party included in this Agreement shall be as effective as delivery by such party(ies) of a manually executed copy of this Agreement and is intended to have the same force and effect as a manual signature(s).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF the Debtor and the Covenantor have executed this Agreement as of the date first written above.

PEAK DEVELOPMENTS CORP.

Per:
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

PEAK DEVELOPMENTS LIMITED
PARTNERSHIP, by its general partner,
PEAK DEVELOPMENTS CORP.

Per: _____
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

WESTCASTLE HOLDINGS LTD.

Per: _____
Name: Phil Salgado
Title: President

Per: _____
Name: _____
Title: _____

**WESTCASTLE LAND DEVELOPMENTS
CORP.**

Per: _____
Name: Phil Salgado
Title: President

Per: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the Debtor and the Covenantor have executed this Agreement as of the date first written above.

PEAK DEVELOPMENTS CORP.

Per: _____
Name: Christopher York
Title: President

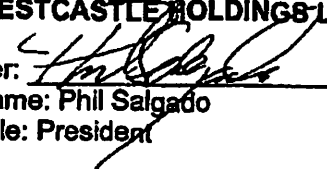
Per: _____
Name: _____
Title: _____

**PEAK DEVELOPMENTS LIMITED
PARTNERSHIP, by its general partner,
PEAK DEVELOPMENTS CORP.**

Per: _____
Name: Christopher York
Title: President

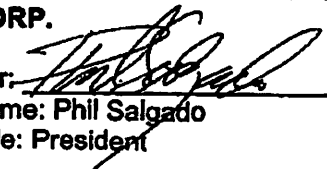
Per: _____
Name: _____
Title: _____

WESTCASTLE HOLDINGS LTD.

Per:  _____
Name: Phil Salgado
Title: President

Per: _____
Name: _____
Title: _____

**WESTCASTLE LAND DEVELOPMENTS
CORP.**

Per:  _____
Name: Phil Salgado
Title: President

Per: _____
Name: _____
Title: _____

**BOULEVARD CONSTRUCTION
CORPORATION**

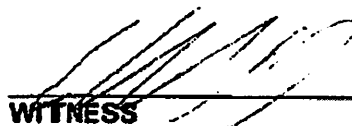
Per: _____
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

RIVERVIEW CUSTOM HOMES LTD.

Per: _____
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____



WITNESS

STEVE BRINE, LL.B.
Barriester & Solicitor
Suite 201 - 290 Wallinger Avenue
Kimberley, BC
V1A 1Z1

WITNESS _____



PHIL SALGADO

CHRISTOPHER YORK

**BOULEVARD CONSTRUCTION
CORPORATION**

Per: lyy
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

RIVERVIEW CUSTOM HOMES LTD.

Per:
Name: Christopher York
Title: President

Per: _____
Name: _____
Title: _____

WITNESS _____

WITNESS ~~_____~~

PHIL SALGADO

CHRISTOPHER YORK

SCHEDULE "A"**LANDS****Legal Description**

PID: 031-836-780

LOT 1 DISTRICT LOT 2378 KOOTENAY DISTRICT PLAN EPP124173

As such lands may be subdivided, consolidated, condominiumized, stratified or otherwise amended.

GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **CHRISTOPHER YORK**, the covenantor in the cost overrun, debt service and completion agreement dated the 8 day of December, 2022 made by **CHRISTOPHER YORK** in favour of **PEOPLES TRUST COMPANY**, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the cost overrun, debt service and completion agreement.
2. I satisfied myself by examination of the covenantor that he is aware of the contents of the cost overrun, debt service and completion agreement and understands it.

CERTIFIED by A. Neil Hutton, Lawyer at the City of Calgary, in the Province of Alberta , this 8 day of December, 2022.

SIGNATURE

STATEMENT OF COVENANTOR

I am the person named in this certificate.

CHRISTOPHER YORK
Signature of Covenantor

GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **PHIL SALGADO**, a covenantor in the cost overrun, debt service and completion agreement dated the 8th day of December 2022 made by **PHIL SALGADO** in favour of **PEOPLES TRUST COMPANY**, which this certificate is attached to or noted upon, appeared in before me by two-way video-conference and acknowledged that he had executed the cost overrun, debt service and completion agreement.
2. I satisfied myself by examination of the covenantor that he is aware of the contents of the cost overrun, debt service and completion agreement and understands it.

CERTIFIED by A. Neil Hutton, Lawyer at the City of Calgary in the Province of Alberta this 9th day of December, 2022.



SIGNATURE

STATEMENT OF COVENANTOR

I am the person named in this certificate.



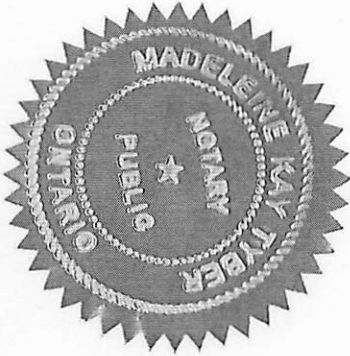
PHIL SALGADO

Signature of Covenantor

This is Exhibit "F" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario



**ASSIGNMENT OF AGREEMENTS, CONSTRUCTION DOCUMENTS,
INSURANCE PROCEEDS, LETTERS OF CREDIT AND
OTHER CONTRACTUAL RIGHTS**

DATED as of December 9, 2022.

BETWEEN:

PEAK DEVELOPMENTS CORP.
(the "Assignor")

- and -

PEOPLES TRUST COMPANY
(the "Assignee")

WHEREAS:

- A. The Assignor has applied to the Assignee for the Loan pursuant to the terms and conditions of the Commitment Letter, to be used for the purpose of constructing and operating the Project on the Lands,
- B. As security for the Loan, the Assignor has granted the Mortgage in favour of the Assignee, and
- C. As collateral security for the repayment of the Loan and the performance of its obligations under the Mortgage, the Assignor has agreed to assign its interest in the Agreements, Construction Documents, the Insurance Proceeds and Letters of Credit to the Assignee.

NOW THEREFORE, IN CONSIDERATION OF the Assignee making the Loan to the Assignor and of the mutual promises herein contained, the Assignor covenants with the Assignee as follows:

- 1. In this Assignment, unless there is something in the context or subject matter inconsistent therewith:
 - (a) "Assignment" means this agreement, together with any additions or alterations hereto.
 - (b) "Collateral" has the meaning given to that term in Section 2 of this Agreement.
 - (c) "Commitment Letter" means the commitment letter dated as of August 26, 2022 (as it may be supplemented, amended or restated from time to time).
 - (d) "Construction Documents" means all plans, permits, approvals, licenses, contracts, agreements and other documents relating to the construction or operation of the Project including, without restriction, the architectural plans, the engineering plans, the development permit(s) and the building permit(s) obtained by the Assignor or issued in favour of the Assignor, as the case may be.
 - (e) "Event of Default" means if the Assignor defaults in the performance of any of the Obligations.

- (f) **"Insurance Proceeds"** means any monies which are, or which may become, payable to the Assignor by virtue of any insurance policy over the Project, or any portion thereof, whether or not such policy is obtained by the Assignor, or by any third party.
- (g) **"Lands"** means those lands legally described in Schedule "A" attached hereto, as such lands may be subdivided, consolidated, condominiumized, stratified or otherwise amended from time to time.
- (h) **"Letters of Credit"** means any letters of credit provided by the Assignor to any third party in relation to the construction of the Project.
- (i) **"Loan"** means the principal sum of **\$20,722,875.00** lent by the Assignee to the Assignor.
- (j) **"Agreements"** means all present and future agreements now or hereafter entered into by the Assignor with any other person or persons with respect to the Project.
- (k) **"Third Party Contractors"** means those persons who are parties to an Agreement or Construction Document other than the Assignor and the Assignee.
- (l) **"Mortgage"** means the mortgage granted by the Assignor to the Assignee to secure repayment of the Loan and to be registered as a first mortgage charge against the Lands.
- (m) **"Obligations"** has the meaning given to that term in Section 2 of this Agreement.
- (j) **"Project"** means the construction and development of a 66 unit residential rental project on the Lands.

The preamble and any Schedules attached hereto are incorporated into and form a part of this Assignment.

2. The Assignor unconditionally and irrevocably assigns, transfers and sets over to and in favour of the Assignee for the benefit of the Assignee as and by way of a fixed and specific assignment, and grants to the Assignee a continuing security interest in, all the Assignor's present and future rights and interests in, to, under and in respect of the following (collectively, the **"Collateral"**):
 - (a) the Insurance Proceeds,
 - (b) the Agreements and all rights and benefits related thereto (including full power and authority to use the name of the Assignor, its successors and assigns, when enforcing the performance of all covenants and other matters and things contained in the Agreements),
 - (c) the Letters of Credit and all rights and benefits related thereto,
 - (d) the Construction Documents and all rights and benefits related thereto (including full power and authority to use the name of the Assignor, its successors and assigns, when enforcing the performance of all covenants and other matters and things contained in the Construction Documents),

- (e) all covenants, obligations and agreements of the Third Party Contractors under, in connection with or in respect of each such Agreement and Construction Document,
- (f) all indemnities (contractual, statutory or otherwise) of the Third Party Contractors under, in connection with or in respect of each present and future Agreement or Construction Documents and all rights, entitlements, privileges, benefits, powers, licences and advantages of the Assignor to be derived from all such indemnities and all covenants, obligations and agreements of the Third Party Contractors with respect to all such indemnities and otherwise to exercise and enforce the rights, entitlements, privileges, benefits, powers, licences and advantages of the Assignor in respect of all such indemnities,
- (g) all revenues and other moneys now due and payable, or which may in the future become due and payable, to the Assignor under or in connection with each present and future Agreement or Construction Document or which are now, or may in the future become, receivable by the Assignor pursuant to or in connection with each such Agreement or Construction Document, and
- (h) all rights of the Assignor to perform and exercise all of its rights, entitlements, privileges, benefits, powers, licences and advantages under, in connection with or with respect to, and all remedies in connection with, each present and future Agreement or Construction Document and all rights of the Assignor to damages arising out of, or for, breach or default in respect of each such Agreement or Construction Document,

to be held by the Assignee as general and continuing security for the due payment and performance of all present and future debts, liabilities and obligations of the Assignor to the Assignee (whether as principal debtor, guarantor, surety or otherwise) of any and every nature whatsoever and however incurred under the Commitment Letter or the Loan and any ultimate unpaid balance thereof (collectively, the "**Obligations**").

3. The Assignor warrants and represents to the Assignee that:

- (a) the Agreements, Insurance Proceeds, Letters of Credit, and the Construction Documents are freely assignable,
- (b) the Agreements, Letters of Credit, and Construction Documents are valid, subsisting and in good standing,
- (c) the Assignor has the right to enter into this Assignment and has not previously assigned the Agreements, Insurance Proceeds, Letters of Credit, or the Construction Documents or any interest therein,
- (d) the Assignor is not in default under the terms of the Agreements or the Construction Documents, and
- (e) the Assignor will perform all of its obligations under the Agreements and Construction Documents, provided however, that in the event that the Assignor defaults under the terms of the Mortgage, the Assignee shall have the right, but not the obligation, to enforce its rights hereunder whereupon:

- (i) the Assignee shall be entitled to all of the Assignor's rights and shall complete all of the Assignor's obligations under the Agreements and the Construction Documents, and
 - (ii) the Assignor shall have no further rights under the Agreements nor the Construction Documents whatsoever.
- 4. Nothing contained in this Assignment shall be construed as an assigning of, or an attempt to assign, any Agreement or covenant, obligation or agreement of a Third Party Contractor which, as a matter of law or by its terms, is
 - (a) not assignable, or
 - (b) not assignable without first obtaining approval or consent,

(collectively, the "**Non-Assignable Rights**"), and the Assignor shall hold all such Non-Assignable Rights in trust for the Assignee as security for the performance of the Obligations and shall enforce its rights under such Non Assignable Rights at the request of the Assignee.
- 5. Service by the Assignee of notice that the Mortgage is in default or that there has been an Event of Default or breach of the terms thereof shall be sufficient proof to all third parties of the fact of such default or breach, and the Assignor specifically authorizes any third parties to accept such notice as conclusive proof that the Mortgage is in default or an Event of Default has occurred.
- 6. Nothing contained in this Assignment shall render the Assignee, or any of their agents, employees or any other persons for whom the Assignee is in law responsible, liable to any person for the fulfillment or non-fulfillment of the obligations, covenants and agreements (including, but not limited to, the payment of any monies under or in respect of any Agreement or Construction Document) of the Assignor under any Agreement or Construction Document. The Assignor hereby indemnifies and agrees to save and hold harmless the Assignee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever of any person arising directly or indirectly from or out of the Agreements or Construction Documents.
- 7. The Assignee, as attorney or agent of the Assignor and in its name, may, at any time and from time to time after the occurrence and during the continuance of an Event of Default, exercise any of the rights, entitlements, privileges, powers, benefits, licences, advantages, authorities and discretions which under the terms of the Collateral could be exercised by the Assignor with respect to the Collateral.
- 8. Until an Event of Default shall occur, the Assignor, subject to any other agreement between the Assignee and the Assignor, shall, in a manner which would not cause an Event of Default and which is not inconsistent with the terms and provisions the Commitment Letter, be entitled to deal with the Collateral and to enforce all of the benefits, advantages and powers under the Agreements and Construction Documents. In the event that an Event of Default shall occur, the Assignee may, but shall not be obligated to, exercise all rights, powers, benefits, advantages, authority and discretions of the Assignor in respect of the Collateral and to exercise the rights granted to the Assignee under this Assignment in respect of the Collateral in the place and stead of the Assignor, all of which is hereby consented to by the Assignor.

9. Whenever an Event of Default has occurred and is continuing, without limiting the rights of the Assignee under or pursuant to this Assignment, any other security or agreement provided by the Assignor to the Assignee or any other person pursuant to or in connection with any of the Obligations or otherwise provided by law, the Assignee shall be entitled to enter into possession of the Lands and any other premises of the Assignor or any part or parts thereof and appoint its agents to manage any such premises and the business and operations of the Assignor and pay such agents' charges for their services and charge the same to the account of the Assignor (all of which shall be added to, and be deemed to form part of, the Obligations), and the Assignee and any agents so appointed by the Assignee shall have the authority:
- (a) to enforce, realize, sell, assign, transfer, require continued performance under or otherwise deal with the Collateral, upon such terms and conditions and at such time or times as may seem to it advisable, and to charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in connection with so collecting, realizing, or obtaining performance of the Collateral, and to add the amount of such sums to the Obligations,
 - (b) to renew, amend or otherwise deal with the Collateral (including, without limitation, the authority to demand, sue for, recover, receive and give receipts for all work, services and goods to be provided under the Collateral and to give consents or waivers with respect to, or otherwise enter into agreements, understandings or arrangements respecting, the Collateral), or make other agreements in respect of the business and operations of the Assignor or any part or parts or parts thereof for such consideration and on such terms as it may deem appropriate,
 - (c) to perform at the Assignor's expense any and all obligations or covenants of the Assignor under the Collateral or in respect thereof and to enforce performance by the Third Party Contractors of their obligations, covenants and agreements thereunder,
 - (d) to manage generally the business and operations of the Assignor and deal with the Collateral to the same extent as the Assignor could do, and
 - (e) by instrument in writing appoint any person to be a receiver (which term shall include a manager and a receiver and manager) of the business and operations of the Assignor or any part thereof and may remove any receiver so appointed and appoint another in his stead, and any receiver so appointed shall have the authority to do any of the acts specified in this Section and further to take possession of and collect the revenues and other moneys of all kinds payable to the Assignor in respect of the Collateral and pay therefrom all reasonable expenses of completing, maintaining, preserving, protecting and operating the Project and the business and operations of the Assignor, the payment of which may be necessary or desirable to complete, preserve and protect the Project and to preserve and protect the business and operations of the Assignor and the Collateral,
- the whole without any liability or responsibility of any kind on the part of the Assignee or its agents or receiver.
10. The Assignee shall not be liable or accountable for any future failure to enforce or otherwise deal with the Collateral and the Assignee shall not be bound to institute

proceedings for the purpose of enforcing or otherwise dealing with the Collateral or for the purpose of preserving any rights of the Assignee, the Assignor, or any other person in respect of the same. No failure to exercise or any delay on the part of the Assignee in exercising any right, power or remedy provided in this Assignment or by law shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any further or other exercise of the same right, power or remedy or the exercise of any other such right, power or remedy.

11. Where any discretionary powers under this Assignment are vested in the Assignee or its agents or receiver, such powers may be exercised by an officer or manager of the Assignee or its appointed agents or receiver, as the case may be.
12. All monies or other amounts collected or received by the Assignee in respect to the Collateral may be applied on account of such part of the Obligations as to the Assignee seems best, or held by the Assignee in a collateral account maintained by it for such time as to the Assignee seems best and then applied on such part of the Obligations as to the Assignee seems best.
13. This Assignment shall remain in full force and effect without regard to, and the obligations of the Assignor hereunder shall not be affected or impaired by:
 - (a) any amendment, modification, replacement of or addition or supplement to the Commitment Letter or any other agreement or security provided to the Assignee or any other person with respect to any Obligations,
 - (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of the Commitment Letter or any security document, the Obligations or any other agreement or security provided to the Assignee,
 - (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of the Commitment Letter or any security document or any other agreement or security provided to the Assignee with respect to any Obligations,
 - (d) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation of the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, the Commitment Letter or any security document,
 - (e) any merger, consolidation or amalgamation of the Assignor or any partners of the Assignor into or with any other person or any change in the persons who are from time to time partners of the Assignor, or
 - (f) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any partners of the Assignor.
14. Upon payment and performance in full of all of the Obligations and fulfillment by the Assignor of all of its obligations to the Assignee with respect to the Obligations, this Assignment shall be and become fully ended and terminated and all right, title, estate and interest in and with respect to the Collateral assigned, transferred and set over by the Assignor under this Assignment shall revert to the Assignor and all covenants and

agreements of the Assignor hereunder shall be at an end and the Assignee shall, in such circumstances and upon the written request of the Assignor and at the expense of the Assignor, execute such discharges, re-assignments and other instruments and give such notifications or assurances as may be necessary to fully release, cancel and discharge this Assignment.

15. Nothing contained in this Assignment shall be deemed or construed as creating the relationship of principal and agent or of partnership or of joint venture between the Assignor and the Assignee, it being understood and agreed that none of the provisions contained in this Assignment or any acts of the Assignee or of the Assignor, shall be deemed to create any relationship between the Assignee and the Assignor other than the relationship of assignee and assignor.
16. The rights and remedies given to the Assignee under this Assignment shall be cumulative of and not substituted for any rights and remedies to which the Assignee may be entitled under any other agreement or security provided to the Assignee with respect to any Obligations or under statute, at law or in equity, and may be exercised whether or not the Assignee has pursued or is then pursuing any other such rights and remedies. Further, nothing in this Assignment shall curtail or limit the remedies of the Assignee as permitted by law or in any statute to a creditor, all such remedies being in addition to and not in substitution for any other rights of the Assignee under this Assignment, or any other agreement or security provided to the Assignee with respect to any Obligations.
17. Time shall be of the essence of this Assignment.
18. No consent or waiver, express or implied, by the Assignee to or of any breach or default by the Assignor in performance of its obligations under this Assignment shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the Assignor under this Assignment. Failure on the part of the Assignee to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not, by itself, constitute a waiver by the Assignee of its rights under this Assignment.
19. This Assignment may not be modified or amended except with the written consent of the Assignor and the Assignee.
20. This Assignment and the rights and remedies it creates are a continuing agreement and security, and shall bind the parties until discharge of this Assignment.
21. The Assignor shall be liable for, and shall indemnify and save the Assignee harmless of and from, all manner of actions, causes of action, demands, claims, losses, costs, damages and expenses of any and every nature whatsoever which the Assignee may sustain, pay or incur in respect of or in connection with:
 - (a) the Collateral,
 - (b) any and all actions of the Assignor pursuant to the exercise by the Assignor of any of its rights, duties or obligations under or in respect of the Collateral, and
 - (c) the lawful and proper exercise or performance by the Assignee of any of its rights and powers as authorized under this Assignment.

22. The Assignor shall pay to the Assignee on demand all reasonable out-of-pocket costs and expenses incurred by the Assignee in connection with the preparation, execution, delivery and administration of this Assignment and all related documentation and the amendment and enforcement of, and the preservation and protection of any of the Assignee's rights under, this Assignment and such related documentation (including the reasonable fees and out-of-pocket expenses of counsel for the Assignee for services provided in connection with the foregoing matters and all sales, goods and services and other similar taxes payable under the laws of any applicable jurisdiction with respect thereto) and shall pay to the Assignee interest thereon, calculated from and including the due date thereof and payable on demand, at the highest per annum rate of interest from time to time applicable to the Obligations, all of which amounts shall be added to, and be deemed to form part of, the Obligations.
23. To the fullest extent permitted by law, the Assignor waives all of the rights, benefits and protections given by the provisions of any existing or future statute or regulation which imposes limitations on the powers, rights or remedies of a secured party or on the methods of realization of security, including, without limitation, any seize or sue or anti-deficiency statute or any similar provision of any other statute.
24. Neither this Assignment nor anything in connection herewith shall be construed to amend the terms of the Mortgage or extend the time for repayment of the Loan, the Assignment being acknowledged as constituting collateral security for the Assignee.
25. The Assignee shall not, by virtue of this Assignment, be deemed a mortgagee in possession of the Lands.
26. Any word herein contained importing the singular number shall include the plural and vice versa, and any word importing gender shall include the masculine, feminine or neuter gender, and any word importing a person shall include a corporation, individual, partnership and any other entity, all as the context requires.
27. Should any one or more of the provisions of this Assignment be determined to be illegal or unenforceable or otherwise invalid, the same shall be severed but all other provisions shall nevertheless remain effective.
28. This Assignment shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Alberta and the laws of Canada applicable therein (excluding any conflict of laws, rule or principle which might have the effect of referring matters relating to the interpretation and enforcement of this Assignment to the laws of another jurisdiction). The Assignor irrevocably attorns to, and submits to the non-exclusive jurisdiction of, the courts of Alberta with respect to any matter arising hereunder or related hereto.
29. This Assignment and everything contained in this Assignment shall enure to the benefit of the Assignee and their respective successors and assigns and shall be binding upon the Assignor and its successors and assigns. The Assignor may not assign any of its rights or obligations under this Assignment without the prior written consent of the Assignee.
30. This Assignment has been entered into pursuant to the Commitment Letter and is subject to all of the terms and conditions thereof, and in the event of any conflicts or inconsistencies between the provisions of this Assignment and the Commitment Letter,


the rights and obligations of the parties shall be deemed to be governed by the Commitment Letter, which shall be the paramount instrument.

31. This Assignment may be executed and delivered by the Assignor in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, electronic mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument. The Assignor agrees that the electronic signature(s), whether digital or encrypted, of any party included in this Assignment shall be as effective as delivery by the Assignor of a manually executed copy of this Assignment and is intended to have the same force and effect as a manual signature(s).

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

IN WITNESS WHEREOF the Assignor has properly executed this Assignment as of the date first written above.

PEAK DEVELOPMENTS CORP.

Per: 
Name: Christopher York
Title: President

Per: _____
Name:
Title:

SCHEDULE "A"
THE LANDS

Legal Description

PID: 031-836-780

LOT 1 DISTRICT LOT 2378 KOOTENAY DISTRICT PLAN EPP124173

This is Exhibit "G" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario



Chysik Project Management Ltd.

CV

Douglas P.D. Chysik
Founder & President

Chysik Project Management Ltd.
15095 Royal Avenue
White Rock, BC V4B 1M1

Cell: 604-518-7579
doug@chysikprojectmanagement.com
www.chysikprojectmanagement.com

Douglas Chysik is the founder and president of CPM (Chysik Project Management Ltd).

Doug has been an integral feature in the development industry for over forty years. He has extensive experience in residential, commercial, and institutional construction, with over 9,500 units built during the span of his career. His expertise in development management, strategic pre-design, construction, sales and marketing and value engineering has proven him a valuable asset in both the field and the board room. Doug's direct involvement in project management includes budgeting, cost control, and scheduling to ensure a successful return for the developer clients. In addition, he has specific experience with projects in financial and managerial difficulty. Doug has a reputable background in crisis management and has managed many turnarounds for development projects in crisis. As a result, CPM has formed a business division targeted to provide development management services to the receivership industry. His entrepreneurial spirit and great versatility have also led him to pursue other initiatives, most notably the creation of a West Coast commercial real estate publication, (The Western Investor).

Career Archive

The following represent a collection of Doug's achievements and exclusive skills:

- As President of Chysik Project Management Ltd. (CPM) managed all aspects of construction on 48 projects totalling 5,000 condos and town home units.
- As Consulting Senior Associate for D. Manning & Associates Inc., managed over 15 projects in receivership, most notably Alysén Place in Penticton, BC (an 8 storey high-rise concrete condominium).
- As V.P. of Construction for Rempel Development Group (RDG), was responsible for creating and managing all aspects of construction from design to customer service for 1,200 condos and town homes in the greater Vancouver area.

*Douglas Chysik, President
Chysik Project Management Ltd.
Page 2*

- As V.P. of Construction for the Polygon Group, successfully managed the construction of more than 1,800 condos and town homes in the Greater Vancouver area.
- Worked closely with Polygon's V.P. of Sales and Marketing to coordinate grand openings, launch dates and ongoing marketing strategies leading up to sold-out status for all projects.
- Managed in an executive capacity, within a corporate structure, all budgeting, scheduling and cost control issues in the design, pre-construction and construction phases of multi-residential developments.
- Represented the developer in corresponding with local municipalities on issues concerning zoning, building codes and permits and final occupancy permits.
- Wrote, negotiated and executed contracts with major sub-trades and suppliers on behalf of developer clients.
- Attended Urban Development Institute seminars and executive retreats to ensure current knowledge of the development industry.
- Founder and President of The Western Investor (WI) newspaper. Management contributions included: corporate structure design, market analysis, system integration, advertising and circulation sales growth and development.

This is Exhibit "H" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario



WILLIAM CHOO, Dipl. T., CPA, CGA

PROFESSIONAL QUALIFICATIONS

Background: William Choo is a Senior Vice-President of D. Manning & Associates Inc. He is a Chartered Professional Accountant and a former Principal with a large international firm of Chartered Accountants. William has over 40 years' experience in assisting businesses, financial institutions and insurance companies in matters relating to receiverships, bankruptcies, business investigations, company turnarounds, and business advisory in a variety of real estate matters.

RECENT PROFESSIONAL ASSIGNMENTS

William has undertaken a variety of assignments in the real estate industry which involve construction-related matters:

- As Receiver and Manager of an incomplete condominium building in Burnaby with 27 residential units and one commercial unit, involving 14 pre-sales that were disclaimed by Court Order, and completed construction, obtained occupancy permit and the sale of these residential units and commercial unit.
- As Receiver and Manager of a partially completed, eight storey high-rise condominium project in Penticton, B.C., involving the negotiations and settlement with lien holders, the completion of construction and the sale of unsold completed units, completion of the Phase I building, the sale of a geothermal heating/cooling system, issuance of a new Disclosure Statement, and offering for sale of the Receiver and Manager's interest in Phase II lands and improvements.
- As Monitor under the Companies Creditors Arrangement Act ("CCAA") regarding a townhouse development and golf course in Peachland, B.C. which included management of the development, construction, sale of properties, and a secured creditor driven CCAA.
- As Receiver-Manager, completed outstanding work, deficiencies, obtained occupancy permits, marketing and sale of remaining units of a White Rock, B.C. condominium project.

- As Receiver-Manager of a 35-lot residential subdivision in Nanaimo, B.C., involving completion of subdivision construction, negotiations and payments required to City of Nanaimo to enable the subdivision to be registered, negotiations and settlement with lien holders, offering the lots for sale once the subdivision was approved and ready for sales activity and marketing representatives were selected.
- As Receiver Manager of a single-family house in West Vancouver, including obtaining an Occupancy Permit, fixing deficiencies and marketing and completing the sale.
- As Receiver and Manager of an incomplete single-family house in West Vancouver, completed construction and offering for sale the completed Home.
- As Receiver and Manager of a partially completed duplex and infill house on the west side of Vancouver.

PROFESSIONAL AFFILIATIONS

Chartered Professional Accountants of British Columbia

Chartered Professional Accountants of Canada

This is Exhibit "I" referred to in the affidavit of Paul
De Luca sworn before me at Toronto, Ontario
this 5th day of May, 2025.



A Commissioner for taking Affidavits within Ontario



D. MANNING & ASSOCIATES INC.

Licensed Insolvency Trustee

Suite 520
625 Howe Street
Vancouver, B.C.
V6C 2T6Telephone: (604) 683-8030
Facsimile: (604) 683-8327
<http://www.manning-trustee.com>

April 23, 2025

Owen Bird Law Corporation
Suite 2900 – 733 Seymour Street
Vancouver, B.C. V6B 0S6**Attention: Mr. Jonathan Williams**

Dear Sirs/Mesdames:

Re: Peak Developments Corp. and Peak Developments Limited Partnership

We are writing to confirm that we are a Licensed Insolvency Trustee under the *Bankruptcy & Insolvency Act* and that our licence applies to British Columbia and the Yukon Territory. In addition, we confirm that we have significant experience in construction of townhouses and apartment/condos.

We are also writing to confirm that we are prepared to act as Court-appointed Receiver and Manager of the assets, undertakings and properties of Peak Developments Corp. and Peak Developments Limited Partnership ("the Debtors"), in the event that our firm is appointed by the Court to act as Receiver and Manager of the assets, undertakings and properties of the Debtors.

If you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 604-683-8030.

Yours very truly,

D. MANNING & ASSOCIATES INC.
Licensed Insolvency Trustee

Per: William Choo, CPA, CGA

WC:as

No. S253365
Vancouver Registry

In the Supreme Court of British Columbia

Between

PEOPLES TRUST COMPANY/COMPAGNIE DE
FIDUCIE PEOPLES

Petitioner

and

PEAK DEVELOPMENTS CORP., PEAK
DEVELOPMENTS LIMITED PARTNERSHIP,
WESTCASTLE HOLDINGS LTD., WESTCASTLE
LAND DEVELOPMENTS CORP., BOULEVARD
CONSTRUCTION CORPORATION, RIVERVIEW
CUSTOM HOMES LTD., PHIL SALGADO, also known
as PHILIP SALGADO, CHRIS YORK, also known as
CHRISTOPHER YORK, MACKAY CONTRACTING
LTD., KULKON CONSTRUCTION CORP., 1111053
B.C. LTD. DOING BUSINESS AS JJ MECHANICAL,
GAUER POWER LTD., IKA BUILDERS INC., 689048
ALBERTA LIMITED, STEVEN DOUGLAS HOWG,
also known as STEVEN DOUGLAS HOWG doing
business as STP PAINTING, JOHN DOE AND ALL
TENANTS OR OCCUPIERS OF THE SUBJECT
LANDS AND PREMISES

Respondents

A F F I D A V I T

OWEN BIRD LAW CORPORATION

PO Box 1, Vancouver Centre II
2900-733 Seymour Street
Vancouver, B.C. V6B 0S6

Attention: Jonathan L. Williams
File No. 23868-1852