

COURT FILE NUMBER

1903-04121

COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE TRUSTEE ACT
T-8 SECTIONS 43 AND 46

APPLICANTS

WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE
MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS

WESTPOINT CAPITAL CORPORATION, WESTPOINT
CAPITAL MANAGEMENT CORPORATION,
WESTPOINT CAPITAL SERVICES CORPORATION,
WESTPOINT SYNDICATED MORTGAGE
CORPORATION, CANADIAN PROPERTY DIRECT
CORPORATION, WESTPOINT MASTER LIMITED
PARTNERSHIP, RIVER'S CROSSING LTD., 1897869
ALBERTA LTD., 1780384 ALBERTA LTD., 1897837
ALBERTA LTD. and THE VILLAGE AT PALDI ENT.
LTD.

DOCUMENT

SECOND SUPPLMENTAL REPORT TO THE
RECEIVER'S THIRD REPORT DATED NOVEMBER 25,
2019

RECEIVER

BDO Canada Limited
616, 10216 124 Street
Edmonton, AB
David Lewis
Phone : 780.424.3434
Fax : 780.424.3222
dlewis@bdo.ca

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

COUNSEL

Miller Thomson LLP
27 Commerce Place
10155 102 Street
Edmonton, AB T5J 4G8
Terrence M. Warner
Phone: 780.429.9727
Fax: 780.424.5866
twarner@millertomson.com



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List of Exhibits

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2. Spreadsheet entitled "Transaction 480 Paldi Breakdown Funded to Borrower: April 11, 2012
3. Commitment Letter between Westpoint Capital Corporation and First Course Development Corp., the Village at Paldi Ent. Ltd. Inc. and No. 0308632, dated April 10, 2012
4. Land Title Act Form E
5. Syndication agreement between Westpoint Capital Corporation and Nagpal Investments Inc.
6. Email to the Receiver regarding payout and additional fee from WCC former management
7. Email between Westpoint Capital Corporation and Nagpal Investments Inc. regarding additional fee
8. Email between Westpoint Capital Corporation and Nagpal Investments Inc. regarding additional fee and excel spreadsheet
9. Email between Westpoint Capital Corporation and Nagpal Investments Inc. confirming the handling of the fee and distribution of the funds

Introduction

1. This report is the Second Supplemental Report (the "**Second Supplement**") to the Third Report to the Court of BDO Canada Limited in its Capacity as Receiver of Westpoint Capital Corporation *et al* dated June 3, 2019 (the "Third Report") and should therefore be read in conjunction with the Third Report, and subject to the same limitations and conditions as set out therein, which are incorporated by reference in this Second Supplemental Report.
2. The purpose of this Second Supplement is to provide this Honourable Court with:
 - a) Comments of the Receiver on the Affidavit of Kunal Nagpal, dated November 7, 2019; and
 - b) To provide information regarding the syndication agreement, agreement between the parties regarding fees and the distribution of the funds from the sale of the Paldi lands and future settlement;
3. The Receiver is seeking:
 - a) This Court's direction for the distribution of funds currently held in Trust resulting from the sale of the Paldi Property; and
 - b) This Court's direction for the distribution of any future funds received in regards to the Paldi Property.
4. A copy of the Receiver's Second Supplement to the Third Report and other relevant documents in the interim receivership proceedings are available on the Receiver's website at <http://www.extranets.bdo.ca/WCC ET. AL>.

The Village at Paldi Ent. Ltd. ("PALDI")

5. In the Receiver's First Supplemental Report to the Receiver's First Report to the Court dated June 24, 2019 (the Supplemental First Report"), the

Receiver suggested a potential allocation of the sale proceeds to the various parties of the syndicated loan. Below is the allocation suggested in the Supplemental First Report:

Company	Funds lent before fees and interest	Percentage of mortgage ownership
WCC	1,400,000	14/35 or 40.0%
BTB	500,000	5/35 or 14.3%
167	1,600,000	16/35 or 45.7%
Total	3,500,000	

6. As the date of the Third Report, the Receiver had only heard from BTB Mortgage Investment Corporation ("BTB") which is one of the syndicated investors, regarding the suggested allocation. Tyler Pfeiffer from BTB, advised the Receiver on June 10, 2019 that BTB was in agreement with the proposed allocation.
7. On November 7, 2019, Nagpal Investments Inc. ("NII") filed an affidavit, disputing the method of distribution above.
8. On November 13, 2019, this Court granted a Consent Order (the "**Interim Distribution Order**"), adjourning the Receiver's application to December 10, 2019 and providing for the majority of the funds to be distributed according to the Receiver's calculation and having \$250,000 held back. Attached as **Exhibit 1** is a copy of the Interim Distribution Order.
9. Attached as **Exhibit 2** is a spreadsheet from the records of WCC, entitled "Transaction 480 Paldi Breakdown Funded to Borrower: April 11, 2012" (the "Paldi Spreadsheet").
10. Attached as **Exhibit 3** is a copy of the Commitment Letter between WCC and First Source Development Corp., The Village at Paldi Ent. Ltd., No 0308632 (the "Borrowers").
11. The Commitment letter outlines the various fees as follows:

- a) Commitment Fee - \$300,000;
- b) Work Fee - \$40,000; and,
- c) Brokerage Fee – \$24,000.

The amount of the total fees differ from Exhibit 2 by \$4,000 as the work fee is \$36,000 in Exhibit 2 instead of \$40,000 from the Commitment Letter. Exhibit 2 also, differs from the Commitment Letter, such that the Commitment fee and additional fee are separate but total \$300,000.

- 12. The original loan to Paldi was intended to in the amount of \$4 million and was supposed to have one additional investor. Attached as **Exhibit 4** is a copy of the Land Title Act Form E which appears to include a summary of the terms of the mortgage.
- 13. As it turns out, the fourth investor, who was supposed to contribute \$500,000, backed out and accordingly, the loan amount was limited to \$3.5 million.
- 14. The Paldi Spreadsheet shows the breakdown of the loan. Of the intended \$4 million, NII was to contribute \$1.6 million, and the balance was under the rubric of WCC, was \$2.4 million.
- 15. NII, based upon the records of WCC, which is supported by NII's affidavit, contributed nearly the amount it committed to, \$1,544,000. WCC's initial advance was \$1,340,000, which amount included the interest reserve. The balance of WCC's contribution is made up of various fees, some of which it paid, and some of which it earned as a result of the agreements.
- 16. Taking into account the fees earned or paid by WCC, WCC's actual contribution is \$1,660,000.
- 17. Paragraph 19 of the NII Affidavit provides three different calculations for the distribution of the funds as follows:

- a) *The \$1,384,000 actually advanced by NII, before the Holdback Advance, represented 50.5% of the Pre-Holdback Net Funding amount (\$1,384,000.00/ \$2,740,000.00 =50.5%);*
 - b) *if the \$216,000.00 Interest Reserve portion of the Initial Advance is removed, then NII's contribution to the Pre-Holdback Net Funding to Borrower represented 53.1 % of such amounts (\$1,384,000.00 - \$216,000.00 = \$1,168,000.00 / \$2,200,000.00 = 53.1%); and*
 - c) *The combined Initial Advance and Holdback Advance less the \$216,000 Interest Reserve portion of the Initial Advance, represents 51.1% of the Post-Holdback Net Funding to Borrower (\$1,384,000.00 + \$160,000.00 = \$1,544,000.00 - \$216,000.00 = \$1,328,000.00/\$2,600,00.00 = 51.1%).*
18. The Receiver notes that based on the actual cash advanced by the syndicated parties, NII statements and calculation appear correct, as far as it goes, but the problem with the NII analysis is that it only present part of the picture and leaves out, for the most part, the fees referenced in Exhibit 2 which were part of the WCC contribution.
19. Based on the syndication agreement, attached as **Exhibit 5**, the method of distribution is defined. Schedule B of the syndication agreement defines the proportionate shares as follows:

***"Proportionate Share"** means, for the lender and each of the Other Lenders, a ratio determined as follows:*

Lender's Contribution/Aggregate of all Lenders' Contribution

***"Lender's Contribution"** means the amount the Lender contributed toward the Loan as set forth under the heading "LENDER'S CONTRIBUTION DETAILS"*

On page 2 and 3 of the Syndication Agreements, outlines the Lender's Contribution Details as \$1.6 million from NII and \$2.4 from WCC. The Receiver notes that the mortgage based on a forbearance agreement was only \$3.5 million. WCC and its other lenders only contributed \$1.9.

20. Based on the Receiver's review of the syndication agreement, the parties are to receive their proportionate share of the proceeds in the event of a realization on the property. As such, the Receiver does not agree with any of the above NII calculations. The Receiver's interpretation of the agreement is agreed to by BTB, as noted above.
21. NII's affidavit gives multiple methods of calculation, what NII believes should be his proportional payment but none of these calculations agree with the Syndication Agreement or the analysis provided in the Paldi Spreadsheet.
22. Upon further discussions with NII's counsel, Mr. Ryan Quinlan of Duncan Craig LLP, Mr. Quinlan argues, that a \$200,000 fee that WCC was successful in negotiating should be split between the lenders.
23. The Receiver, emailed Mr. Virani, the former management of WCC et al, to obtain further insight regarding this matter.
24. Mr. Virani, sent the Receiver four emails which indicated that NII was aware of the additional fees, and agreed that WCC was entitled to these amounts.
25. Attached as **Exhibit 6** is a copy of the email between WCC and NII regarding the additional fee and the allocation of the proceeds from the sale of the land.
26. Attached as **Exhibit 7** is a copy of an email between WCC and NII indicating that some initial confusing existed. WWC states:

"We are not quite on the same page here. The additional fees are westpoints per our discussion a few days ago. You clearly agreed that anything we were able to negotiate above the original yield was our spread . We will give you 1% on your 1.6 so 16k if you don't get a JV here your portion is 16k not 40k of this additional fee. Otherwise I think generally we are ok."
27. Attached as **Exhibit 8** is a copy of an email and an excel spreadsheet attempting to clarify the matter. Most importantly point 9 and 11.

"9. Trustco's liability has been narrowed by section F. but are the lenders - westpoint and NI have exactly the same liabilities on pari passau basis?"

As per our phone conversation I understand that you All lenders have the same liabilities on a pari passau basis - NI at 40% and Westpoint at 60%."

"11. TrustCo will charge the Borrower an administartion fee, but the fee is subordinate to any payments owing to the lenders (see H2). - We should state that the total fee is 200k of which NI would receive 16kbut if NI and the borrower are able to negotiate a successful JV within the period of this loan then NI would forfeit that 16kfee and Westpoint would have it."

28. Attached as **Exhibit 9** is a copy of an email between WCC and NII which confirms that NII is not entitled to the work fee nor the additional fees.
29. As such, the Receiver believes that the calculation shown in paragraph 5 above, is the proper method of distributing the funds.
30. As a result of the continuance of the Paldi matter, the Receiver believed it was obligated to calculate the cost of professional fees as accurately as possible for the matter instead of the initial estimate of \$30,000 for Receiver and Receiver's counsel costs. The table below summarizes the differences between the initial estimate and the actual amount.

Professional	Initial Estimate	Actual
Receiver	\$15,000	\$35,000
Legal Counsel	<u>\$15,000</u>	<u>\$60,000</u>
Total	<u>\$30,000</u>	<u>\$95,000</u>

31. The Receiver recognizes that the fees for this matter and higher than what would be expected. However, the costs are higher for the following reasons:
- a) NII made requests of the Receiver for information based on the supplemental report, which the Receiver believes NII already had in its possession, which required a significant amount of time to assemble;

- b) NII made an offer to purchase the Paldi property on the eve of the Receiver's application for court approval, which required the Receiver to prepare an additional report, as well as schedule a further court application;
 - c) Following this Honourable Court's Order approving the sale of the Paldi Lands, an application was made in the Supreme Court of British Columbia (the "BC Court") in the foreclosure proceedings relating to the Paldi Lands, and on August 7, 2019 (the BC Court approved the sale and issued a vesting order the "**Vesting Order**"). The Vesting Order approved the sale to Paldi Khalsa Diwan Society, as assigned to NII. After the Vesting Order was granted, NII further assigned the contract of purchase and sale to two related companies: 1220243 B.C. Ltd. and 1220342 B.C. Ltd. (collectively, the "Assignees"), but Land Titles in BC would not transfer title to the Assignees as per NII's request given the terms of the Vesting Order, necessitating a further application in the BC Court by the Receiver's counsel. and
 - d) The initial distribution calculation was shown in the Receiver's First Supplemental to the First Report as the Receiver was aware NII did not agree with the distribution. NII did not take issue with the calculation and underlying assumptions until November 7, 2019, when it filed an affidavit.
32. The Receiver believes that a large portion of the actual costs could be attributed to dealing with the NII and the issues referred to above.

Recommendations

33. The Receiver is seeking the following from this Honourable Court:
- a) An order distributing the Paldi Property funds to the syndicated lenders as outlined above; and
 - b) An Order distributing a future settlement amount on the Paldi Property as outlined for the proceeds from the Paldi Property.

Intended Course of Action

34. If the Receiver's recommendations are approved, the Receiver's proposed course of actions are

- a) Distribute the funds to the syndicated parties on the Paldi lands;
- b) Complete the administration of the various realization of the assets;
and
- c) To complete the administration of this Receivership, leading to an application for discharge.

Dated at Edmonton, Alberta this 25th day of November 2019.

BDO CANADA LIMITED, solely in its
Capacity as Court Appointed Receiver Of
Westpoint Capital Corporation et al. and
not in its personal Capacity

Per:  _____

David Lewis, CPA, CIRP, LIT
Vice-President

EXHIBIT 1

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019



COURT FILE NUMBER 1903-04121
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C
T-8 SECTIONS 43 AND 46
APPLICANTS WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE
MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS WESTPOINT CAPITAL CORPORATION, WESTPOINT
CAPITAL MANAGEMENT CORPORATION, WESTPOINT
CAPITAL SERVICES CORPORATION, WESTPOINT
SYNDICATED MORTGAGE CORPORATION,
CANADIAN PROPERTY DIRECT CORPORATION,
WESTPOINT MASTER LIMITED PARTNERSHIP,
RIVER'S CROSSING LTD., 1897869 ALBERTA LTD.,
1780384 ALBERTA LTD., 1897837 ALBERTA LTD. and
THE VILLAGE AT PALDI ENT. LTD.

I hereby certify this to be a
true copy of the original.

[Signature]
for Clerk of the Court

DOCUMENT
ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

CONSENT ORDER
MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866
Lawyer's Name: Terrence Warner
Lawyer's Email: twarner@millerthomson.com
File No.: 240413.1

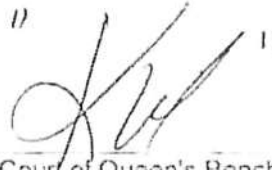
DATE ON WHICH ORDER WAS PRONOUNCED: November 13, 2019
PLACE WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: ACJ K. Nielsen

ORDER

UPON the application of BDO Canada Limited in its capacity as the Court-appointed receiver (the "Receiver") of the Respondents Westpoint Capital Corporation *et al* (collectively the "Corporations"), AND UPON reviewing the Receivership Order issued April 10, 2019 and the Consent Amending and Receivership Order issued May 30, 2019 (collectively the "Receivership Order"); AND Upon being advised that the entire service list was served with notice of the Application in this matter; AND UPON reviewing the Third Report of the Receiver to the Court filed November 2, 2019, AND UPON Reviewing the Confidential Supplement to the Third Report; AND UPON reviewing the Affidavit of Kunal Nagpal sworn on behalf of Nagpal Investments Inc.; AND UPON noting that Counsel for the Receiver and Counsel for Nagpal Investments Inc. have consented to the within Order, AND UPON hearing the submissions of counsel for the Receiver and counsel for Nagpal Investments Inc.;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Receiver's application for an Order approving the Receiver's proposed distribution of the net proceeds of sale of the lands previously registered to the Respondent The Village at Paldi Ent. Ltd. (the "Paldi Proceeds") and sold pursuant to a previous Order of this Honourable Court, as more particularly described in the Third Report, is hereby adjourned to December 10, 2019 at 10:00 a.m. before the Honourable ACJ K. Nielsen.
2. The parties shall file written briefs and any further supporting materials in accordance with the following schedule.
 - (a) the Receiver's brief along with any further supporting materials shall be filed by 4:00 p.m. November 25th, 2019;
 - (b) the responding brief of Nagpal Investments Inc. along with any further supporting materials shall be filed by 4:00 p.m. December 2nd, 2019, and
 - (c) any reply brief along with any further supporting materials shall be filed by 4.00 p.m. on December 9th.
3. The Receiver shall make an interim distribution of a portion the Paldi Proceeds in the amount of \$763,521.58, being the net proceeds of \$1,013,521.58, less a holdback of \$250,000.00.
4. The interim distribution shall be as set in Schedule "A" attached hereto, and shall be without prejudice to either the Receiver, Nagpal Investments Inc. and BTB to take positions and make submissions that a different formula and/or further adjustments should be applied in the distribution of the Paldi Proceeds.
5. This Order shall be entirely without prejudice to all rights, remedies, positions and arguments of the Receiver, Nagpal Investments Inc. and BTB.




Justice of the Court of Queen's Bench of Alberta

Consented to this ~~13th~~ Day of November, 2019
by:

MILLER THOMSON LLP

Per:

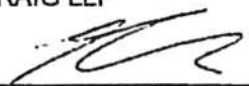


Terrence M. Warner
Solicitor for the Receiver

Consented to this 13 Day of November, 2019
by:

DUNCAN CRAIG LLP

Per:



Ryan Quinlan
Solicitor for the Respondent
Nagpal Investments Inc.

SCHEDULE "A"					
Westpoint Capital Corporation					
Calculation for interim allocation of proceeds as of November 12, 2019					
		167/Nagpal Investments	WCC	BTB	Total
Net Proceeds		\$348,929.36	\$305,408.63	109,183.59	\$763,521.58
Less expenses					
Appraisal	\$	4,032.65	\$3,528.57	\$ 1,260.20	\$8,821.42
Property Taxes	\$	4,383.00	\$ 3,835.13	\$1,369.69	\$9,587.82
Overpayment of Interest	\$	7,736.00	-	-	\$7,736.00
Unpaid Portion of Legal Fees	\$	12,303.00	-	-	\$12,303.00
Receiver Fees	\$	6,857.14	\$6,000.00	\$ 2,142.86	\$15,000.00
Receiver's Counsel Fees	\$	6,857.14	\$ 6,000.00	\$ 2,142.86	\$15,000.00
Total Expenses	\$	42,168.94	\$19,363.70	\$6,915.61	\$68,448.24
Interim Proceeds For Each Party		\$ 306,760.42	\$286,044.92	\$102,267.98	\$695,073.32

EXHIBIT 2

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

Transaction 480
Paldi Breakdown
Funded to Borrower: April 11, 2012

Funding Summary	40% Nagpal	60% Westpoint	Admin	100% Total	Notes
Loan Amount	\$ 1,600,000	\$ 2,400,000		\$ 4,000,000	Registered loan facility
DP Holdback	\$ (160,000)	\$ (240,000)		\$ (400,000)	As holdback was funded 12% interest charged parri passu 400K as advanced
Tony Investor Future Funding		\$ (500,000)		\$ (500,000)	No 12% interest charged or allocated on this amount
Cash Funded	\$ 1,440,000	\$ 1,660,000	\$ -	\$ 3,100,000	12% Interest charged prorata based on these amounts
Broker Fee (paid by WCC)		\$ (24,000)		\$ (24,000)	Broker fee paid by WCC 100%
Commitment Fee (2.5%)	\$ (40,000)	\$ (60,000)		\$ (100,000)	
Additional Fee (5%) - WCC admin fee			(200,000)	\$ (200,000)	Confirmed by KN via email additional fee for WCC
16K Contingent Reversible Fee	(16,000)		16,000	\$ -	To be reimbursed to WCC if JV agreement signed per MV/KN agreement
Work Fee			(36,000)	\$ (36,000)	KN/MV to submit expenses to be reimbursed from this reserve
Net Funding to WCC	\$ 1,384,000	\$ 1,576,000	\$ (220,000)	\$ 2,740,000	1.384M cash received from Nagpal (Apr 27)
Reserve WCC Trust Account	(216,000)	(324,000)		\$ (540,000)	See Nagpal distributions from Trust account below
Net Funding to lawyer	\$ 1,168,000	\$ 1,252,000	\$ (220,000)	\$ 2,200,000	

400K Holdback Draws Funded	Nagpal	Westpoint	Admin	Total	Notes
04-May-12	44,800.00	67,200.00		112,000.00	
07-Jun-12	45,123.84	67,685.75		112,809.59	
06-Jul-12	33,357.10	50,035.65		83,392.75	
08-Aug-12	20,111.44	30,167.16		50,278.60	
20-Sep-12	10,289.89	15,434.83		25,724.72	
23-Oct-12	6,317.74	9,476.60		15,794.34	
Total	160,000.00	240,000.00	-	400,000.00	

Distribution of Reserve	Nagpal	Westpoint	Admin	Total	Notes
07-Jun-12	\$ 16,494.12				
05-Jul-12	\$ 14,985.81				
03-Aug-12	\$ 15,866.81				
23-Aug-12	\$ 40,000.00				Per Sch C of syndication agreement
10-Sep-12	\$ 16,084.69				
11-Oct-12	\$ 15,650.85				
09-Nov-12	\$ 16,259.08				
11-Dec-12	\$ 15,780.82				
09-Jan-13	\$ 16,306.85				
11-Jan-13	\$ 40,000.00				Per Sch C of syndication agreement
21-Feb-13	\$ 16,306.85				Note per Curtis, Kunal instructed to payout all the reserve and promised to pay legal bills as they came in despite CP's request to leave funds in the Trust account for administrative ease. Overpayment to Kunal by 7,735.88. Syndication agreement clearly states 216K is Nagpal's portion of the reserve
Total Cash Distributed	223,735.88	308,749.62		532,485.50	
Original Reserve Funding	216,000.00	324,000.00		540,000.00	
Remaining Reserve (Deficit)	(7,735.88)	15,250.38		7,514.50	

Transaction 480
Paldi Breakdown
Funded to Borrower: April 11, 2012

Enforcement Expenses - Nagpal UNPAID	Nagpal	Westpoint	Admin	Total	Notes
Lunny Atmore	\$ 186.03			\$ 465.08	Chasing Kunal for payment since Oct 2013:
Lunny Atmore	\$ 332.59			\$ 831.48	Oct 9/13 - MV; Oct 23 - MV
Lunny Atmore	\$ 2,451.81			\$ 6,129.53	Nov 10/13 - MV
Lunny Atmore	\$ 2,062.22			\$ 5,155.56	Dec 12/13 - TR & MV; Dec 24/13 - MV
Lunny Atmore	\$ 1,310.05			\$ 3,275.12	Jan 7/14 - TR; Jan 16/14 - TR
Bramwell	\$ 2,033.93			\$ 5,084.83	Feb 6/14 - TR
Integrum (Formerly Ron Hatch of Lunny Atmore)	\$ 1,770.76			\$ 4,426.91	Mar 10/14 - EL
Integrum (Formerly Ron Hatch of Lunny Atmore)	\$ 2,155.46			\$ 5,388.64	
Total	12,302.86			30,757.15	

Total Due From Nagpal	Total
Upaid Invoices	12,302.86
Over funding from reserve	7,735.88
Total Due From Nagpal	20,038.74

EXHIBIT 3

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019



WESTPOINT
CAPITAL

April 10, 2012

WCC Txn#: 480

Attention: Bob Maters

Re: Mortgage Loan Commitment Letter (the "Agreement" or the "Commitment Letter")

We are pleased to advise that we have authorized the following Loan as per your request. This letter sets forth the terms and conditions under which the Lender has authorized the granting of this Loan to First Source Development Corp.

Please review the terms and conditions set forth below and return a signed copy to us at your earliest convenience so that we can begin process of preparing security etc. in order to meet your deadlines.

PARTIES First Source Development Corp., The Village at Paldi Ent. Ltd.; Inc. No. 0308632, Westcoast Waste Water Products Ltd, Anthony Kubica ("Undersigned")

BORROWER First Source Development Corp., The Village at Paldi Ent. Ltd. Inc. No. 0308632 ("Borrower")

LENDER Westpoint Capital Corporation ("Lender")

GUARANTORS Anthony Kubica and Westcoast Waste Water ("Guarantor")

MORTGAGE POSITION 1st

LOAN AMOUNT \$4,000,000.00 ("Loan" or "Loan Amount")

PAYMENT \$40,000.00 Interest Only

PURPOSE Refinance

EXPECTED CLOSING DATE Tuesday, April 10, 2012

SECURITY The Undersigned shall, as applicable, execute all documents with respect to the security granted to the Lender under this Agreement (the "Security") which shall include:

1. Charge for mortgage permitted on: Paldi Road, Southwest of Cowichan Valley Highway; PID# 002-491-168 Cowichan Valley British Columbia PID# :002-491-168 and Paldi Road, Southwest of Cowichan Valley Highway; PID# 002-491-281 Cowichan Valley British Columbia PID# :002-491-281 and Paldi Road, Southwest of Cowichan Valley Highway; PID# 002-491-125 Cowichan Valley British Columbia PID# :002-491-125 and Paldi Road, Southwest of Cowichan Valley Highway; PID# 013-819-071 Cowichan Valley British Columbia PID# :013-819-071 and Paldi Road, Southwest of Cowichan Valley Highway; PID# 002-488-795 Cowichan Valley British Columbia PID# :002-488-795 and 2900 Glen Eagles Rd Shawnigan Lake British Columbia V0R 2W0 PID# : Lot: District Lot: Plan: ("Lands").

2. Mortgage Loan Agreement.
3. Personal Guarantee from the Guarantor.
4. Collateral/additional security of:
 - 100% of shares of First Source Development Corp.,
 - 100% of shares of The Village at Paldi Ent. Ltd. Inc.; No 0308632,
 - 100% of shares of Westcoast Waste Water

INTEREST RATE 12.00% per annum calculated and compounded monthly, not in advance, being 12.30% per annum calculated and compounded semi-annually not in advance ("Interest")

AMORTIZATION Interest Only

MATURITY DATE 12 months from the date the Loan Amount is advanced ("**Maturity Date**")

REPAYMENT

1. Interest due on the last day of each month following the month of advance of the Loan Amount until the Loan Amount is paid in full.
2. Bonus Interest Rate as per schedule (see below).
3. Loan Amount outstanding due on the Maturity Date.
4. Costs (defined below) as provided for in this Agreement.
5. Mortgage is fully open

COMMITMENT / LENDER FEE 7.50% (\$300,000.00) of the Loan Amount ("**Commitment Fee**"). The Commitment Fee will either be deducted from the Loan Amount prior to advance of the Loan Amount, if advanced, or payable by the Undersigned to the Lender in the event the Loan Amount is not advanced as a result of the Condition Precedent not being met.

WORK FEE All out-of-pocket due diligence costs to provide the Loan will be paid by the Borrower to the Lender ("Work Fee"). A deposit on the Work Fee in the amount of \$40,000.00 is payable by the Borrower upon its acceptance of this Agreement. Out-of-pocket due diligence costs to be included within this Work Fee include, without limitation, any third party appraisals, all travel and other due diligence costs, accounting or information system reviews, and environmental assessments. *4,000.00 PAID BALANCE DUE FROM LOAN AMOUNT. AA*

BROKERAGE FEE 0.60% (\$24,000.00)

STANDBY FEE In the event that the Loan Amount is not advanced within two (2) weeks of the execution of this Agreement, a standby fee (the "**Standby Fee**") equal to the Interest payable on the Loan Amount for the duration of the period of time that is two (2) weeks from the date of execution of this Agreement to the time when the Standby Fee is to be paid (as provided for below) will apply and be payable by the Undersigned. The Standby Fee will either be deducted from the Loan Amount prior to advance of the Loan Amount, if advanced, or payable by the Undersigned to the Lender in the event the Loan Amount is not advanced as a result of the Condition Precedent not being met.

OTHER FEES

1. Demand Letter fee of \$250.00 per occurrence;
2. Mortgage Discharge fee of \$75.00;
3. NSF and Late Payment fees of \$150.00 per occurrence.

(collectively the "Other Fees")

COSTS

Upon execution of this Commitment Letter, the Undersigned acknowledges that the Lender will commence work with respect to facilitating advance of the Loan Amount to the Borrower and in consideration of such work, the Undersigned covenants to pay to the Lender: (i) all reasonable expenses (including any legal fees and disbursements on a solicitor and his own client full indemnity basis) incurred by the Lender in connection with the Loan Amount being made available to Borrower, whether or not the Loan Amount is advanced; (ii) the Commitment Fee; (iii) the Standby Fee, if applicable; (iv) the Other Fees, if applicable; and (v) any legal fees and disbursements (on a solicitor and his own client full indemnity basis) to enforce the provisions of this Agreement and recover any amounts hereunder, if applicable (items (i), (ii), (iii), (iv) and (v) collectively referred to as the "Costs"), and such Costs are hereby acknowledged by the Undersigned to be a debt owing by the Undersigned to the Lender.

As security for the payment of Costs by the Undersigned, the registered owner of the Lands agrees that the aggregate value of the Costs are hereby charged against the Lands in favour of the Lender, the registered owner of the Lands hereby grants to the Lender an interest in the Lands in respect of the aggregate value of the Costs, and the Lender may, in its discretion, register a Caveat against the Lands in respect of the interest granted herein.

For certainty, in the event the Undersigned does not proceed with executing the Security (as applicable) and the Loan Amount is not advanced, the Undersigned shall, nonetheless, pay the Costs to the Lender upon demand and all outstanding Costs shall be subject to interest from the date of this Agreement until they are paid in full.

BONUS INTEREST RATE

The Borrower shall pay to the Lender a Bonus Interest Rate of 7.50%(\$300,000.00) of the Loan Amount, due, owing and payable every 120 days as in accordance with the following:

1. 2.50% (\$100,000.00) on the 120th day following advance
2. 2.50% (\$100,000.00) on the 240th day following advance
3. 2.50% (\$100,000.00) on the 360th day following advance
4. 2.50% (\$100,000.00) every 120 days thereafter until the Loan Amount is paid in full.

Total Bonus Interest Rate if the mortgage loan reaches maturity is 7.50% (\$300,000.00)

In the event that Loan Amount is voluntarily pre-paid in full by the Borrower prior to any date upon which the Bonus Interest Rate is due ("Pre-Payment Date"), and the Borrower shall not be obligated to pay any Bonus Interest Rate after the Pre-Payment Date.

AGGREGATE INTEREST RATE

The aggregate of the Interest and Bonus Interest Rate is 19.80% per annum, calculated and compounded semi-annually.



CONDITIONS

Conditions of advancing the Loan (the "Conditions") include:

1. 1st mortgage payout/balance statement of residence
2. Personal guarantee for corporate borrowers (Lawyer)
3. Collateral Security (borrower to pledge 100% of shares of all three companies)
4. Property insurance satisfactory to Westpoint Capital
5. Incorporation certificate with a corporate search showing all shareholders and directors (Westcoast Waste Water)
6. Interest reserve of \$540,000.00
7. Property taxes must be current (Lawyer)
8. GSA Required (Lawyer)
9. Title Insurance (Lawyer)
10. Such other conditions as may be required by the Lender, in its sole discretion
11. Title search for personal residence
12. In an event that the lender confirms that the borrower is unable to receive the Development Permit for whatever reason within the next 9 months, then the loan will be considered to be in default immediately and the borrower would have 30 days to replace this financing.
13. Assignment of all sale proceeds and an assignment of all contracts

ASSIGNMENT

The Lender reserves the right to assign its interest in the Agreement, the Loan Amount and the Security in whole or in part to any person as it sees fit. The Undersigned agree that the Lender may enter into this mortgage on behalf of another entity, as an agent or nominee, and also that the Lender may assign this mortgage to another entity. In these cases, the entity is known as the "beneficial owner." The Lender can do this whether or not the beneficial owner is named in the Security. The Lender may disclose the personal information of the Undersigned to the beneficial owner, its agent and any person or entity to which the beneficial owner assigns the mortgage. The Lender may also disclose personal information of the Undersigned to any service provider. A service provider is any person or entity that: - is involved in the servicing, maintenance, collection or operation of the mortgage, or provides services or benefits to the Undersigned under the mortgage, including loyalty programs or insurance. Personal information of the Undersigned includes all information provided by the Undersigned or obtained by the Lender in connection with the mortgage application of the Undersigned, and ongoing information and documentation about the Undersigned and the mortgage, sufficient for the beneficial owner, agent, assignee and/or service provider to administer the mortgage and exercise their respective rights under it.

**CONDITIONS
PRECEDENT**

Prior to advance of the Loan, the Lender and Lender's counsel shall be satisfied, in their sole discretion, with all due diligence results and satisfied that all Conditions have or will be met ("**Condition Precedent**")

JOINT AND SEVERAL

If the "Undersigned" is comprised of more than one party, all parties that comprise the Undersigned shall all be bound jointly and severally by the terms, covenants and agreements of the Undersigned in this Agreement.



SEVERABILITY

Should any provision of this Agreement be or become illegal, invalid or not enforceable, it shall be considered separate and severable from this Agreement and the remaining provisions shall remain in force and be binding upon the parties hereto and be enforceable to the fullest extent of the law

CREDIT REPORTS & REFERENCES

The Undersigned consent to the Lender obtaining from any credit-reporting agency, or from any other party, such information as the Lender may require at any time.

This Agreement may be accepted by you by signing, dating and returning the Agreement to the Lender by April 10, 2012

Yours very truly,

WESTPOINT CAPITAL CORPORATION

Per:



MATT OBERLE
Chief Lending Officer

ACCEPTANCE

Accepted by the Undersigned on APR 10/2012 2012

The Village at Paldi Ent. Ltd.; Inc. No. 0308632

Per: X




Name:

Title:

Witness

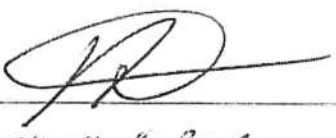


First Source Development Corp

Per: X 
Name: ANTHONY KUBICA
Title:

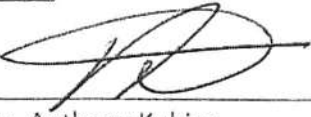
Witness

Westcoast Waste Water Products Ltd.

Per: X 
Name: ANTHONY KUBICA
Title:

Witness

Guarantor

X 
Name: Anthony Kubica

Witness



EXHIBIT 4

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Apr-13-2012 17:00:03.001

CA2486144

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 12 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Timothy Jacob Lack NEDWSG

Digitally signed by Timothy Jacob Lack NEDWSG
DN: cn=CA, ou=Timothy Jacob Lack NEDWSG, o=Lawyer, ou=Verify ID at www.juricart.com/LKUP.cfm?id=NEDWSG
Date: 2012.04.13 15:53:58 -0700

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

LA VAN. LACK. ATMORE
BARRISTERS & SOLICITORS
704 - 1478 WEST HASTINGS STREET
VANCOUVER BC V6G 3J6
Document Fees: \$72.50

Telephone: 604.669.1411
File No.: 6640 - Paldi

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

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

SEE SCHEDULE

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

SEE SCHEDULE

5. PAYMENT PROVISIONS:

(a) Principal Amount: \$4,000,000.00	(b) Interest Rate: SEE SCHEDULE	(c) Interest Adjustment Date:	Y 12	M 04	D 10
(d) Interest Calculation Period: MONTHLY	(e) Payment Dates: 10TH DAY OF EACH MONTH	(f) First Payment Date:	12	05	10
(g) Amount of each periodic payment: SEE SCHEDULE	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is SEE SCHEDULE % per annum.	(i) Last Payment Date:	13	04	10
(j) Assignment of Rents which the applicant wants registered? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> If YES, page and paragraph number:	(k) Place of payment: POSTAL ADDRESS IN ITEM 4	(l) Balance Due Date:	13	04	10

MORTGAGE - PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

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

8. INTEREST MORTGAGED:
Freehold
Other (specify)

9. MORTGAGE TERMS:

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

(a) Prescribed Standard Mortgage Terms

(b) Filed Standard Mortgage Terms

(c) Express Mortgage Terms

D F Number:

(annexed to this mortgage as Part 2)

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

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

N/A

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

Officer Signature(s)

Tyler T. Luchies
Personal Law Corporation
Barrister & Solicitor
300 - 736 Broughton Street
Victoria, BC V8W 1E1

Execution Date		
Y	M	D
12	04	13

Borrower(s) Signature(s)

THE VILLAGE AT PALDI ENT. LTD.
by its authorized signatory:

Print Name: Anthony M. Kubica
I have the authority to bind the
corporation

OFFICER CERTIFICATION:

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

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 OF 12 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Tyler T. Luchies
Personal Law Corporation
Barrister & Solicitor
300 - 736 Broughton Street
Victoria, BC V8W 1E1

Y	M	D
12	04	13

Covenantor: FIRST SOURCE
DEVELOPMENT CORP.
by its authorized signatory:

Print Name: Anthony M. Kubica
I have the authority to bind the
corporation

Tyler T. Luchies
Personal Law Corporation
Barrister & Solicitor
300 - 736 Broughton Street
Victoria, BC V8W 1E1

12	04	13
----	----	----

Covenantor: WESTCOAST
WASTEWATER PRODUCTS LTD.
by its authorized signatory:

Print Name: Anthony M. Kubica
I have the authority to bind the
corporation

Tyler T. Luchies
Personal Law Corporation
Barrister & Solicitor
300 - 736 Broughton Street
Victoria, BC V8W 1E1

12	04	13
----	----	----

Covenantor: ANTHONY MICHAEL
KUBICA

OFFICER CERTIFICATION:

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

**LAND TITLE ACT
FORM E**

SCHEDULE

PAGE 4 OF 12 PAGES

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

**002-491-168 PART OF SECTION 10, RANGE 3, SAHTLAM DISTRICT, LYING TO THE
NORTH OF THE RIGHT OF WAY OF THE ESQUIMALT AND NANAIMO
RAILWAY COMPANY**
STC? YES

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

**002-491-281 THE EAST 1/2 OF SECTION 10, RANGE 2, SAHTLAM DISTRICT, LYING TO THE
NORTH OF THE RIGHT OF WAY OF THE ESQUIMALT AND NANAIMO
RAILWAY COMPANY**
STC? YES

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

**002-491-125 PART OF SECTION 10, RANGE 4, SAHTLAM DISTRICT, LYING TO THE
NORTH OF THE RIGHT OF WAY OF THE ESQUIMALT AND NANAIMO
RAILWAY COMPANY**
STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 12 PAGES

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

013-819-071 SEE SCHEDULE

STC? YES

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

**002-488-795 BLOCK 168, SEYMOUR DISTRICT, CONTAINING 40 ACRES MORE OR LESS
EXCEPT PART IN PLAN 2073 RW**

STC? YES

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

STC? YES

**LAND TITLE ACT
FORM E**

SCHEDULE

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

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

PID: 013-819-071 LEGAL DESCRIPTION: ALL THAT PART OF LOT A, BLOCK 162, SEYMOUR DISTRICT, PLAN 19885, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEASTERLY CORNER OF SECTION 10, RANGE 4, SAHTLAM DISTRICT; THENCE NORTHERLY AND PERPENDICULAR TO THE NORTH BOUNDARY OF THE SAID SECTION 10, RANGE 4, A DISTANCE OF 48.118 METRES MORE OR LESS TO THE SOUTHEASTERLY BOUNDARY OF PLAN 635 R/W; THENCE SOUTHWESTERLY AND NORTHWESTERLY AND FOLLOWING THE SOUTHEASTERLY AND SOUTHWESTERLY BOUNDARY OF THE SAID PLAN 635 R/W A DISTANCE OF 816.989 METRES; THENCE SOUTHERLY AND PERPENDICULAR TO THE SAID NORTHERLY BOUNDARY OF SECTION 10, RANGE 4, A DISTANCE OF 132.249 METRES MORE OR LESS TO THE NORTHWESTERLY CORNER OF THE SAID SECTION 10, RANGE 4, THENCE EASTERLY AND FOLLOWING THE SAID NORTH BOUNDARY TO THE POINT OF COMMENCEMENT, SAVE AND EXCEPT THEREOUT AND THEREFROM THAT PART INCLUDED IN PLAN 2381 R/W TO WHICH THE REGISTRAR HEREBY ASSIGNS THE DISTINGUISHING LETTER "A"

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

BORROWER: THE VILLAGE AT PALDI ENT. LTD. (Inc. No. BC0308632)
#201 – 19 Dallas Road, Victoria, BC V8V 5A6

COVENANTORS: FIRST SOURCE DEVELOPMENT CORP. (Inc. No. BC0718580)
1626 Garnet Road, Victoria, BC V8P 3C8

WESTCOAST WASTEWATER PRODUCTS LTD. (Inc. No. BC0387169)
2354 Renfrew Road, P.O. Box 336, Shawnigan Lake, BC V0R 2W0

ANTHONY MICHAEL KUBICA
2900 Glen Eagles Road, Shawnigan Lake, BC V0R 2W0

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

WESTPOINT CAPITAL CORPORATION, an extraprovincial company with an assumed name of WCC Westpoint Capital Corporation (Inc. No. A0081870)
4636 Calgary Trail, Edmonton, Alberta, T6H 6A1
as to an undivided 35/40 interest

BTB MORTGAGE INVESTMENT CORPORATION (Inc. No. A0085725)
with an assumed name of VANCOUVER BTB MORTGAGE INVESTMENT CORPORATION of
201 – 7104 109th Street NW, Edmonton, Alberta, T6G 1B8
as to an undivided 5/40 interest

LAND TITLE ACT
FORM E SCHEDULE

Enter the Required Information in the Same Order as the Information Must Appear on the Freehold Transfer Form, Mortgage Form or General Instrument - Part 1.

5. PAYMENT PROVISIONS:

- (b) **Interest Rate:** The Mortgagor shall pay interest on the balance of the Principal Amount outstanding from time to time at the Interest Rate of **12.00%** per annum, calculated **MONTHLY**, not in advance, before and after the Balance Due Date specified in Item 5 (l) on Page 1 herein and before and after judgment.
- (g) **Amount of each periodic payment:** The Mortgagor shall make interest only payments in the amount of \$480,000.00 for the term of the mortgage.
- (h) **Interest Act (Canada) Statement:** FOR the purposes of the Interest Act (Canada) the equivalent rate of interest, calculated half-yearly not in advance, is **12.304%** per annum.

10. ADDITIONAL OR MODIFIED TERMS:

- (a) When not in default hereunder the Mortgagor may, on any Payment Date prior to the Balance Due Date, prepay the Principal Amount then outstanding, in whole or in part, plus interest accrued to the date of such prepayment without notice or interest penalty.

If only a partial prepayment of the Principal Amount outstanding is made, the remaining Payment Dates shall thereupon be accelerated so that the Mortgagor shall continue to pay on each and every Payment Date, commencing with the Payment Date immediately following the Payment Date on which such partial prepayment was made, the periodic payments specified in Item 5 (g) on Page 1 herein until the Principal Amount, interest and any other monies owing hereunder are fully paid as set out in this Mortgage.

- (b) If at any time any provision of this Mortgage in whole or in part is declared or held illegal, invalid or unenforceable under, or inconsistent with any applicable law or would by reason of any such law render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the loan secured by this Mortgage which it would otherwise be able to collect, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid, unenforceable or inconsistent or would so render the Mortgagee unable to collect any such loss, and this Mortgage will continue in full force and effect and be construed as if it had been executed without such illegal, invalid, unenforceable or inconsistent provision. Further, if the aggregate of payments that constitute interest create an effective annual rate of interest that exceeds 60%, the documentation for this mortgage transaction will be modified to negate only that excess.
- (c) IT IS UNDERSTOOD AND AGREED that neither the preparation, execution or registration of this Mortgage shall bind the Mortgagee to advance the Principal Amount, nor shall the advance of part of the Principal Amount bind the Mortgagee to advance any unadvanced portion thereof.

- (d) THE Mortgagor shall have concluded arrangements to either repay or renew this mortgage loan thirty (30) days prior to the Balance Due Date specified in Item 5 (l) on Page 1 herein.
- (e) ALL payments secured by this Mortgage shall be made at the Place of Payment in lawful money of Canada. ALL payments received by the Mortgagee after 1:00 p.m. shall be credited as having been received on the next business day.
- (f) NOTWITHSTANDING paragraph 2(5) of the Prescribed Standard Mortgage Terms, the Mortgagee shall be entitled to, and the Mortgagor agrees to pay, whenever this Mortgage is paid in full and released from the land, a Discharge fee of SEVENTY FIVE DOLLARS (\$75.00).
- (g) AND IT IS FURTHER UNDERSTOOD AND AGREED that in the event the Mortgagee is obliged to incur legal expenses to enforce the Mortgage or is successful in recovering costs against the Respondents in any Court proceedings, the Mortgagor shall, in addition to payment of such costs or legal fees, pay any Goods and Services Tax and Provincial Sales Tax which would be payable as if such costs were rendered by a Solicitor to his client.
- (h) NOTWITHSTANDING paragraph 5 (n) (l) of the Prescribed Standard Mortgage Terms, the Mortgagor agrees to provide to the Mortgagee, their heirs or assigns, a pre-authorized (PAD) payment authorization or six (6) post-dated cheques at the beginning of the first year of the term of this Mortgage, one such cheque being for each monthly payment during the first year of the term, and similarly further agrees to provide six (6) post-dated cheques at the beginning of each additional year of the term of this Mortgage or such lesser number of post-dated cheques, if the remainder of the term of this Mortgage is for less than one year. The Mortgagor agrees that in addition to the sum due for the principal and interest hereunder, he shall pay to the Mortgagee the sum of ONE HUNDRED FIFTY DOLLARS (\$150.00) as liquidated damages and not as a penalty for each of the Mortgagor's post-dated cheques or PAD payment attempt which are returned to the Mortgagee as non-negotiable after being presented for payment, or for each late payment. Such sum shall be a charge upon the said lands and bear interest at the rate hereinbefore stated.
- (i) AND IT IS UNDERSTOOD AND AGREED that in the event of the Mortgagor selling, conveying, transferring or entering into any agreement of sale or transfer of the title to the lands to a Purchaser, Grantee or Transferee not approved by the Mortgagee, then at the option of the Mortgagee, all monies hereby secured with accrued interest thereon shall forthwith become due and payable. FURTHER, should a Purchaser, Grantee or Transferee fail to:
- (i) apply for and receive the written consent of the Mortgagee; and
 - (ii) personally assume all the obligations of the Mortgagor,

then the Mortgagee may, at its option, demand repayment of the principal amount of the Mortgage with accrued interest thereon. Such approval and consent shall be at the absolute discretion of the Mortgagee.

- (j) The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "Prior Mortgage"), the Mortgagor shall pay, or cause to be paid as they become due, all payments, whether for principal, interest, taxes or otherwise, under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos or agreements therein contained; and that any default thereunder shall be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default hereunder; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid, together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, shall be added to the monies payable hereunder, bear interest at the mortgage rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the lands and the Mortgagee shall have the same rights and remedies to enforce payment thereof as the Mortgagee would have in the event of default in payment of any monies payable hereunder; and the Mortgagor agrees that any legal fees, costs, charges and expenses incurred by the Mortgagee arising out of any proceedings commenced by the holder of the Prior Mortgage shall be calculated and allowed on no less than Scale Two of the Rules of Court.
- (k) The Mortgagor and the Mortgagee covenant and agree that should the Mortgagee allege a default on the part of the Mortgagor, the Mortgagee shall be entitled, at its option, to commence foreclosure proceedings in either the New Westminster Registry or Vancouver Registry of the Supreme Court of British Columbia, notwithstanding that the lands and premises which are the subject of the foreclosure proceedings are not situate in either of the Judicial Districts of Vancouver or New Westminster respectively. The Mortgagor and Mortgagee further covenant and agree that this shall constitute an agreement pursuant to Section 21(5) of the Law and Equity Act, R.S.B.C. 1996, Chapter 253.
- (l) If the Mortgagee obtains a judgment against the Mortgagor for failure to comply with any of the Mortgagor's covenants or obligations under this Mortgage, such judgment will not result in a merger of the terms of the judgment with the Mortgagee's other remedies or rights to enforce the other obligations of the Mortgagor under this Mortgage according to the terms hereof. The Mortgagee shall continue to be entitled to receive interest at the interest rate and any such judgment shall provide that interest thereon shall be computed at the interest rate until such judgment has been fully paid.
- (m) The Mortgagor will pay on demand the Mortgagee's reasonable administrative costs and charges arising out of or incurred by the Mortgagee in connection with its administration of this Mortgage and the review, execution and delivery of any documents which the Mortgagee is requested to prepare or execute in connection herewith. If any such amount is not paid on demand, it shall be added to the mortgage money and bear interest at the interest rate. The Mortgagee shall have the same right with respect to collection of any such amount as it does with respect to collection of the principal amount and interest under this Mortgage or in law or at equity. In addition to the above, the Mortgagor agrees to pay an administration fee of \$250.00 to the Lender for each signature required of the Lender.
- (n) All representations made by the Mortgagor to the Mortgagee in connection with this Mortgage and the application for the loan and/or current or running account secured by

this Mortgage are true and complete as of the date this Mortgage is executed. The Mortgagor agrees that all such representations shall survive the execution and registration of this Mortgage.

- (o) The Mortgagor will keep the land, the buildings, and any erections or improvements thereon in good condition and repair and will not allow the land or any building to become or remain vacant. The Mortgagor will not allow any act of waste on the land. The Mortgagor will not do or allow anyone to do anything that will, in the Mortgagee's opinion, lower the value of the land or any buildings on the land.
- (p) The Mortgagee or the Mortgagee's agent may, whenever the Mortgagee deems it necessary to do so, enter upon and inspect the land and any building thereon and make any repairs that the Mortgagee considers are necessary. The costs of any such inspection and repairs will be payable immediately by the Mortgagor and until paid, such costs will be added to the monies secured by this Mortgage and will bear interest at the interest rate and shall be a charge upon the land prior to all claims thereon subsequent to this mortgage. If the Mortgagor neglects to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Mortgagee shall be sole judge) or make default as to any of the warranties or agreements contained in this Mortgage, all monies secured by this Mortgage shall, at the option of the Mortgagee immediately become due and payable.
- (q) This Mortgage is in addition to and not in substitution for any other security held by the Mortgagee for all or any of the monies secured hereunder. The Mortgagee may follow its remedies thereunder, hereunder and under any security evidencing the monies advanced under this Mortgage, concurrently or successively, at its option.
- (r) The Mortgagor will not allow the land to be used, without the prior written consent of the Mortgagee, for a purpose other than that disclosed to the Mortgagee at the time the Mortgagor applied for the loan and/or credit facility secured by this Mortgage. At no time shall the land or any building thereon be used in a manner that would contravene any law, rule, requirement, order, direction, ordinance or regulation of any applicable government authority in force from time to time.
- (s) No sale or other dealing by the Mortgagor with the land or any part thereof or the equity of redemption shall in any way change the liability of the Mortgagor or any person liable for the obligations of the Mortgagor hereunder or in any way alter the rights of the Mortgagee as against any person liable for the payment of the monies hereby secured.
- (t) Provided further that Section 31 of the Property Law Act, R.S.B.C. 1996, Chapter 377, is hereby expressly waived.
- (u) In addition to the Prescribed Standard Mortgage Terms the following additional events shall constitute a default under this Mortgage, namely if:
 - (i) a receiver, receiver and manager or receiver manager of all or any part of the land is appointed;
 - (ii) any representation or warranty, whether or not contained herein, made by or on behalf of the Mortgagor to the Mortgagee is untrue;
 - (iii) without the prior written consent of the Mortgagee, the Mortgagor creates or permits to exist any mortgage, lien or charge on, or claim against the land which

ranks or could in any event rank in priority to or pari passu with the charge created by this Mortgage.

- (iv) the holder of any other mortgage, lien or charge on, or any claim against, the land does anything to enforce or realize on such mortgage, lien, charge or claim,
 - (v) the Mortgagor is a corporation, an order is made or a resolution is passed for the winding up of the Mortgagor;
 - (vi) the Mortgagor is a corporation, the Mortgagor enters into an amalgamation, merger or other similar arrangement with any other person, without the prior written consent of the Mortgagee;
 - (vii) the Mortgagor is a corporation, the Mortgagor ceases, or threatens to cease, to carry on its business,
 - (viii) the Mortgagor is an individual, the Mortgagor dies or is declared incompetent to manage his or her own affairs,
 - (ix) the Mortgagor is a corporation, and there is a change in registered owners of the shares of the Mortgagor or a change in the persons having effective voting control of the Mortgagor, without the prior written consent of the Mortgagee,
 - (x) there is default by any person or persons in the performance or observance of any provision or covenant under any other security or guarantee for the repayment of the monies hereby secured, or any covenantor of the monies hereby secured makes an assignment for the benefit of its creditors or is declared bankrupt or makes a proposal or otherwise takes advantage of the provisions for relief under the Bankruptcy Act, the Companies Creditors' Arrangement Act or similar legislation in any jurisdiction, or makes an authorized assignment or a receiver is appointed under the Bankruptcy Act or a receiver or receiver-manager of all or any part of the property of such covenantor or guarantor is appointed or if any such covenantor or guarantor should give notice under any right which may be contained in such security or guarantee to limit the continuing obligations of the covenantor or guarantor, or if such covenantor or guarantor is a corporation, an order is made or an effective resolution is passed for winding up the covenantor or guarantor or the covenantor or guarantor enters into an amalgamation, merger or other similar arrangement with any other person, without the prior written consent of the Mortgagee or the covenantor or guarantor ceases, or threatens to cease, to carry on its business, or, if the covenantor or guarantor is an individual, the covenantor or guarantor dies or is declared incompetent to manage his or her own affairs.
- (v) In addition to giving notice as prescribed in paragraph 6 (8) of the Prescribed Standard Mortgage Terms, the lender shall be entitled to give any notice to the borrower by sending it by regular mail to the borrower mailing address or to any other address later specified in writing by the borrower to the lender.
- (w) The Borrower shall pay to the Lender, a Loan Administration Fee/ Bonus Interest Fee of 7.5% of the Principal Amount, (being \$286,500.00) due, owing and payable in three (3) installments, every one hundred and twenty (120) days as follows:
- (a) 2.50% (\$95,500.00) on the 120th day following advance;
 - (b) 2.50% (\$95,500.00) on the 240th day following advance; and
 - (c) 2.50% (\$95,500.00) on the 360th day following advance.

In the event that the Mortgage is voluntarily pre-paid in full prior to any date upon which the Loan Administration Fee is due (the "Pre-Payment Date"), the Lender shall not be entitled to collect and the Borrower shall not be obligated to pay any Loan Administration Fee which is due after the Pre-Payment Date. All past due Loan and Administration Fees that are unpaid shall be collected by the Lender.

- (x) It is further understood and agreed by the Borrower that in the event the Borrower is unable to receive the Development Permit for whatever reason within the next 9 months from the date of funding, then this Mortgage will be considered to be in default. The Borrower will have 30 days to replace this Mortgage.

(y) **Cross Default Clauses:**

NOTICE IS HEREBY GIVEN to every person dealing with title to the Lands that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Borrower to the Lender under the collateral mortgage filed in support of Anthony Michael Kubica's Guarantee and Postponement of Claim in favour of Westpoint Capital Corporation and BTB Mortgage Investment Corporation as lender in the amount of \$4,000,000.00 to be registered currently with this Mortgage (the "Collateral Second Mortgage"). Any default under the Collateral Second Mortgage will be a default under this Mortgage and any default under this Mortgage will be a default under the Collateral Second Mortgage and at the option of the Lender the Principal Amount, interest and all other costs then due and owing under this Mortgage and the Collateral Second Mortgage will be due and payable. The Borrower hereby confirms that the Lender has not given any covenant, express or implied, and is under no obligation to allow the Borrower any period of time to remedy any default under this Mortgage or the Collateral Second Mortgage prior to the Lender exercising its rights and remedies hereunder

END OF DOCUMENT

EXHIBIT 5

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

**TRUST AND AGENCY AGREEMENT RESPECTING
SYNDICATION OF A SECURED LOAN
("Agreement")**

This Agreement made between Westpoint Capital Corporation and Nagpal Investments Inc., effective April 11, 2012.

Recitals:

- A. The Lender, along with Other Lenders, wishes to participate in a syndicated loan to the Borrower or syndicated purchase of a loan previously made to the Borrower by another lender or lender(s) ("Prior Lender(s)").
- B. The Lender has agreed to participate in the Loan on a *pair pasu* basis with Other Lenders before and after maturity, default and judgment, in respect to the amounts received by Trustco from the Borrower ("Mortgage Payments") or from Proceeds of Realization, as the case may be, under the Security that are properly payable to the Lender and Other Lenders (the "Proceeds").

NOW THEREFORE, in consideration of the Lender advancing \$1,600,000 to Trustco for Trustco to use either for the purpose of funding or acquiring the Loan or for the purpose of pay-out of the Other Lenders' Contributions, as the case may be, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Lender and Trustco agree as follows:

I. INTERPRETATION

All capitalized terms shall have the meaning set forth in Schedule "B" hereto or as otherwise defined throughout the Agreement.

II. SECURED LOAN DETAILS

- (a) Security Trustee and Agent : Westpoint Capital Corporation ("Trustco")
(b) Borrower : First Source Development Corp. ("Borrower")
(c) Amount : \$4,000,000.00 ("Loan" or "Loan Amount")
(d) Transaction Number : 480
(e) LTV : 51.7 %
(f) Property Type : Development Land

III. SECURITY DETAILS

Mortgage on Land (individually or collectively referred to as the "Mortgage Interest")

	Municipal Address	Legal Address	Estimated Market Value	Estimated Outstanding Prior Mortgage(s)	Estimated Equity
1	Paldi Road, Southwest of Cowichan Valley Highway; Cowichan Valley British Columbia	PID# :002- 491-168	\$7,735,000.00	0.00	\$7,735,000.00
2	Paldi Road, Southwest of Cowichan Valley	PID# :002- 491-281	0.00	0.00	0.00

	Highway; Cowichan Valley British Columbia				
3	Paldi Road, Southwest of Cowichan Valley Highway; Cowichan Valley British Columbia	PID# :002- 491-125	0.00	0.00	0.00
4	Paldi Road, Southwest of Cowichan Valley Highway; Cowichan Valley British Columbia	PID# :013- 819-071	0.00	0.00	0.00
5	Paldi Road, Southwest of Cowichan Valley Highway; Cowichan Valley British Columbia	PID# :002- 488-795	0.00	0.00	0.00
	(collectively the "Property")	Total	\$7,735,000.00	\$0.00	\$7,735,000.00

Guarantees

Anthony Kubica
Westcoast Wastewater Products Ltd.

Other Security

Other - 100% of shares of First Source Development Corp.
Other - 100% of shares of The Village at Paldi Ent. Ltd. Inc.; No 0308632
Other - 100% of shares for Westcoast Wastewater Products Ltd.
Third mortgage registered against the principal residence of Anthony Kubica located at 2900 Glen Eagles Rd Shawnigan Lake British Columbia.

IV. LENDER'S CONTRIBUTION DETAILS

Lender	Nagpal Investments Inc. ("Lender")	Anticipated Contribution Date	April 13, 2012 ("Anticipated Contribution Date")
Contribution from the Lender	\$1,600,000 ("Contribution" or "Lender's Contribution")	Estimated Date of Advance/Purchase/Payout	April 13, 2012

Contribution from Other Lenders	\$2,400,000	Estimated Maturity Date	April 13, 2013 ("Maturity Date")
Interest Rate Payable to the Lender	12% ("Interest Rate")	Term	365 days ("Term")
Fee Payable to the Lender	\$56,000 (3.5% as per Schedule C)		

A. CONDITIONS PRECEDENT

1. This Agreement and the parties' obligations hereunder are subject to Trustco entering into agreements with and receiving funds from a sufficient number of Other Lenders so that Trustco has sufficient funds available from Lenders on or before 5 business days prior to the Estimated Date of Advance in order to advance the Loan Amount to the Borrower. This condition precedent is for the sole benefit and advantage of Trustco and may be waived by Trustco at any time prior to the date set for satisfaction thereof. This section A.1 shall not apply in the event that the Loan Amount has already been advanced to the Borrower or used to purchase a loan previously advanced to the Borrower by Prior Lender(s).
2. In the event the aggregate of funds received by Trustco from Lenders is less than the Loan Amount, Trustco shall:
 - a. Return the Lender's Contribution to the Lender; or
 - b. Upon the written consent of the Lender, advance a loan amount that is less than the Loan Amount to the Borrower on terms and conditions mutually agreed to between Trustco and the Lender.

B. PAYMENT OF CONTRIBUTION BY LENDER

1. On or before the Anticipated Contribution Date, the Lender shall pay to Trustco, or its designate, the amount of the Lender's Contribution, which amount may be advanced by Trustco to the Borrower or Prior Lender(s), as the case may be, pursuant to the Loan Documents, upon delivery and registration of the Security, as applicable, in the discretion of Trustco.
2. All payments to be made by the Lenders under this Agreement shall be made by bank draft, certified cheque or wire transfer to the account designated by Trustco.
3. Trustco charges no fees to the Lender and receives no remuneration from the Lender. Trustco is paid solely through Proceeds of Realization, or from the Borrower, in accordance with section D.4 hereof, on or before Maturity,

C. BENEFICIAL INTEREST IN SECURITY

1. Upon the issuance of the Security by the Borrower or Prior Lender(s), as the case may be, to Trustco, the Security shall be held by Trustco as trustee for the Lender and all Other Lenders in their respective Proportionate Shares. The Lender acknowledges that Other Lenders will contribute funds to Trustco for the purpose of advancing the Loan to the Borrower or purchasing the Loan from Prior Lender(s), subject to the same trusts as outlined herein and that such Other Lenders will own a beneficial interest in the Security in the Other Lenders' respective Proportionate Shares. The Lender acknowledges and agrees that its beneficial interest in the Security shall be shared *pari passu* with the Other Lenders, all in their respective Proportionate Shares, and that Trustco holds the Lender's beneficial interest in the Security for the benefit of the Lender and all Other Lenders for sharing amongst them *pari passu* in their respective Proportionate Shares.

2. Trustco and the Lender acknowledge and agree the Lender may have another company hold the security in its name on behalf of the Lender.

D. PAYMENTS TO LENDERS

1. Interest shall accrue on the amount of the Lender's Contribution that remains outstanding, at the Interest Rate, from the Date of Advance to the date that all of the Lender's Contribution is repaid by the Borrower to Trustco. Interest shall accrue on the Lender's Contribution from time to time at the Interest Rate both before and after maturity, default and judgment.
2. Trustco shall make monthly payments to the Lenders to the extent that it holds sufficient money in its trust account or the extent it has received sufficient payments from the Borrower to make such payments to Lenders on a monthly basis
3. If the Borrower has not paid sufficient funds to Trustco to enable Trustco to make payment of all Lenders' Contributions and interest at Maturity, then, subject to receipt of sufficient payments by Trustco from the Borrower, or Proceeds of Realization, in accordance with section D.4 hereof, the Lender shall receive the following payments:
 - a. Within a reasonable time period following the Maturity Date, interest payable to the Lender for the time period up to Maturity;
 - b. Interest on a monthly basis thereafter on the aggregate of the Lender's Contribution outstanding at that time;
 - c. Payment of the Lender's Contribution, or a portion thereof in its Proportionate Share, as applicable in the circumstances, on re-payment of the principal amount of the Loan by the Borrower or from Proceeds of Realization, as the case may be.
4. The Lender's rights to receive any payments hereunder (whether of interest, Lender's Contribution or Enforcement Expenses which may have been incurred by the Lender) is, at all times, subject to payment of sufficient amounts by the Borrower or Proceeds of Realization, as the case may be, to Trustco so that funds are available to make payment to all Lenders of the amounts due and payable to them. If, from time to time, the Borrower has not paid sufficient amounts to allow full payment of amounts due to all Lenders, or Trustco has not received sufficient Proceeds of Realization, as the case may be, then the Lender (and each of the Other Lenders) shall be paid a Proportionate Share of the amounts received from the Borrower for application to their respective amounts then due. In addition, the Lender's rights to receive payments from time to time are also subject to the rights of Trustco to make deductions or reserves for any or all of the following which Trustco shall determine in its discretion:
 - a. for any payment of costs, charges and expenses reasonably incurred by, and/or assessments, taxes and charges paid by Trustco or any of the Lenders or owing by Trustco or any of the Lenders to others in taking, recovering, keeping, protecting, preserving, repossessing or inspecting any Security or any property charged by any of the Security or otherwise enforcing or attempting to enforce the Security and in connection with the collection of monies due thereunder, including, without limitation, legal costs on a solicitor and his own client full indemnity basis and fees of auditors, accountants or other experts or consultants (collectively, "**Enforcement Expenses**");
 - b. for a reasonable reserve for any Enforcement Expenses not yet billed or incurred but which Trustco anticipates will be or may be billed or incurred.
5. All payments made by the Borrower to Trustco for application to the Loan from time to time, including principal payments, interest and reimbursement of costs, expenses or other charges,

and all Proceeds of Realization received by Trustco from time to time (all such payments collectively referred to as "**Loan Payments**") shall be held in trust by Trustco for the benefit of the Lenders, and Trustco shall, within a reasonable time following the receipt of the Loan Payments, remit to the Lender, his share of such monies in accordance with the payment provisions outlined in this section D hereof. Work fees and the commitment fee are specifically excluded from this clause as such fees are earned upon funding and are not held in trust by Trustco for the benefit of the Lenders.

6. Timing of payments to Lenders by Trustco shall, subject to unforeseen circumstances outside the control of Trustco, be as follows:
 - a. With respect to Mortgage Payments, within 7 days of receipt of such Mortgage Payments;
 - b. With respect to pay out of the entire Loan Amount by the Borrower, within 6 days of receipt of funds in respect to such pay out; and
 - c. With respect to Proceeds or Realization, within 14 days of receipt of such Proceeds of Realization.
7. The Lender acknowledges that a lender who is a mortgage investment corporation or other type of private commercial lender may be entitled to a fee upon delivery of such lender's Contribution to Trustco and/or other fees payable during the Term (such fees referred to as the "**Funding Fees**"). In the event Funding Fees are payable to such lender, such Funding Fees shall be paid by Trustco upon receipt of such lender's Contribution and/or thereafter throughout the Term as required.
8. If Trustco participates as one of the Lenders, Trustco will be entitled to the same rights and entitlements (including these payment rights), on an equal basis as the Lenders.
9. Trustco shall retain the sum of \$216,000.00 in its Trust Account upon receipt of the funds from the Lender. It is understood and agreed that these funds shall be paid by Trustco only to this Lender, Nagpal Investments Inc., if and when any sums of money, including interest, is payable to Nagpal Investments Inc. under the terms of this Agreement and provided there is an insufficient pool of money received from the Borrower to cover the payment.

E. LENDERS' ACKNOWLEDGMENT

1. The Lender confirms and acknowledges that:
 - a. it has decided to advance the Contribution Amount to Trustco for advance to the Borrower or Prior Lender(s), as the case may be, as part of the Loan and has entered into this Agreement in reliance on its own independent due diligence and investigation of the financial and other condition and creditworthiness of the Borrower, the sufficiency and state of the Lands and any prior mortgages or charges thereon and the Security and any other matter which it might consider relevant. It has specifically been advised by Trustco hereby to seek and obtain independent advice from its professional advisors, including, without limitation, independent financial, due diligence and legal advice, respecting its Contribution to the Borrower or Prior Lender(s), as the case may be, through the trust relationship established by this Agreement, the Security, Loan Documents, the Lands and this Agreement and is wholly satisfied with all matters relating thereto;
 - b. it has not relied upon Trustco with respect to any due diligence or investigations whatsoever or any representations or warranties (express or implied) relating to the Borrower, the Lands (and the value thereof) and the Security, and any information which

Trustco has provided to it relating to such matters is not and has not been certified or verified by Trustco;

- c. a copy of the standard form of Loan Documents used by Trustco, or by Prior Lender(s), as the case may be, have been provided to the Lender through the Investor Opportunity Portal and the Lender is satisfied with the form and content of the same;
- d. all documentation pertaining to the Loan is made available via the Investor Opportunity Portal. It is the Lender's responsibility to review all documentation to the Lender's satisfaction on an ongoing basis.
- e. there is no schedule for information pertaining to the mortgage to be reported to the Lender on a periodic basis. Trustco will, upon request, provide updated information.
- f. the maturity of the Loan as it relates to the Borrower and as set forth in the Loan Documents ("**Borrower's Maturity Date**") is for a greater period of time than the Maturity Date and the Lender's Contribution will not be paid back by Trustco until such time as Trustco receives the Loan Amount from the Borrower;
- g. Trustco's rights of enforcement under the Loan Documents and Security as against the Borrower for the benefit of the Lender are subject always to the Borrower's Maturity Date, or some date thereafter, as Trustco, in its discretion, may decide;
- h. the Lender is one of a number of Lenders who will be providing contributions of funds to be advanced to the Borrower under the Loan;
- i. part, or all, of the Security is a 1st mortgage on the Lands and is subject to encumbrances on the Lands that are in priority to it, and in any enforcement proceedings, the Proceeds of Realization will be used to satisfy such prior encumbrances before being used to satisfy the Security;
- j. loaning funds to the Borrower on the Security has inherent risks associated with it, as the Borrower may not be able to repay the Loan and the Security which is taken may not be sufficient to repay the Contribution Amount to the Lender and/or interest thereon and/or to reimburse the Lender for any Enforcement Expenses for which it might become liable.

F. TRUSTCO'S LIABILITY

- 1. Trustco makes no representations or warranties to the Lender, and Trustco shall not be responsible or liable to the Lender for:
 - a. the creditworthiness of the Borrower, the value of the Lands or the Borrower's equity therein, the value of the Security or the likelihood of repayment of the Loan by the Borrower;
 - b. the accuracy of any information supplied by the Borrower or Prior Lender(s), as the case may be, to Trustco or of any information supplied by Trustco to the Lender;
 - c. any loss incurred by the Lender, save and except for any loss caused by the gross negligence or willful misconduct of the Trustco.

G. ADMINISTRATION OF THE LOAN AND SECURITY

- 1. The Lender and Trustco acknowledge and agree that Trustco is an agent and trustee for the Lender in accordance with the terms and provisions hereof and shall administer the Loan and

deal with the Borrower in all aspects relating to the Loan, the Lands and the Security. No Lender, except Trustco, shall deal, either directly or indirectly, with the Borrower in respect of the Loan, the Lands or the Security. It is acknowledged by the Lender and Trustco that the Lender may negotiate a Joint Venture agreement with the Borrower with respect to the development of the Borrower's lands and upon signing of such an agreement the Lender shall pay Trustco a fee of \$16,000 but Lender shall not act in any capacity with respect to this Loan in its discussions with the Borrower.

2. Trustco shall have the sole responsibility and authority to process and administer the Loan, and in that regard, Trustco shall have the responsibility and authority to:
 - a. advance the Contribution to the Borrower or Prior Lender(s), as the case may be, upon the terms and conditions outlined in the Loan Documents, but subject to such amendments or waivers or the terms and conditions thereof as Trustco shall determine;
 - b. receive and collect payments from the Borrower and distribute such amounts in accordance with the terms and provisions hereof;
 - c. otherwise administer the Loan as Trustco may determine from time to time;
 - d. as trustee and agent for the Lenders, exercise any remedy under the Security (including actions for foreclosure or sale or for possession);
 - e. be entitled to rely upon the opinions and advice of its solicitors, auditors, appraisers and other professional consultants duly authorized and licensed to practice their professions;
 - f. in its discretion, such discretion to be reasonably exercised, retain solicitors, counsel and other experts and agents whenever circumstances require to ensure that all monies advanced under the Security are duly secured and protected or, if required, if an Event of Default occurs, to instruct such solicitors, counsel or other experts to enforce the rights of the Trustco in accordance with the terms of the Security;
 - g. ensure that the Security and all related documents are drawn in and registered in the name of Trustco, or if Trustco enters into an agreement with another entity whereby the Security is registered in the name of such entity instead of Trustco's ("**Shared Security**"), the Lender's Contribution is secured under the Shared Security;
 - h. maintain proper books, records and accounts showing all receipts, payments and disbursements in respect of the Loan and such books, records and accounts shall be open to the Lender for review during normal business hours at the office of Trustco upon reasonable request;
 - i. take all such actions as it shall determine are reasonably necessary or advisable to realize on the Security and to protect the Lenders' Contributions and preserve the Lands;
 - j. notwithstanding anything to the contrary in this Agreement, be entitled to provide to the Borrower partial discharges of and postponements of the mortgages in accordance with the terms of the Loan Documents;
 - k. confirm with Trustco's solicitor, at the time of funding the Loan, that the property taxes on the Lands are current and that appropriate policy of insurance has been placed against the Lands where such policy, among other things, names Trustco as loss payee;
 - l. generally perform all other acts in the administration and enforcement of the Loan, the Security and the Loan Documents as if the same were held for its own account.

3. For the purpose of administration of the Loan and the responsibilities and authorities of Trustco hereunder, and for dealing with the beneficial interest that the Lender now has or may hereafter acquire in the Loan, the Security and the Lands, the Lender hereby irrevocably nominates, constitutes, appoints, authorizes, and directs Trustco as its sole agent and attorney, with full power of appointment and substitution to do all such things and acts as shall be required or necessary for the ongoing administration of the Loan, the Security and the Lands, as specifically set forth above or as may be necessarily incidental thereto from time to time, including, without limitation, the full power and authority to exercise any and all rights and remedies of lender, mortgagee or secured party under the Security or the Loan Documents or with respect to the Lands and to represent and legally bind the Lender with respect to any of such foregoing matters.
4. Trustco shall be responsible for paying the Lender's legal fees in connection with this loan on a solicitor-client basis. It is expressly understood that payment for the Lender's legal fees will not be paid from any funds advanced by the Lender.

H. REMUNERATION OF TRUSTCO

1. Trustco shall be entitled to payment of the Administration Fee for the services it renders in administration of the Loan and the Security as outlined in section G hereof. The Administration Fee is deemed to be earned and is to be paid only when sufficient Loan Payments are received by Trustco to allow payment of interest payable to all of the Lenders in accordance with this Agreement. For greater clarity the work fee and commitment fee related to this loan are earned by Trustco upfront and do not form part of the Administration Fee. Of the commitment fee earned by Trustco, Trustco is agreeing to pay the Lender \$56,000 as outlined in Schedule C to the Lender.
2. From time to time, upon receipt of Loan Payments by Trustco if Trustco determines, in its discretion that there are sufficient funds available from such payments to pay interest, from time to time, to the Lenders, then Trustco shall be entitled to make payment of the Administration Fee, or portion thereof, to itself, provided always that, if at any time thereafter, there are insufficient funds available to Trustco to make payment of interest or the Lender's Contribution (when such amounts are due to the Lender) or any Enforcement Expenses, as the case may be, then Trustco shall repay any such amounts of the Administration Fee paid to itself into trust, such amounts to be held and disbursed in accordance with section D hereof. In that regard, any compensation payable to Trustco in its capacity as trustee and agent under this Agreement will remain subordinate to all payments required to be made to the Lender hereunder, but any payments required to be made to Trustco in its capacity as one of the Other Lenders shall be paid to it in its respective Proportionate Share, *pari passu*, with the Lender and the Other Lenders.

I. DEFAULT & INDEMNITY

1. The rights and remedies of the Lenders under the Security and the Loan Documents shall be exercised by Trustco on behalf of the Lender in its discretion and Trustco may exercise any right or remedy without prior instruction from the Lender and may take such action and exercise such remedies as it considers to be appropriate or desirable and in the interest of the Lender. In that regard, if an Event of Default occurs, any proceedings for enforcement of the Security, payment of the Loan or preservation of the Lands or Security shall be made only by Trustco and Trustco may take steps, actions and proceedings, in its sole discretion, to enforce payment of the Loan, to enforce and realize on the Security and to preserve the Lands. In that regard, Trustco has the full power and authority in its discretion, but is not obligated, to take any steps or proceedings under the Security or Loan Documents or to incur any Enforcement Expenses.
2. Notwithstanding section J.1 hereof, if an Event of Default is not remedied by a Borrower, to the satisfaction of Trustco, Trustco shall commence enforcement proceedings under the Security upon determination by Trustco, in its sole discretion, acting reasonably, that such Event of Default is unlikely to be remedied by the Borrower; provided that, the commencement of such

enforcement proceedings shall occur not later than ninety (90) days after the happening and continuation of such Event of Default.

3. Trustco may perform its duties under this Agreement by or through its employees, agents and representatives.
4. Trustco shall use reasonable diligence in performing its obligations under this Agreement, but shall not be liable for any act or default on the part of any agent or representative employed by it under this Agreement.
5. Trustco may, in its sole discretion, upon written notice to the Lender and Other Lenders, require that Lenders contribute funds, in their respective Proportionate Shares, toward foreseeable Enforcement Expenses to be incurred by Trustco (such funds referred to as "**Enforcement Funds**"). In the event the Lender or Other Lenders, as the case may be, do not contribute Enforcement Funds (such Lender or Other Lenders referred to as a "**Non-paying Lender**") as specified in the aforementioned notice, Trustco, the Lender or any Other Lenders, as the case may be, may contribute such Enforcement Funds on behalf of the Non-paying Lender and such amount contributed by Trustco, the Lender or the Other Lenders, as the case may be, shall:
 - a. in the case of Trustco, be recovered by Trustco from the Non-paying Lender in accordance with section 7.b hereof; and
 - b. in the case of the Lender or Other Lenders, be added by Trustco to the Lender's or Other Lender's/Lenders' Contribution and be deducted by Trustco from the Non-paying Lender's Contribution.
6. The Lender does hereby, in its Proportionate Share, indemnify Trustco from any and all claims, demands, taxes, losses, costs, charges and expenses of every nature and kind whatsoever including, without limitation all Enforcement Expenses (collectively "**Costs**") incurred as a result of any steps, actions or proceedings taken or initiated by Trustco or the Borrower in response to an Event of Default or incurred in enforcing and realizing on the Security, including all legal fees, costs, and expenses on a solicitor and his own client full indemnity basis; provided that this indemnity shall not be available to the extent of Trustco's gross negligence or willful misconduct.
7. Any amount that Trustco is entitled to receive from the Lender pursuant to section 1.5 and/or the indemnity provided for in section 1.6 hereof, shall be paid by the Lender to Trustco, at the sole discretion of the Trustco, in one of the following manners:
 - a. upon written notice to the Lender, which notice shall include evidence of Costs incurred by Trustco and the Lender's Proportionate Share of such Costs, stipulating the timeframe within, and manner in which, the Lender's Proportionate Share of Costs is to be paid; or
 - b. upon written notice to the Lender, which notice shall include evidence of Costs incurred by Trustco and the Lender's Proportionate Share of such Costs, stipulating that the Lender's Proportionate Share of such Costs shall be paid by way of set off against any amounts payable, but not paid, to the Lender under the Agreement.

J. TERM OF AGREEMENT

1. This Agreement shall commence upon execution by the parties and remain in force until the date of the earlier of:
 - a. a decision by Trustco that the Loan will not be advanced to the Borrower and the Lender's Contribution being returned to the Lender; or
 - b. the Lender's Contribution and all interest payable to the Lender hereunder being paid in full to the Lender; or

- c. proceeds from the sale of the Security having been distributed amongst the Lenders, subject to the Default Priority Ranking.
- d. Proceeds of Realization having been distributed amongst the Lenders.

K. PRIVACY AND SECURITY

- 1. Trustco shall keep each Lender's personal information confidential at all times, except under the following circumstances:
 - a. when authorized in writing by the Lender; or
 - b. required by law or legal process;
- 2. Trustco covenants that it shall maintain security standards to ensure each Lender's personal information is protected against unauthorized access, disclosure, inappropriate alteration, or misuse. Trustco hereby represents that its safety and security measures are appropriate to the sensitivity of the information provided by Lenders.

L. NOTICE OF BENEFICIAL INTEREST IN SECURITY

- 1. A caveat in respect of the Lender's beneficial interest ("**Caveat**") may be registered against the title of the Lands upon registration of the Security against the title of the Lands;
- 2. The appointment of agent and irrevocable authority granted herein shall terminate upon discharge of the Caveat. This section L shall survive termination of this Agreement for a period of ninety (90) days.

M. GENERAL

- 1. Any notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows::

Trustco: Westpoint Capital Corporation
c/o 4636 Calgary Trail,
Edmonton, AB. T6H 6A1
Attention: Matt Oberle
Phone: 780-433-5516

The Lender: Nagpal Investments Inc.
Suite #202 10621 100 Ave.
Edmonton, AB T5J 0B3
Phone: 416-543-9685

or to such other address, individual or electronic communication number as may be designated by notice given by a party hereto to the other parties hereto.

- 2. In any and all circumstances in which Trustco is entitled or required to make a determination or to exercise its discretion (either pursuant to this agreement, by virtue of its position as the mortgagee or holder of any of the Security or as party to any of the Loan Documents, or otherwise do to circumstances), it shall be entitled to make such determination or exercise its discretion as it shall see fit, in its sole and unfettered discretion.
- 3. The Lender shall deliver the Representation Letter attached hereto as Schedule "A" to Trustco upon execution of this Agreement.
- 4. Time shall be of the essence of this Agreement.

5. This Agreement and the interests of the Lender herein may not be assigned by the Lender, without prior written consent of Trustco and at the Lender's sole cost and expense.
6. Trustco may, at its option, pay the Lender and require an assignment of the Lender's rights, title and interest hereunder at any time and from time to time to itself or to its nominee, regardless of whether or not the Borrower has repaid the Loan. In such event, Trustco or its nominee must pay the following to the Lender:
 - a. the outstanding portion of the Lender's Contribution;
 - b. all interest owed to the Lender in accordance with this Agreement up to such date that the outstanding portion of the Lender's Contribution is paid to the Lender; and
 - c. any Enforcement Expenses paid by the Lender.

Upon such payment by Trustco, the Lender shall assign all of its interest herein and in the Loan and Security to Trustco or its designate.

7. The terms of this Agreement shall extend to and enure to the benefit of the Lender and its successors and assigns.
8. The recitals to this Agreement are incorporated in and form part of this Agreement.
9. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable or otherwise invalid, the same shall be severed but all other provisions shall nevertheless remain effective.
10. This Agreement may be executed in counterparts and may be delivered by facsimile transmission or other electronic means.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on March 30, 2012

WESTPOINT CAPITAL CORPORATION

Matt Oberle *Matt Oberle*
 May 8, 2012

Per: _____
 Name: Matt Oberle
 Title: Chief Lending Officer

Nagpal Investments Inc.

Per: *Kunal Nagpal*
 Kunal Nagpal
 President and CEO

Amie W. Heil
 Witness

Amie W. Heil
 Barrister & Solicitor

Print Name

SCHEDULE "A"

REPRESENTATION LETTER

TO: WESTPOINT CAPITAL CORPORATION ("Trustco")

Re. National Instrument 45-106 - Prospectus and Registration Exemption

In connection with the participation of the Loan under the Agreement by the undersigned hereby represents, warrants, covenants and certifies to Trustco that:

1. The undersigned is resident in the Province of Alberta or is subject to the securities laws of the Province of Alberta;
2. The undersigned falls within a category marked below within the meaning of *National Instrument 45-106* entitled "Prospectus and Registration Exemptions" by virtue of satisfying the indicated criterion as set out below and, in the event the undersigned is an "accredited investor", Schedule "A-1" to this Representation Letter:

- (i) **ACCREDITED INVESTOR EXEMPTION:** it is resident in or otherwise subject to applicable securities laws of the Province of Alberta and it is an "accredited investor", as such term is defined in NI 45-106, and has concurrently executed and delivered a Representation Letter in the form attached as Schedule "A" to this Agreement with Exhibit "A-1" completed (please check the appropriate category in Schedule "A-1" attached hereto);

OR

- (ii) **MINIMUM AMOUNT EXEMPTION:** it is resident in or otherwise subject to applicable securities laws of the Province of Alberta and it has an aggregate participation amount in the Loan of not less than One Hundred and Fifty Thousand (\$150,000.00) Dollars paid in cash at the time of the trade and it was not created or used solely to purchase or hold securities and reliance on this exemption from the registration and prospectus requirements of applicable securities laws.

3. The undersigned is entering into this Agreement as principal for its own account;
4. Upon execution of this Schedule "A" by the undersigned, this Schedule "A" shall be incorporated into and form a part of the Agreement.

Dated: April 17, 2012

Nagpal Investments Inc.

Per: Kunal Nagpal
Name: Kunal Nagpal
Title: President and CEO

EXHIBIT "A-1"
ACCREDITED INVESTOR

The undersigned in Schedule "A" represents and warrants that they fall within the category of "Accredited Investor" which is initialed below:

- _____ (a) a Canadian financial institution or an authorized foreign bank listed in Schedule III of the *Bank Act* (Canada);
- _____ (b) the Business Development Bank incorporated under the *Business Development Bank of Canada Act* (Canada);
- _____ (c) a subsidiary of any person referred to in paragraphs (a) to (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a limited market dealer registered under the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- _____ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada, as a representative of a person referred to in paragraph (d);
- _____ (f) the government of Canada or a jurisdiction of Canada, or any crown Company, agency or wholly-owned entity of the government of Canada or a jurisdiction of Canada;
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the comité de gestion de la taxe solaire de l'île de Montreal or an intermunicipal management board in Quebec;
- _____ (h) a national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- _____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
- _____ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds One Million (\$1,000,000.00) CDN Dollars;
- _____ (k) an individual whose net income before taxes exceeded Two Hundred Thousand (\$200,000.00) CDN Dollars in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Three Hundred Thousand (\$300,000.00) CDN Dollars in each of the two most recent calendar years and who, in either case, has a reasonable expectation of exceeding the same net income level in the current calendar year;
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least Five Million (\$5,000,000.00) CDN Dollars;
- _____ (m) a person, other than an investment fund, that has net assets of at least Five Million (\$5,000,000.00) CDN Dollars as shown on its most recently prepared financial statements;

- _____ (n) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in section 2.10 (minimum investment amount) of National Instrument 45-106, and section 2.1.9 (additional investment in investment funds) of National Instrument 45-106, or (iii) a person described in paragraphs (i) or (ii) that acquires or acquired securities under section 2.8 (investment funds reinvested) of National Instrument 45-106;
- _____ (o) an investment fund that distributes, or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator, or, in Quebec, the securities regulatory authority, has issued a receipt;
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person (i) is registered or authorized to carry on business as an advisor or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and (ii) in Ontario, is purchasing a security that is not a security of an investment fund;
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility advisor or other advisor or registered to provide advice on the securities being traded;
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraph (a) through (d) and paragraph (i) in form and function;
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect, or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors; or
- _____ (u) an investment fund that is advised by a person registered as an advisor or a person that is exempt from registration and is an advisor, or the person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as (i) an accredited investor, or (ii) an exempt purchaser in Alberta or British Columbia after September 14, 2005.

For the purposes hereof:

"eligibility advisor" means:

- (a) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of securities being distributed, and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 - (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and
 - (ii) have acted for or been retained personally or otherwise as an employee, an executive officer, a director, associate or partner of a person that has acted for or been retained by

the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

"EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

"financial assets" means:

- (a) cash;
- (b) securities; or
- (c) a contract or insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

"investment fund" means a mutual fund or non-redeemable investment fund and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"person" includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator, or personnel or other legal representative.

"related liabilities," means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets.

"VCC" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia) whose business objective is making multiple investments.

SCHEDULE "B"
DEFINITIONS

"Anticipated Funding Date" has the meaning set forth under the heading "LENDER'S CONTRIBUTION DETAILS";

"Administration Fee" means the aggregate of fees (other than commitment fee and work fee), interest, including Bonus Interest, and the Loan Amount owed by the Borrower under the Loan Documents less the aggregate of the outstanding amount of the Lender's and Other Lenders' Contributions, and interest thereon, payable to the Lender and all the Other Lenders under this Agreement;

"Agent" has the meaning set forth in M.1 of the Agreement;

"Bonus Interest" means bonus interest payable in accordance with certain Security;

"Borrower" has the meaning set forth under the heading "SECURED LOAN DETAILS";

"Caveat" has the meaning set forth in M.1 of the Agreement;

"Contribution" means the amount contributed toward the Loan;

"Date of Advance" means the date upon which the Loan Amount is advanced to the Borrower or the Loan Amount is used to pay out a/the Prior Lender(s);

"Enforcement Expenses" has the meaning set forth in Section D.4.a of the Agreement;

"Event of Default" shall mean any default by the Borrower under any of the Loan Documents;

"Funding Fees" has the meaning set forth in section D.7 of the Agreement;

"Interest Rate" has the meaning set forth under the heading "LENDER'S CONTRIBUTION DETAILS", calculated as simple interest, applicable both before and after an Event of Default and maturity, and after the obtaining of any judgment in respect of the Loan;

"Investor Opportunity Portal" means the database that Lenders are authorized access to in order to review information in respect to the Loan, including, without limitation, the Loan Documents.

"Lands" has the meaning set forth under the heading "SECURITY DETAILS";

"LTV" means loan to value;

"Lender" has the meaning set forth under the heading "SECURED LOAN DETAILS";

"Lenders" means collectively the Lender and all Other Lenders;

"Lender's Contribution" means the amount the Lender contributed toward the Loan as set forth under the heading "LENDER'S CONTRIBUTION DETAILS";

"Loan" means the secured loan to be granted by the Lenders to the Borrower as set forth under the heading "SECURED LOAN DETAILS";

"Loan Documents" means any and all documents or instruments executed by the Borrower in favour of the Trustco or Prior Lender(s), as the case may be, that set forth the terms and conditions upon which the Loan is advanced or upon which it is to be re-paid and the manner by which the Trustco may enforce against the Borrower with respect to the Loan together with any additional or collateral security, whether granted by the Borrower or others.

"Loan Interest" means the amount payable by the Borrower as interest under the Loan Documents;

"Loan Obligations" means all obligations of the Borrower in favour of the Lenders arising pursuant to or in connection with the Loan Documents, including principal, interest, fees, charges and costs, including solicitor and his own client costs on a full indemnity basis, respecting all matters relating to the Loan including enforcement;

"Loan Payments" has the meaning set forth in section D.5 of the Agreement;

"**Maturity Date**" has the meaning set forth under the heading "LENDER'S CONTRIBUTION DETAILS";

"**Mortgage Interest**" has the meaning set forth under the heading "SECURITY DETAILS";

"**Mortgage Payments**" has the meaning set forth in the recitals to the Agreement;

"**Other Lenders**" means all persons (other than the Lender) who loans funds to the Borrower under the Security (by paying funds to Trustco for advance to the Borrower or purchase of loans previously advanced to the Borrower by Prior Lender(s), as outlined in herein), including Trustco, to the extent that it may contribute funds for such purpose;

"**Prior Lender(s)**" has the meaning set forth in the recitals to the Agreement;

"**Proceeds**" has the meaning set forth in the recitals to the Agreement;

"**Proceeds of Realization**" means any proceeds received by Trustco pursuant to any steps, actions, or proceedings taken on the Security or the Loan Documents including the sale of the Mortgage Interest to a third party;

"**Proportionate Share**" means, for the Lender and each of the Other Lenders, a ratio, determined as follows:

$$\frac{\text{Lender's Contribution}}{\text{Aggregate of all Lenders' Contributions}}$$

"**Mortgagee**" means Trustco as the mortgagee named in a Mortgage;

"**Security**" or "**Securities**" means the Loan Documents and all other security of every nature and kind, together with any additional security now or hereafter delivered to secure the Loan;

"**Shared Security**" has the meaning set forth in section G.2.g of the Agreement;

"**Term**" has the meaning set forth under the heading "LENDER'S CONTRIBUTION DETAILS";

"**Trustco**" means Westpoint Capital Corporation, its successors and permitted assigns.

SCHEDULE "C"
FEE PAYMENTS TO LENDER

The payments set forth in this Schedule "C" are based in the timely payment by the Borrower under the Security. In the event the Borrower defaults under the Security, this Schedule "C" shall not apply.

Date of Payment	Fee Payment	Fee %
On Closing- anticipated to be April 13th, 2012	\$56,000.00	3.5
120 days after closing	\$40,000.00	2.5
240 days after closing	\$40,000.00	2.5
360 days after closing	\$40,000.00	2.5

EXHIBIT 6

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

Lewis, David

From: Munir Virani <mvirani76@outlook.com>
Sent: November 13, 2019 1:19 AM
To: Lewis, David
Cc: Marnie Kiel
Subject: RE: [EXT] FW: Westpoint Capital [MTDMS-Legal.FID8284606]

David

You had asked for two things

1. The copy of the email showing Kunal confirmed the 200K was earned by WCC.

I have sent three emails from April 11&12, 2012 that refer to how this 200K was supposed to be split and earned. In short it was 184K WCC and 16K for Kunal however the 16K would come back to WCC if Kunal successfully completed his JV negotiations with the borrower and signed a JV agreement. Clearly the full 200K was expected to be earned by WCC and if the JV agreement did not materialize then only 184K would end up being WCC's share of the 200K fee being charged to the borrower. Kunal himself comments on this in the emails/attachments to the email.

2. Confirm how the split of the proceeds were to be done.

If you are referring to the 200K only then the emails I sent show how that fee was intended to be split. This was an additional fee that wasn't normal in our lending so this fee wasn't really contemplated in the syndication agreement template we were using. I'm not sure if the agreement was modified to explicitly deal with this fee specifically or whether it was lumped in with how the commitment fee was to be treated. I know that the intention was that the 200K was supposed to all belong to Westpoint unless Nagpal failed to complete his JV negotiations successfully in which case only 184K would belong to Westpoint.

I hope that helps.

Munir

From: Lewis, David <dlewis@bdo.ca>
Sent: November 12, 2019 11:12 AM
To: Munir Virani <mvirani76@outlook.com>
Cc: Marnie Kiel <mkiel@westpointcapital.ca>
Subject: FW: [EXT] FW: Westpoint Capital [MTDMS-Legal.FID8284606]

Munir,

Please see the below email.

Nagpal is trying to get a larger portion of the payout. His argument is that he put in more cash and hence should get more money.

Additional Fee (5%) - WCC admin fee			(200,000) \$	(20
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EXHIBIT 7

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

Lewis, David

From: Munir Virani <mvirani76@outlook.com>
Sent: November 13, 2019 1:11 AM
To: Lewis, David
Cc: Marnie Kiel
Subject: [EXT] FW: Paldi

David,

See below highlighted in yellow that I sent to Kunal on April 11 which laid out our position with respect to the 200K and how it would be split which Kunal confirmed in the email I just sent you (with the excel spreadsheet from Kunal attached to that email)

Munir

From: Munir Virani <mvirani@westpointcapital.ca>
Sent: November 13, 2019 1:00 AM
To: mvirani76@outlook.com
Subject: Fwd: Paldi

Munir Virani, CA
Chief Executive Officer
Westpoint Capital
4636 Calgary Trail,
Edmonton, AB T6H 6A1
Office: 780.433.5516
Cell: 780.953.4926
www.westpointcapital.ca

The information contained in this correspondence is proprietary and confidential and is not intended to solicit investment funds in any jurisdiction. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. If you have received this email in error please notify the sender. [Read Full Disclaimer](#)

----- Forwarded message -----

From: Kunal Nagpal <kunalnagpal@nagpalinvestments.com>
Date: Wed, Apr 11, 2012 at 8:23 PM
Subject: Re: Paldi
To: Munir Virani <mvirani@westpointcapital.ca>

Ok so that's a difference of 24000 to my interest - that's fine.

Can you please send me a copy of the commitment letter?

If there is any way that we don't have to fund the 500k or put it in reserve then our return increases significantly as well. 31.6 for you 23.82 for me. I will send you the updated final sheet - please have a look and confirm.

.....
Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685
(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3
.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>
Date: Wed, 11 Apr 2012 20:15:52 -0600
To: Kunal Nagpal <kunalnagpal@nagpalinvestments.com>
Subject: Re: Paldi

We are not quite on the same page here. The additional fees are westpoints per our discussion a few days ago. You clearly agreed that anything we were able to negotiate above the original yield was our spread. We will give you 1% on your 1.6 so 16k. If you don't get a JV here your portion is 16k not 40k of this additional fee. Otherwise I think generally we are ok.

Sent from my iPhone

On 2012-04-11, at 7:15 PM, Kunal Nagpal <kunalnagpal@nagpalinvestments.com> wrote:

Munir - Please see the attached numbers - If you still feel that we need to talk at 8:30 - I will be available and can call you (I'm just trying to avoid talking today as per my doctors instructions) -

I feel given that our intention from the beginning was to go pari passu on this project - we should keep it at that

I didn't think that the Breakdown that Curtis had sent earlier was very fair given that our intention all along has been to do this deal pari passu with additional return to Westpoint for the additional fee negotiated.

I have re-done the number based on a pari passu basis - Westpoint will still make a hefty spread (roughly 8 to 10 points more than NI - Additional Fee and Working Capital spread which).

As of yesterday I also thought the the contribution for the other investor was 1 million - If it does increase to a million from 500K at a later stage then I am comfortable with Westpoint taking over that additional 500K tranche and making the respective additional spread

It was originally intended that I would contribute 1.4 Million Net funds and that Westpoint would contribute 1.9 Mil which is 42.5 / 57.5 split. We had both agreed to in principle that we would now split this deal 40/60 which I don't feel is the case based on the numbers Curtis had sent.

Lets not talk at 8:30 if you agree to my breakdown - and we can proceed accordingly. I would prefer not talking today but I also feel we need to come to a decision today so that the papers can be amended accordingly and funding to take place on Friday.

Sincere Regards,

Kunal Nagpal
President and CEO

W: (780) 497 7422
C: (416) 543 9685
kunalnagpal@nagpalinvestments.com

NAGPAL INVESTMENTS

Financial Building
#202 - 10621 100 Ave
Edmonton, AB T5J 0B3

----- Original Message -----

Subject: Re: Paldi
From: Munir Virani <mvirani@westpointcapital.ca>
Date: Wed, April 11, 2012 5:46 pm
To: "kunalnagpal@nagpalinvestments.com"
<kunalnagpal@nagpalinvestments.com>
Cc: Curtis Power <cpower@westpointcapital.ca>

Ok I am good to talk after 8:30pm

Sent from my iPhone

On 2012-04-11, at 6:38 PM, Kunal Nagpal <kunalnagpal@nagpalinvestments.com> wrote:

Sounds good. My intention is to stay in for the 40 percent of the project as originally discussed. I am still trying to wrap my head around net funding vs the gross funding (which would include the interest reserve, broker fee, work fee, tony investor (not sure if tony's investor would be a cash call or whether those funds will be in a trust account pari passau?). I am making some notes and will be calling you in a bit.

My intention is same as per discussed earlier - I would contribute the full 40 percent of the project pari passau minus the work fee and additional fee.

What time is good to chat? I will resend the file based on my understanding of the project soon along with comments.

.....
Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685

(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3

.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>

Date: Wed, 11 Apr 2012 18:31:04 -0600

To:

kunalnagpal@nagpalinvestments.com<kunalnagpal@nagpalinvestments.com>
m>

Cc: Curtis Power<cpower@westpointcapital.ca>

Subject: Re: Paldi

Hey Kunal I can chat anytime.

We are not paying out the partner with 1m we are only paying out the partner 500k and he is staying in for another 500k till the end. Tony is finding this 500k on his own to participate under our syndication.

Sent from my iPhone

On 2012-04-11, at 6:18 PM, "Kunal Nagpal"
<kunalnagpal@nagpalinvestments.com> wrote:

Hey munir and curtis. I am just reviewing the numbers and I have quite a few questions. What would be a good time to chat?

Quick question - we have allocated 500k for Tony's investor which is not sufficient to cover the million that needs to be paid to Tony's current partner. Shouldn't that number be 1,000,000.

Please let me know what time works and we can have a chat.
Thanks.

.....

Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685
(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3

.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>

Date: Wed, 11 Apr 2012 13:32:39 -0600
To: <kunalnagpal@nagpalinvestments.com>
Cc: Curtis Power <cpower@westpointcapital.ca>
Subject: RE: Paldi

Kunal,

See the NI column in the spreadsheet for your part of the deal. The investor that Tony is bringing to the table to payout Marcel's shares is currently in the westpoint column as we are carrying the risk associated with that and don't know exactly when and how the other investor will participate in the deal if that happens so the Westpoint side is a bit of an amalgam but the NI column is very clean and is consistent with the email I sent to you. Curtis our CFO has accounted for the deal this way as well so I am racing to get the syndication agreement over to you asap.

Munir

From: Kunal Nagpal [<mailto:kunalnagpal@nagpalinvestments.com>]
Sent: Tuesday, April 10, 2012 3:52 PM
To: Munir Virani
Cc: Curtis Power
Subject: Re: Paldi

Munir. Can you pls send me the spreadsheet. It will be a lot easier for me to understand that way.

Thanks

.....
Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685
(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3
.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>
Date: Tue, 10 Apr 2012 15:47:11 -0600
To: <kunalnagpal@nagpalinvestments.com>

Cc: Curtis Power<cpower@westpointcapital.ca>

Subject: Paldi

Kunal,

Here is how I have your investment working as part of the Paldi deal

Total Loan Amount:	4,000,000
NI Participating Loan Amount	1,400,000
NI Commitment fee (2.5%)	(35,000)
NI DP holdback	(140,000) -
future cash calls	
Fund to Westpoint	1,225,000

Interest reserve (540k*1.4/4.0) account)	(189,000) (held in trust account)
--	-----------------------------------

Net to borrower:	1,036,000
------------------	-----------

Let me know if this will work. Note that the Interest reserve will be for monthly interest payments and fees (2.5% at 4, 8, 12 months)

Thanks

Munir Virani, CA
Chief Executive Officer
Westpoint Capital Corporation
Phone: 780.433.5516
Fax: 780.665.4245
Cell: 780.953.4926
www.westpointcapital.ca

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<Fee and Funding Breakdown - Pari Passau 40-60.xlsx>

EXHIBIT 8

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

Lewis, David

From: Munir Virani <mvirani76@outlook.com>
Sent: November 13, 2019 1:09 AM
To: Lewis, David
Cc: Marnie Kiel
Subject: [EXT] FW: Syndication agreement - final changes
Attachments: Fee and Funding Breakdown - Pari Passau 40-60- Final.xlsx

David

Attached is a spreadsheet from Kunal attached to his email below from April 12. I've highlighted in yellow below the additional 200K which was supposed to be split with 16K to Kunal and the remainder to Westpoint. The concept here was that Kunal was negotiating a JV agreement of some sort with the Borrower and was going to earn potentially additional income from that JV agreement. As a stop gap measure because we were out of time we had agreed on this split of the 200K and that if Nagpal did negotiate a JV agreement then I believe he was going to refund the 16K so that Westpoint would have been made whole with respect to the 200K fee as the administrator of the loan.

In Kunal's spreadsheet in Cell G11 he confirms this.

I hope this is helpful

Munir

From: Munir Virani <mvirani@westpointcapital.ca>
Sent: November 13, 2019 12:58 AM
To: mvirani76@outlook.com
Subject: Fwd: Syndication agreement - final changes

Munir Virani, CA
Chief Executive Officer
Westpoint Capital
4636 Calgary Trail,
Edmonton, AB T6H 6A1
Office: 780.433.5516
Cell: 780.953.4926
www.westpointcapital.ca

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----- Forwarded message -----

From: Kunal Nagpal <kunalnagpal@nagpalinvestments.com>
Date: Thu, Apr 12, 2012 at 10:28 AM
Subject: Syndication agreement - final changes
To: Munir Virani <mvirani@westpointcapital.ca>

Munir - i just wanted to reiterate all the changes to the syndication as per what we had discussed: I am assuming these points will all be stated in the syndication and/or loan docs

1. Trustco (in essence NI and Westpoint) will have the 1st charge towards all the lands in question
2. NI to receive a signed copy of all the docs that will be signed by the borrower
3. Westpoint to attach the payment schedule (loan contributions - including the interest and other cash reserves AND a summary of interest /other income earned). This simple schedule would help keep things very easy to tack.
4. Schedule C specifically states that "it depends on timely payments from the Borrower" - Since we have interest reserves from the borrower, this point should be taken out as discussed
5. Section C states that Westpoint and the other lenders share all proceeds on a pari passu basis (which is equal basis in proportion to the amount of the stated loan - correct?. Since there are some miscellaneous fees and extra fees that was negotiated from the borrower that would be earned disproportionately in favour of Westpoint - it is important to attach a schedule clearly stating those numbers.
6. Section D details how lenders will be paid. Interest accrues from when the money is advanced, but it is not clear from the document given to me as to when NI will receive interest payments. There is no guarantee that NI will receive interest payments on a monthly basis. Paragraph D3 seems to state that you do not get payments until the maturity date, however, section D5 states that any payments made by the Borrower will be paid to NI and other lenders within a reasonable period of time after TrustCo receives the money.

As per what we agreed on over the phone - We should clearly state that NI and other Lenders to get monthly payments since all the payments are going to be sitting in trust.

7. Please note that the payments to be received by NI are always subject to enough money being realized from the Borrower. Also, Trustco has the right to withhold certain payments owing to the lenders to cover Enforcement Expenses and anticipated Enforcement Expenses (see paragraph D4).

Munir - the holdback should apply only when the loan is in default correct? So, we need to state that until the loan is not in default, timely monthly disbursements to lenders will take place as per the schedule (schedule outlining the payments for NI and Westpoint).

8. Trustco has wide discretion to do what it wants in terms of collection of the loan (see E1g) and M2). I how does this affect NI - As per what we discussed over the phone - in case of a default, we (Kunal and Munir) would sit and discuss the best options to proceed forward.

9. Trustco's liability has been narrowed by section F. but are the lenders - westpoint and NI have exactly the same liabilities on pari passu basis?

As per our phone conversation I understand that you All lenders have the same liabilities on a pari passu basis - NI at 40% and Westpoint at 60%.

10. You are not entitled to have any dealings with the Borrower. All dealings must go through Trustco (see paragraph G1). - EXCEPT FROM THE STANDPOINT OF POTENTIAL Joint Venture DISCUSSIONS BETWEEN NI AND the BORROWER.

11. TrustCo will charge the Borrower an administartion fee, but the fee is subordinate to any payments owing to the lenders (see H2). - We should state that the total fee is 200k of which NI would receive 16kbut if NI and the borrower are able to negotiate a successful JV within the period of this loan then NI

would forfeit that 16kfee and Westpoint would have it.

12. NI is entitled to file a caveat against the land in question, but it must be done through Trustco's lawyer - We agreed over the phone that NI should have the flexibility to use their own Lawyer for this purpose and not as stated in this section currently.

13. There is nothing in the agreement that specifically requires Trustco to provide you with details of expenses, etc. However, because they are acting as your trustee, I think that they would be required to do that anyway.

I think it should be clearly stated that in order to maintain transparency throughout the project, any lender shall be able to see at any given time how much funds are being held in the trustco and also in case of default it is imperative to have mutual discussions and agreements as to the steps to be taken going forward. If Westpoint is made aware of any material changes to the deal or the security etc. then Westpoint shall notify the Lenders immediately.

14. Westpoint has confirmed that the co-lenders entity of NI - Westpoint - has assets greater than 15 Million - and this is the entity which will be co-lending with NI

Sincere Regards,

Kunal Nagpal
President and CEO

W: (780) 497 7422
C: (416) 543 9685
kunalnagpal@nagpalinvestments.com

NAGPAL INVESTMENTS
Financial Building
#202 - 10621 100 Ave
Edmonton, AB T5J 0B3

Palid Breakdown

		Total	NI	Westpoint + other lender as needed	NOTES
Loan Amount		4,000,000	1,600,000	2,400,000	This is the gross amount that includes of fee and reserves and any future funding - potential cash calls etc. correct?
Broker Fee	0.60%	(24,000)	(9,600)	(14,400)	We will both be paying our portion of the broker fee
Commitment Fee	2.50%	(100,000)	(40,000)	(60,000)	we are both receiving our portion of the commitment fee (60/40 pari passau)
Interest Reserve	13.50%	(540,000)	(216,000)	(324,000)	do these fuds have to be contributed to a separate trust account from both of us - day 1 upon funding?
Work Fee unpaid	0.90%	(36,000)	(10,000)	(26,000)	im ok with not sharing this fee 40/50 since my expenses will be limited (i will send the invoices directly to you - I don't anticipate this cost to be any more than around 10k - legal, travel etc.
OP Holdback		(400,000)	(160,000)	(240,000)	Pari Passau - are we contributing these funds in Interest reserve or Cash call when needed? Pari Passau - ARE WE CONTRIBUTING THESE FUNDS IN TRUSTCO?
2nd HB (Tony Investor)		(500,000)	(200,000)	(300,000)	Please send me a copy of the commitment letter and upon funding the trustco's bank statement
Additional Fees	5%	(200,000)	(16,000)	(184,000)	NI would be receiving 1% and that will be reimbursed if NI is able to get a JV in the future. Would these funds be held in Interest reserve or would we be paid out at the end of the project upon project completion?
Net Funding		2,200,000	948,400	1,251,600	

Funds Contributed to Trustco	1,174,000	1,590,000	Please send me the commitment letter and Upon Funding, please send Trustco's bank statement
Interest Earned	282,000	594,000	I am budgeting roughly 10,000 for NI expenses but odds are it will be less than that
	24.02%	37.36%	

EXHIBIT 9

**To the Receiver's Second Supplemental to
the Third Report to Court**

Dated November 25, 2019

Lewis, David

From: Munir Virani <mvirani76@outlook.com>
Sent: November 13, 2019 1:12 AM
To: Lewis, David
Cc: Marnie Kiel
Subject: [EXT] FW: Paldi

David,

More support in yellow below.

Munir

From: Munir Virani <mvirani@westpointcapital.ca>
Sent: November 13, 2019 1:01 AM
To: mvirani76@outlook.com
Subject: Fwd: Paldi

Munir Virani, CA
Chief Executive Officer
Westpoint Capital
4636 Calgary Trail,
Edmonton, AB T6H 6A1
Office: 780.433.5516
Cell: 780.953.4926
www.westpointcapital.ca

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----- Forwarded message -----

From: Kunal Nagpal <kunalnagpal@nagpalinvestments.com>
Date: Wed, Apr 11, 2012 at 6:38 PM
Subject: Re: Paldi
To: Munir Virani <mvirani@westpointcapital.ca>
Cc: Curtis Power <cpower@westpointcapital.ca>

Sounds good. My intention is to stay in for the 40 percent of the project as originally discussed. I am still trying to wrap my head around net funding vs the gross funding (which would include the interest reserve, broker fee, work fee, tony investor (not sure if tony's investor would be a cash call or whether those funds will be in a trust account pari passau?). I am making some notes and will be calling you in a bit.

My intention is same as per discussed earlier - I would contribute the full 40 percent of the project pari passau minus the work fee and additional fee:

What time is good to chat? I will resend the file based on my understanding of the project soon along with comments.

.....
Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685
(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3
.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>
Date: Wed, 11 Apr 2012 18:31:04 -0600
To: kunalnagpal@nagpalinvestments.com<kunalnagpal@nagpalinvestments.com>
Cc: Curtis Power<cpower@westpointcapital.ca>
Subject: Re: Paldi

Hey Kunal I can chat anytime.

We are not paying out the partner with 1m we are only paying out the partner 500k and he is staying in for another 500k till the end. Tony is finding this 500k on his own to participate under our syndication.

Sent from my iPhone

On 2012-04-11, at 6:18 PM, "Kunal Nagpal" <kunalnagpal@nagpalinvestments.com> wrote:

Hey munir and curtis. I am just reviewing the numbers and I have quite a few questions. What would be a good time to chat?

Quick question - we have allocated 500k for Tony's investor which is not sufficient to cover the million that needs to be paid to Tony's current partner. Shouldn't that number be 1,000,000.

Please let me know what time works and we can have a chat. Thanks.

.....
Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685
(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3

.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>
Date: Wed, 11 Apr 2012 13:32:39 -0600
To: <kunalnagpal@nagpalinvestments.com>
Cc: Curtis Power<cpower@westpointcapital.ca>
Subject: RE: Paldi

Kunal,

See the NI column in the spreadsheet for your part of the deal. The investor that Tony is bringing to the table to payout Marcel's shares is currently in the westpoint column as we are carrying the risk associated with that and don't know exactly when and how the other investor will participate in the deal if that happens so the Westpoint side is a bit of an amalgam but the NI column is very clean and is consistent with the email I sent to you. Curtis our CFO has accounted for the deal this way as well so I am racing to get the syndication agreement over to you asap.

Munir

From: Kunal Nagpal [<mailto:kunalnagpal@nagpalinvestments.com>]
Sent: Tuesday, April 10, 2012 3:52 PM
To: Munir Virani
Cc: Curtis Power
Subject: Re: Paldi

Munir. Can you pls send me the spreadsheet. It will be a lot easier for me to understand that way.
Thanks

.....
Kind Regards,

KUNAL NAGPAL
President and CEO

(Direct) 416 543 9685

(Work) 780 497 7422

NAGPAL INVESTMENTS

10621 100 Ave - Suite 202
Edmonton AB, T5J 0B3

.....

Sent from my Blackberry device

From: Munir Virani <mvirani@westpointcapital.ca>

Date: Tue, 10 Apr 2012 15:47:11 -0600

To: <kunalnagpal@nagpalinvestments.com>

Cc: Curtis Power<cpower@westpointcapital.ca>

Subject: Paldi

Kunal,

Here is how I have your investment working as part of the Paldi deal

Total Loan Amount:	4,000,000
NI Participating Loan Amount	1,400,000
NI Commitment fee (2.5%)	(35,000)
NI DP holdback	(140,000) - future cash calls
Fund to Westpoint	1,225,000
Interest reserve (540k*1.4/4.0)	(189,000) (held in trust account)

Net to borrower: 1,036,000

Let me know if this will work. Note that the Interest reserve will be for monthly interest payments and fees (2.5% at 4, 8, 12 months)

Thanks

Munir Virani, CA
Chief Executive Officer
Westpoint Capital Corporation
Phone: 780.433.5516
Fax: 780.665.4245

Cell: 780.953.4926
www.westpointcapital.ca

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