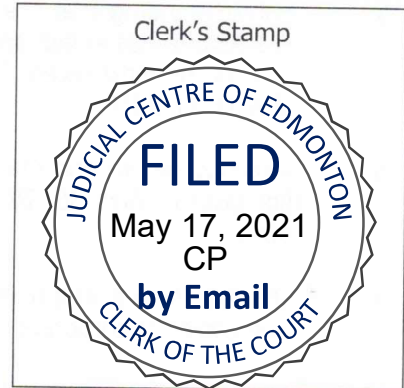


COURT FILE NO. 2013 02132
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON



PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA
DEFENDANT P7 CONSTRUCTION LTD., 1619904 ALBERTA LTD.,
HYOUNG JOON YOON aka JASON YOON,
SUNG SOO CHOI aka RICHARD CHOI and EUNG CHANG KIM

DOCUMENT **AFFIDAVIT OF MONIKA SAHDEV**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Charles P. Russell, Q.C. Telephone: (780) 482-9115 Fax: (780) 733-9757 Email: crussell@mross.com File No.: 20204585
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AFFIDAVIT OF MONIKA SAHDEV SWORN ON THE 14TH DAY OF MAY, 2021

I, MONIKA SAHDEV, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SWEAR THAT:

1. I am employed by Business Development Bank of Canada ("BDC") in the capacity as Senior Account Manager, Special Accounts. I have reviewed the books and records of BDC prepared in the ordinary course of business and as such have a personal knowledge of the matters herein deposed to except where stated to be based on information and belief. I am authorized by BDC to make this Affidavit.
2. In or about February 2015, BDC approved a loan (the "Loan") to P7 Construction Ltd. (the "Borrower"), which was in place of prior loans, the proceeds of which were utilized by the Borrower in connection with its development of a hotel known as the Holiday Inn Express & Suites Bonnyville, located at 4404 – 52 Avenue, Bonnyville, Alberta, T9N 0C3 (the "Hotel").
3. The Hotel is a limited service hotel with 108 guest rooms and two meeting rooms, and operated as a franchisee of Holiday Hospitality Franchising, Inc. (the "Licensor") pursuant to a License Agreement dated May 19, 2011, in favour of the Borrower (the "License Agreement").
4. The Defendant 1619904 Alberta Ltd. ("161 Alberta") has guaranteed payment of the Loan, pursuant to a guarantee dated March 17, 2015, a true copy of which is attached hereto and marked as **Exhibit "A"**.

Cme

5. Notwithstanding that the License Agreement is made between the Licensor and the Borrower, 161 Alberta has in fact operated the Hotel. Attached hereto and marked as **Exhibit "B"** is a true copy of the most recent financial statements of 161 Alberta in the possession of BDC effective as of April 30, 2019.
6. Attached hereto and marked as **Exhibit "C"** is a true copy of the financial statements for the Borrower as April 30, 2019, which are the most recent financial statements in the possession of BDC.
7. 161 Alberta is a subsidiary of the Borrower, and attached hereto and marked as **Exhibit "D"** are true copies of corporate searches of the Borrower and 161 Alberta.
8. As security for payment of the Loan, the Borrower has provided to BDC the following:
 - (a) Mortgage in the principal amount of \$5,900,000 over the Hotel dated December 15, 2011, a true copy of which (together with Standard Mortgage Terms) is attached hereto and marked as **Exhibit "E"**;
 - (b) Mortgage Amending Agreement amending the principal amount of the mortgage from \$5,900,000 to \$7,600,000 dated March 17, 2015, a true copy of which is attached hereto and marked as **Exhibit "F"**;
 - (c) General Security Agreement dated December 15, 2011, a true copy of which is attached hereto and marked as **Exhibit "G"**.
9. As collateral security for performance of its guarantee obligations, 161 Alberta has provided to BDC a General Security Agreement dated December 15, 2011, a true copy of which is attached hereto and marked as **Exhibit "H"**.
10. Attached hereto and marked, collectively, as **Exhibit "I"** is a search result obtained from Alberta Land Office with respect to the Hotel, as well as search results on the Borrower and 161 Alberta at Personal Property Registry for the Province of Alberta.
11. The Borrower has been in default of payment on the Loan since on or about March 24, 2020, and on November 30, 2020 BDC had its counsel McLennan Ross LLP demand payment of the Loan. Attached hereto and marked as **Exhibit "J"** is a true copy of such demand.
12. No payment has been made on the demand.
13. On or about January 5, 2021, the Licensor served notice on the Borrower that the Borrower was in default of performance of the License Agreement. Attached hereto and marked as **Exhibit "K"** is a true copy of such correspondence (the "Licensor Default Notice").
14. The existence of the Licensor Default Notice did not come to the attention of BDC until Sung Soo Choi ("Choi"), a director of the Borrower and 161 Alberta, advised BDC of the existence thereof on or about May 10, 2021. By then, the License Agreement had been terminated by the Licensor.
15. On May 12, 2021, Choi advised BDC that operation of the Hotel was ceasing, and all employees had received notice in early May 2021 that their employment would be terminated in two weeks.

This is **Exhibit "A"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta



GUARANTEE

LOAN No. 087897-01

GUARANTOR: 1619904 ALBERTA LTD.
9716 – 45 Avenue, Edmonton, AB T6E 5C5 the "Guarantor"

CREDITOR: BUSINESS DEVELOPMENT BANK OF CANADA "BDC"

DEBTOR: P7 CONSTRUCTION LTD.
Unit 305, 9940 Lougheed Hwy, Burnaby, BC
V3J 1N3 the "Borrower"

DEBT: \$7,600,000.00 the "Principal Sum"

LIMIT OF LIABILITY: \$7,600,000.00 the "Limited Amount"

DATED: March 17, 2015

BDC BUSINESS CENTRE: 10625 West Side Drive, Suite 203,
Grande Prairie, AB T8V 8E6
Alberta the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

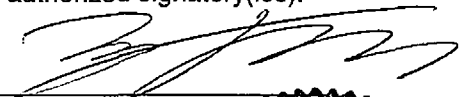
This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. BDC may assign this guarantee.

13. COUNTERPARTS

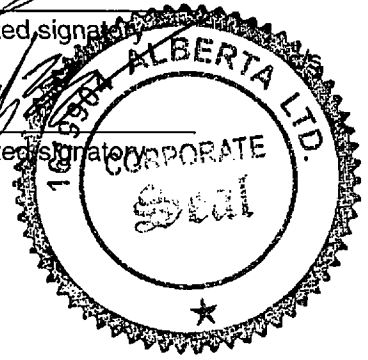
This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

1619904 ALBERTA LTD.

by its authorized signatory(ies):

Per: 
Authorized signatory

Per: 
Authorized signatory



This is **Exhibit "B"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville

Financial Statements

June 30, 2019

June 30, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders of **1619904 Alberta Ltd**

We have reviewed the accompanying financial statements of 1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville that comprise the balance sheet as at June 30, 2019, and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements which required us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of 1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville as at June 30, 2019, and the results of its operations and its cash flows for the year the ended in accordance with Canadian accounting standards for private enterprises.

Chris Baek & Co. Ltd.

November 07, 2019
Burnaby, British Columbia

Chris Baek & Co Ltd
Chartered Professional Accountants
330-9940 Lougheed Hwy
Burnaby, BC V3J 1N3
Email: info@tax247.ca

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Statement of Income

Year ended June 30, 2019

	2019	2018
Revenue	\$ 2,065,074	\$ 1,961,974
Cost of Sales (Appendix A)	583,723	496,077
Gross Profit	1,481,351	1,465,897
Expenses		
Operating and Administrative Expenses (Appendix B)	1,827,497	1,807,684
Financial Expenses (Appendix C)	60,000	60,000
	1,887,497	1,867,684
Earnings before income taxes	(406,146)	(401,787)
Income Taxes		
Current	-	-
	-	-
Net Loss	(406,146)	(401,787)

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Statement of Retained Earnings

Year ended June 30, 2019

	2019	2018
Retained earnings, at beginning of year	(109,100)	\$ 292,687
Net Income	(406,146)	(401,787)
Dividends	-	-
Retained earnings, at end of the year	(515,246)	(109,100)

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Balance Sheet

June 30, 2019

	2019	2018
Assets		
Current Assets		
Cash	\$ 250,787	\$ 151,303
Account receivables (note 3)	61,843	74,902
Income tax receivable	50,045	50,045
	362,675	276,250
Non-current Assets		
Property, Plant and Equipment (note 4)	70,126	57,685
Total Assets	\$ 432,801	\$ 333,935
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 5)	17,332	21,521
Source deductions payable	15,692	17,011
	33,024	38,532
Non-current Liabilities		
Due to related parties (note 7)	914,923	404,403
Total Liabilities	947,947	442,935
Shareholders' Equity		
Share capital (note 6)		
100 Class A common shares	100	100
	100	100
Retained earnings	(515,246)	(109,100)
Total Shareholders' Equity	(515,146)	(109,000)
Total Liabilities and Shareholders' Equity	\$ 432,801	\$ 333,935

ON BEHALF OF THE BOARD OF DIRECTORS:

_____, Director

_____, Director

**1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyvill
Statement of Cash Flow**

Year ended June 30, 2019

	2019	2018
Operating Activities		
Net loss	(406,146)	(401,787)
Non-cash items:		
Amortization	14,902	8,819
Franchise fee depreciation	-	13,179
	(391,244)	(379,789)
Net change in non-cash items related to operating activities	7,551	(16,252)
Cash flow from operating activities	(383,693)	(396,041)
Investing Activities		
Acquisition/disposition of property, plant and equipment	(27,343)	(34,924)
Cash flow from investing activities	(27,343)	(34,924)
Financing Activities		
Due to/from related companies	510,520	441,342
Common shares issued	-	-
Repayment of long-term debt	-	-
Cash Flow from Financing Activities	510,520	441,342
Net increase (decrease) in cash	99,484	10,377
Cash in the beginning	151,303	140,926
Cash at the end	\$ 250,787	\$ 151,303

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Notes to the Financial Statements

June 30, 2019

1. Company description

The company incorporated under the statutes of Alberta operates a Holiday Inn franchise business.

2. Significant Accounting Policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and include the following significant accounting policies.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amount recognized for revenues and expenses for the years reported. The main estimates relate to the useful life of the property, plant and equipment. Actual results could differ from these estimates.

Revenue recognition

Revenue is recognized in the period that it is considered to have been earned, and collectability is reasonably assured.

Income tax

The company uses the taxes payable method of accounting for income taxes. Under this method, the company reports as an expense (income) for the period only the cost (benefit) of current income taxes payable determined in accordance with the rules established by taxation authorities.

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Notes to the Financial Statements

June 30, 2019

2. Significant Accounting Policies (continued)

Property, plant and equipment

The company capitalizes property, plant and equipments where the value of the purchases is in excess of \$500. Property, plant and equipment are recorded at cost and are amortized over their respective useful lives using the methods and rates or times indicated below.

	Amortization methods	Rate or duration
Equipment, furniture & fixtures	Declining	20%

3. Accounts and other receivable

	2019	2018
Trade accounts	\$ 61,843	\$ 74,902
Allowance	-	-
	\$ 61,843	\$74,902

4. Property, plant and equipment

	Cost	Accumulated Amortization	2019 Net book Value	2018 Net book Value
Equipment and fixtures	\$ 130,986	(\$ 60,860)	\$ 70,126	\$ 57,685
	\$ 130,986	(\$ 60,860)	\$ 70,126	\$ 57,685

5. Accounts payable and Accrued Liabilities

	2019	2018
Accounts payable	\$ 2,413	\$ 2,990
GST payable	7,954	10,218
Tourism levy payable	6,965	8,313
	\$ 17,332	\$21,521

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Notes to the Financial Statements

June 30, 2019

6. Share Capital

Authorized

Unlimited Class A common voting shares without par value
 Unlimited Class B common voting shared without par value
 Unlimited Class C common non-voting shared without par value
 Unlimited Class D common non-voting shared without par value
 Unlimited Class E common non-voting shared without par value
 Unlimited Class F preferred, redeemable, retractable, non-cumulative,
 voting shares
 Unlimited Class G preferred, redeemable, retractable, non-cumulative,
 non-voting shares
 Unlimited Class H preferred, redeemable, retractable, non-cumulative,
 non-voting shares

Issued and Outstanding

	2019	2018
100 Class A common shares	\$100	\$100
	\$100	\$100

7. Related Party Transactions

	2019	2018
P7 Construction Ltd., a parent company, non-interest bearing	\$ 464,923	\$ 4,903
1772383 Alberta Ltd., a related company, bearing interest at 1% per month payable monthly	-	200,000
1772390 Alberta Ltd., a related company, bearing interest at 1% per month payable monthly	170,000	170,000
1369790 Alberta Ltd., a related company, bearing interest at 1% per month payable monthly	330,000	130,000
Ocean Gate Fishery Ltd., a related company, non-interest bearing	(50,000)	(50,000)
Sung Soo Choi, bearing interest at 1% per year	-	(50,500)
	\$ 914,923	\$ 404,403

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville

Notes to the Financial Statements

June 30, 2019

The directors of 1772390 Alberta Ltd and 1369790 Alberta Ltd have indicated that they will not request the amounts owing to be paid within the next fiscal year. Consequently, the amounts due to related parties have been classified as a non-current liabilities in the accompanying financial statements.

During the year, the Company has paid net rent fees of \$645,229 to P7 Construction Ltd. to operate a business in the property owned by P7 Construction Ltd.

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the consideration established and agreed to by the related parties.

The company also paid interest to the companies under common control at the amount of \$60,000 (\$ 60,000 in 2018).

8. Financial instruments

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows. The carrying amount of accounts receivable, accounts payable and accrued liabilities approximates their fair value due to their immediate or short term nature.

Credit risk

Credit risk is the risk that a party has a financial asset that fails to fulfill one of its obligations and thereby causes the company to suffer a financial loss. The credit risk to the company is primarily related to accounts receivables and advances receivable from the company under common control. The company provides credit to its customers in the normal course of business.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. The company is exposed to interest rate risk with respect to its fixed interest and variable interest rate financial instruments. Fixed interest rate instruments subject the company to fair value risk as it varies inversely with changes in market interest rates. Variable interest rate instruments subject the company to fluctuations in future related cash flows.

Liquidity risk

Liquidity risk is the risk that the company may encounter difficulties in meeting commitments related to its financial liabilities. As at June 30, 2019, the company's principal financial liabilities were accounts payable, due to a company under significant common influence and long-term debt.

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville
Notes to the Financial Statements

June 30, 2019

9. Income tax

	2019	2018
Net income before income taxes	(\$ 406,146)	(\$ 401,787)
Net tax rate for CCPC	11%	12%
Expected income tax	(44,676)	(48,214)
Unused income tax credit	(179,510)	(147,168)
Timing difference loss carry forwards	(224,186)	(195,382)
Income tax expense	-	-

10. Comparative figures - Reclassified

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Such reclassification has no effect on previously reported results.

APPENDIX A

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville Cost of sales

Year ended June 30, 2019

	2019	2018
Food cost	\$ 118,170	\$ 112,412
IHG Royalty and other fee	465,553	383,665
	\$ 583,723	\$ 496,077

APPENDIX B

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville Operating and Administrative Expenses

Year ended June 30, 2019

	2019	2018
Advertising and promotion	\$ 4,603	\$ 2,956
Amortization	14,902	8,819
Automotive	5,956	15,529
Bad debts	-	719
Bank charges and interest	39,353	40,644
Franchise fee	-	13,179
Insurance, subscriptions, dues	1,583	6,551
Licenses	1,393	1,050
Office and other operating expenses	8,928	14,201
Professional fees	11,196	12,164
Rent and occupancy costs	645,230	647,672
Repairs and maintenance	65,189	58,230
Supplies	76,406	46,207
Telecommunications and utilities	65,049	68,556
Travel	363	-
Utilities	144,672	112,678
Wages and benefits	742,674	763,635
Gain on disposal of capital asset	-	(5,106)
	\$ 1,827,497	\$ 1,807,684

APPENDIX C

1619904 Alberta Ltd. Op. Holiday Inn Express Bonnyville Financial expenses

Year ended June 30, 2019

	2019	2018
Financial expenses		
Interest on loan	\$ 60,000	\$ 60,000
	\$ 60,000	\$ 60,000

This is **Exhibit "C"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta

P7 Construction Ltd.

Financial Statements

Unaudited - See Notice to Reader

April 30, 2019

April 30, 2019

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Notice to Reader

On the basis of information provided by management, We have compiled the balance sheet of P7 Construction Ltd. as at April 30, 2019 and the statement of income and retained earnings for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Chris Baek & Co. Ltd.

Burnaby, British Columbia
August 13, 2019

Chris Baek & Co Ltd
Chartered Professional Accountants
330-9940 Lougheed Hwy
Burnaby, B.C. V3J 1N3
Email: info@tax247.ca

Balance SheetUnaudited - See Notice to Reader
as at April 30, 2019

	2019	2018
ASSETS		
Cash	\$ 383,604	\$ 1,038,284
Investment	50,000	50,000
	433,604	1,088,284
Property, plant and equipment (Note: 3)	9,672,692	10,054,934
Due from related parties	1,533,611	958,622
	\$ 11,639,907	\$ 12,101,840
LIABILITIES		
Accounts payable and accrued liabilities	\$ 811	\$ 448
Corporate Income Taxes/Sales Tax payable	1,978	2,000
	2,789	2,448
Bank loan	7,697,780	7,723,492
Due to shareholders	6,258,914	6,153,837
	13,959,483	13,879,777
SHAREHOLDERS' EQUITY		
Share Capital	17,925	17,925
DEFICIT	(2,337,501)	(1,795,862)
	(2,319,576)	(1,777,937)
	\$ 11,639,907	\$ 12,101,840

Approved on behalf of the Board:

_____ Director

_____ Director

(the accompanying notes form an integral part of these statements)

Statement of Income and Retained Earnings

Unaudited - See Notice to Reader
for the year ended April 30, 2019

	2019	2018
REVENUE	\$ 618,311	\$ 616,231
EXPENSES		
Amortization	381,544	397,702
Automotive	648	4,320
Bank charges and interest	549,196	460,251
Insurance, subscriptions, dues	29,315	37,292
Management salary	93,645	79,146
Office and other operating expenses	5,584	5,080
Professional fees	4,580	5,320
Property taxes	94,590	98,939
Telecommunications and utilities	150	818
	1,159,252	1,088,868
EARNINGS FROM OPERATIONS	(540,941)	(472,637)
Gain (loss) on disposition of assets	(698)	-
NET LOSS	(541,639)	(472,637)
DEFICIT, beginning of year	(1,795,862)	(1,323,225)
DEFICIT, end of year	\$ (2,337,501)	\$ (1,795,862)

(the accompanying notes form an integral part of these statements)

Notes to Financial Statements

Unaudited - See Notice to Reader
for the year ended April 30, 2019

1. NATURE OF BUSINESS

The company incorporated under the statutes of British Columbia operates a construction and commercial property lease business.

2. AMORTIZATION**(a) Property, plant, and equipment**

Property, plant, and equipment assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives with the 1st year additions amortized at one-half of the rate as follows:

Building	- 4% diminishing balance
Equipment, furniture & fixtures	- 20% diminishing balance
Computer Equipment	- 55% diminishing balance
Vehicle	- 30% diminishing balance
Computer Software	- 100% diminishing balance

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2019	Net 2018
Computer equipment	\$ -	\$ -	\$ -	\$ 88
Land	515,634		515,634	515,634
Building	11,949,200	(2,792,142)	9,157,058	9,538,602
Equipment, furniture and fixtures	-	-	-	610
	\$ 12,464,834	\$ 2,792,142	\$ 9,672,692	\$ 10,054,934

4. COMPARATIVE FIGURES - RECLASSIFIED

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

This is **Exhibit "D"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/05/12
 Time of Search: 11:30 AM
 Search provided by: MCLENNAN ROSS LLP
 Service Request Number: 35433972
 Customer Reference Number: 20204585 CPR

Corporate Access Number: 2116048493

Business Number:

Legal Entity Name: P7 CONSTRUCTION LTD.

Legal Entity Status: Active
Extra-Provincial Type: Other Prov/Territory Corps
Registration Date: 2011/05/04 YYYY/MM/DD
Date Of Formation in Home Jurisdiction: 2010/05/26 YYYY/MM/DD
Home Jurisdiction: BRITISH COLUMBIA
Home Jurisdiction CAN: BC0881988

Head Office Address:

Street: C/O NORTH ROAD LAW & NOTARY PUBLIC #208-4501 NORTH
City: BURNABY
Province: BRITISH COLUMBIA
Postal Code: V3N4R7
Email Address: TAX2471@GMAIL.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CHOI	SUNG SOO		P7 CONSTRUCTION LTD	2520 2ND AVE	EDSON	ALBERTA	T7E1N9	

Holding Shares In:

Legal Entity Name
EASTERN GATE CONSTRUCTION LTD.
1619904 ALBERTA LTD.

Other Information:**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2011/05/04	Register Extra-Provincial Profit / Non-Profit Corporation
2021/01/20	Change Address
2021/03/28	Attorney for Service converted to Agent for Service

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/05/12
Time of Search: 11:32 AM
Search provided by: MCLENNAN ROSS LLP
Service Request Number: 35433994
Customer Reference Number: 20204585 CPR

Corporate Access Number: 2016199040
Business Number: 802121400
Legal Entity Name: 1619904 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2011/07/22 YYYY/MM/DD

Registered Office:

Street: 9716 - 45 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T6E5C5

Records Address:

Street: 9716 - 45 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T6E5C5

Email Address: I.RYU@JEONLAW.CA

Directors:

Last Name: CHOI
First Name: SUNG
Middle Name: SOO
Street/Box Number: 20174 - 68A AVENUE
City: LANGLEY
Province: BRITISH COLUMBIA
Postal Code: V2Y0B7

Last Name: YOON
First Name: HYOUNG JOON

Street/Box Number: 120-12160 HORSESHOE WAY
City: RICHMOND
Province: BRITISH COLUMBIA
Postal Code: V7A4V5

Voting Shareholders:

Legal Entity Name: P7 CONSTRUCTION LTD.
Corporate Access Number: 2116048493
Street: 12160 HORSESHOE WAY UNIT 120
City: RICHMOND
Province: BRITISH COLUMBIA
Postal Code: V7A4V5
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE.

Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION PASSED AT A DULY CONSTITUTED MEETING OF THE BOARD.

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: THERE SHALL BE NO RESTRICTIONS ON THE BUSINESS WHICH THE CORPORATION MAY CARRY ON.

Business Restricted From: THERE SHALL BE NO RESTRICTIONS ON THE BUSINESS WHICH THE CORPORATION MAY CARRY ON.

Other Provisions: SEE ATTACHED SCHEDULE.

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
HOLIDAY INN EXPRESS BONNYVILLE	TN16200313

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2020	2021/03/24

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2011/07/22	Incorporate Alberta Corporation
2012/01/16	Change Address
2015/03/03	Change Director / Shareholder
2020/02/20	Update BN
2021/03/24	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2011/07/22
Other Rules or Provisions	ELECTRONIC	2011/07/22


The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is **Exhibit "E"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta

MORTGAGE LAND TITLES ACT (Alberta)

(1) Mortgagor(s)/Borrower(s): P7 CONSTRUCTION LTD.			
(2) Address of Mortgagor(s)/Borrower(s): UNIT 305, 9940 LOUGHEED HWY, BURNABY, BRITISH COLUMBIA, V3J 1N3			
(3) How Property Held – Nature of Tenancy:		SOLELY	
(4) Mortgagee/Bank:		BUSINESS DEVELOPMENT BANK OF CANADA incorporated by Special Act of the Parliament of Canada, having its head office at the City of Montreal, in the Province of Quebec with business centres in the Province of Alberta. (sometimes referred to as the "Lender")	
(5) Address and Postal Code of Mortgagee: 10625 WEST SIDE DRIVE, SUITE 203, GRANDE PRAIRIE, ALBERTA, T8V 8E6			
(6) Legal Description of Mortgaged Land/Lands:			
PLAN 0625318 BLOCK 3 LOT 5 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.02 HECTARES (2.52 ACRES) MORE OR LESS			
(7) Principal Amount Secured/Amount of Secured Obligations/Principal Sum:		\$5,900,000.00	
(8) Payment Provisions:			
(a) Due Date	ON DEMAND		
(b) Interest Rate	floating base rate of the Lender announced from to time to time plus 10.00% per year	(c) Calculation Period	Monthly
(9) STANDARD FORM MORTGAGE			
The Mortgagor(s) acknowledges this charge/mortgage of land consists of the terms contained herein and is subject to the terms contained in the Standard Form Mortgage that was filed with the Registrar under the <i>Land Titles Act</i> in Alberta as number 112052406. The Mortgagor(s) acknowledge that he/she understand the nature of the foregoing statement and that the mortgage consists of the terms set out herein and the terms set out in the Standard Form Mortgage referred to herein.			
(10) ACKNOWLEDGMENTS			
The Mortgagor(s) acknowledge that: the Mortgagor(s) understands the nature of the statements set out in box 9 hereof, the Mortgagor(s) have been given a copy of the Standard Form Mortgage referred to in box 9 hereof, the Mortgagor(s) are the registered owner(s) of the land being mortgaged, and the Mortgagor(s) mortgage all of the Mortgagor(s) estate and interest in the lands described in box 6 hereof for the purposes of securing the payment of the principal amount, interest and all other amounts secured by this charge/mortgage.			
(11) ADDITIONAL PROVISIONS:			
Any additional terms and provisions are contained in Schedule "___" annexed hereto and forming part hereof.			
(12) EXECUTION			
The Mortgagor has signed this mortgage on <u>15</u> day of ^(P.C.) October <u>December</u> , 2011. <div style="text-align: center;">  P7 CONSTRUCTION LTD. </div>			
_____		PER: _____	
_____		PER: _____	

(13) AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

We, SANG EOCK YOON and SUNG SOO CHOI of _____, in the Province of _____
MAKE OATH AND SAY:

1. We are officers of P7 CONSTRUCTION LTD. named in the within or annexed instrument.
2. We are authorized by the Corporation to execute the instrument without affixing a corporate seal.

SWORN before me at the City _____)
of _____)
in the Province of Alberta)
this ____ day of October, 2011)

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

(14) AFFIDAVIT OF EXECUTION

- (1) THAT I was personally present and did see SANG EOCK YOON and SUNG SOO CHOI, named in the within instrument, who are personally known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
- (2) THAT the same was executed at the Town of _____ in the Province of Alberta and that I am a subscribing witness thereto.
- (3) THAT I know the said SANG EOCK YOON and SUNG SOO CHOI and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of Alberta)
this ____ day of October, 2011)
) _____
)
)

A Commissioner for Oaths In and For the Province of Alberta
A Notary Public In and For the _____ of _____

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

112052406

ORDER NUMBER: 41662874

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

STANDARD MORTGAGE TERMS

The following set of Standard Mortgage Terms are included in every Mortgage – *Land Titles Act* (Alberta) which refers to this set of terms by its filing number as provided in the *Land Titles Act*, R.S.A. 1980, as amended.

1. DEFINITIONS

"you" and "your" refers to the Borrower and "we" and "us" refers to the Lender.

"Borrower" means the person(s) who as Mortgagor(s) granted the Mortgage – *Land Titles Act* (Alberta) that refers to and incorporates these Standard Mortgage Terms.

"Lender" means the Mortgagee mentioned in the Mortgage – *Land Titles Act* (Alberta) that refers to and incorporates these Standard Mortgage Terms.

"Lands" means those lands and premises described in box 6 of the Mortgage – *Land Titles Act* (Alberta) that refers to and includes these Standard Mortgage Terms as well as the expanded definition in paragraph 5 in these Standard Mortgage Terms.

"Principal Sum" is the amount of money identified as the principal amount on the Mortgage – *Land Titles Act* (Alberta).

"Secured Obligations" means the aggregate of all indebtedness and obligations of the Borrower to the Lender as may arise pursuant to Article 2 of this mortgage.

"floating base rate" means the rate of interest declared from time to time and at any time by the Lender from its head office in Montreal, Quebec, as its floating base rate of interest charged on Canadian dollar loans to its commercial customers.

2. DEBT

You promise to pay to the Lender, at such business centre of the Lender as the Lender may direct, the aggregate of:

- (a) the Principal Sum outstanding from time to time;
- (b) all your other present or future debts, liabilities or obligations hereunder, or under any letter of offer, commitment letter, guarantee, or any other agreement, arrangement, document, or negotiable or other instrument, present or future, with or given to the Lender (including those in replacement of, and any amendment of, any of the foregoing, and including all future advances and re-advances, interest, and interest on overdue interest), whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatsoever nature or kind, whether or not provided for herein, and whether owed by you to the Lender, as principal, guarantor, indemnitor, surety or otherwise;
- (c) interest on the Principal Sum at an annual rate equal to the floating base rate of the Lender announced from time to time plus 10.00% per year, calculated monthly and payable monthly, both after as well as before maturity, default and/or judgment (the "Interest Rate") provided that if you and the Lender have agreed to a lower interest rate as to the Principal Sum or any particular Secured Obligation then that lower interest rate will apply thereto. In the absence of an agreement as to the interest rate applicable to any Secured Obligation the rate shall be the lesser of the Interest Rate and the highest rate of interest applicable to any of the Secured Obligations;

- (d) interest on interest past due at the Interest Rate and calculated in the same manner as interest on the Principal Sum; and
- (e) interest on each protective disbursement (as hereinafter defined) from the day the protective disbursement is made, at the Interest Rate and calculated in the same manner as interest on the Principal Sum;

3. READVANCES

It is our mutual intention that the Lender may wish to make advances and re-advances to you up to an aggregate outstanding balance at any time equal to the Principal Sum. Accordingly, this mortgage shall be considered to be a revolving line of credit mortgage within the meaning of, and shall take priority in accordance with the provisions dealing with same in, the *Land Titles Act* of Alberta. This mortgage is and shall be a continuing security to the Lender for the repayment of all present and future amounts owing in respect of the Secured Obligations. Any portion of the Principal Sum may be advanced or re-advanced by the Lender in one or more advances at any future date or dates and the amount of such advances and re-advances when so made shall be secured by this mortgage and shall be repayable with interest at the Interest Rate. This mortgage shall be deemed to be taken as security for the ultimate balance of the Secured Obligations. This mortgage shall not be void if the Secured Obligations have been repaid in full if such ability to borrow continues to be available to you. This mortgage shall be void only when the Secured Obligations have been repaid in full and the Lender gives written notice to you that you will not be allowed to borrow further monies and there has been performance of all covenants, provisos and conditions herein contained. Notwithstanding that this mortgage may be deemed to be a revolving line of credit mortgage, there shall be no right of prepayment except as provided elsewhere in this mortgage.

4. SECURITY

For the better securing to the Lender the repayment in the manner aforesaid of the Secured Obligations and for the performance of your other obligations under this agreement, you hereby mortgage and charge to the Lender all of your estate and interest in the Lands. This mortgage is granted in addition to, and not in substitution for, any other security held to secure payment of the Secured Obligations.

5. FIXTURES

In this mortgage the expression "the Lands" includes all fixtures and improvements, appurtenances, leasehold improvements and rights of way. All erections, buildings or improvements that now are or that shall hereafter be put or built upon the Lands shall be fixtures and be a part of the realty and form a part of this security even though not attached to the Lands otherwise than by their own weight and shall not be removed during the continuance of this mortgage. Fixtures shall include without limitation, all trade fixtures, all heating, ventilating, air conditioning, plumbing and electrical systems and equipment comprised in the Lands, all safes, cooking, refrigeration and washing equipment on or in the Lands, all telecommunication and telephone equipment serving the Lands, and all maintenance equipment used in connection with the Lands.

6. MORTGAGE OF LEASE

If your interest in the Lands is as a lessee, sub-lessee, licensee or sub-licensee (collectively a "lessee") of the whole or any portion of the Lands pursuant to a lease:

- (a) you hereby demise, sub-lease and mortgage your interest and the lease and any renewals, extensions or replacements of the lease to the Lender, by way of a sub-lease, except for the last day of the term of the lease (the "reversion") which is excepted out of the charge created by this mortgage but which shall be deemed to be held by you in trust for the Lender to be assigned or disposed of as the Lender or anyone claiming through the Lender may direct, and the Lender shall have power on any realization to appoint a new person as Trustee of the reversion;
- (b) if the lease cannot be effectively charged without consent, any charge intended to be created by this mortgage upon your interest in the lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such charge have been obtained or waived by all appropriate persons;

- (c) you represent to the Lender that the lease is valid and in good standing, in full force and effect and unsurrendered, you have the right to mortgage your interest and the lease to the Lender, all rents or other amounts payable under the lease have been paid and all other obligations under the lease, whether yours or the landlords, have been performed or complied with;
- (d) you will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by you under the lease, including payment of rent and the renewing of the lease;
- (e) you shall take no action or be guilty of any default which shall or may cause the lease to be terminated or forfeited, or, without the Lender's prior written consent, surrender or give any notice which would have the effect of terminating, or permitting the termination of, the lease;
- (f) you will promptly notify the Lender in writing of any default or of any condition that with or without the passage of time or the giving of any notice might result in a default under, or the termination of, the lease, and you will promptly cause a copy of each notice you receive under the lease to be delivered to the Lender;
- (g) in the event that you, at any time or from time to time, extend the size of the leasehold land herein or increases the size of your equity in the leasehold land or become registered as owner or entitled to become registered as owner of the full fee simple then the mortgage of the leasehold land shall become enlarged to be a mortgage of the increased size of the mortgaged premises or of the increased size of the equity or of the full fee simple, as the case may be;
- (h) you will not during the continuance of this mortgage, without the Lender's prior written consent, modify, alter or suffer or permit any modification or alteration of the lease and any such altered or modified lease shall be charged by this mortgage;
- (i) you will promptly obtain from the lessor under the lease and deliver to the Lender, a certificate stating that the lease is in full force and effect, is unmodified or modified as the case may be, that no notice of termination thereon has been served on you thereunder, stating the date to which the rent has been paid and stating whether or not there are any defaults thereunder and specifying the nature of such defaults, if any;
- (j) you shall not consent to the subordination of the lease to any mortgage of the interest of the lessor (or leasehold interest of the sub-lessor) thereof in the Lands; and
- (k) you will at the proper time and times take such proceedings, and make, do and execute such acts, deeds, matters and things as may be requisite for obtaining a renewal of the lease.

7. MORTGAGE OF CONDOMINIUM UNIT

If the Lands include a condominium unit:

- (a) you shall comply with, observe and perform all provisions of the applicable condominium legislation, its regulations and the by-laws, rules and regulations of the condominium corporation (the "Condo Corporation") of which you are a member by virtue of your ownership of the condominium unit hereby charged;
- (b) you shall pay, on or before the due date thereof, each and every fee, assessment, contribution, expense, fine or levy assessed by or on behalf of the Condo Corporation in respect of the Lands;
- (c) you will forward to the Lender within 10 days of our demand a certificate in any form required by the applicable condominium legislation certifying that no monies are owing by you to the Condo Corporation;

- (d) you agree that nothing done by the Lender in protecting its interests in the Lands, including without limiting the generality of the foregoing the Lender exercising your right to vote as provided in the applicable condominium legislation generally, shall render the Lender a mortgagee in possession;
- (e) if for any reason whatsoever you vote at any meeting of the Condo Corporation, you shall, if directed by the Lender, vote in such manner as the Lender directs with respect to each and every matter to be voted;
- (f) at least five days prior to each general meeting of the Condo Corporation, you shall deliver to the Lender written notice of the meeting specifying the place, date, hour and purpose of the meeting;
- (g) you hereby authorize any of the Lender's officers to apply at any time and from time to time during the term of this mortgage to the Condo Corporation to deliver to the Lender copies of all notices, financial statements and other documents given or available to you from the Condo Corporation; and
- (h) in the event of any occurrence or event whereby the Lender, acting reasonably, has determined that any act or the operation of the Condo Corporation is, has or will diminish the value of Lands as security for the Secured Obligations, the Lender shall be at liberty to demand immediate repayment of the Principal Sum.

8. MORTGAGE OF VENDOR'S INTEREST IN RIGHT TO PURCHASE

If your interest in the Lands includes the full fee simple subject to a right to purchase (in this clause called the "Right to Purchase"):

- (a) you transfer and assign to the Lender absolutely all of your right, title and interest in and to the Right to Purchase and the monies now and hereafter owing thereunder, together with the full benefit of all powers and all covenants and provisions in the Right to Purchase, and full power and authority to use your name for enforcing the performance of the covenants and other matters and things contained in the Right to Purchase;
- (b) you shall not accept any prepayment of the Right to Purchase other than in accordance with the terms thereof; provided that, if you are obliged to accept a prepayment, the amount thereof shall be paid to us as a prepayment on account of the Secured Obligations unless we waive such prepayment; and
- (c) we shall be under no obligation to commence action or take any proceeding or step to enforce the Right to Purchase and shall not be liable for any loss arising from any omission by us to take any such action, proceeding or step.

9. COVENANTS

You covenant with the Lender that:

- (a) you will keep all the Lands in good repair and shall not allow waste in respect of the Lands, not to allow the Lands to be or remain vacant and to immediately notify the Lender of any damage to the Lands;
- (b) you have good title in fee simple to the Lands, other than those lands that are expressed herein to be held in leasehold, and the right to convey the Lands as hereby conveyed;
- (c) you have done no act to encumber the Lands, except as set out herein;
- (d) you will execute or provide such further assurances as the Lender may reasonably require and shall do so at your expense;

- (e) you shall discharge any debt or obligation that may be the subject of a demand upon the Lender or an agent of the Lender in the event that the Lender enforces one of the remedies;
- (f) you shall pay all rents, taxes, rates, levies, assessments and impositions, government, municipal or otherwise which are now or may hereafter be levied, charged, assessed, imposed or payable against or in respect of the Lands, as and when due and produce to the Lender the receipts for those payments;
- (g) you will pay and discharge all claims and obligations to labourers, mechanics and material men and others and all other claims, debts and obligations which by the law of Canada or any Province thereof have or might have priority over the security hereby created, and produce to the Lender the receipts;
- (h) you, if a corporation, have taken all necessary corporate action to authorize the execution of this mortgage and to bind yourself to each of the terms of this mortgage and you shall maintain your corporate existence;
- (i) on default the Lender may enter and have quiet enjoyment of the Lands;
- (j) you shall do all acts necessary to give the Lender access from time to time to the Lands;
- (k) you shall carry on, in a proper business-like manner, the business or businesses you have represented to the Lender as being your present or prospective businesses, and shall maintain in good standing all necessary licenses, permits, approvals and consents, and shall comply with all laws, regulations and ordinances applicable to your business;
- (l) you will not change, or agree to any change of, the present use of the Lands without the Lender's prior express written consent; and.
- (m) you will not permit any of the following activities to occur on the Lands:
 - businesses that are sexually exploitive or that are inconsistent with generally accepted community standard of conduct and propriety, including those that feature sexually explicit entertainment, products or services;
 - businesses trading with countries that are proscribed by the Federal Government;
 - businesses which operate as a separate and sole entity nightclubs, bars, lounges, cabarets, casinos, discotheques and similar operations; or
 - businesses that are engaged in or associated with illegal activities.

You also agree that if your business or the business of a tenant of yours fails to comply with this paragraph at any time that will constitute an Event of Default. Any leases of the Lands you may, as landlord, enter into should have a clause to this effect.

10. EXPROPRIATION

If an early payout of the Secured Obligations is caused by any act of expropriation, including but not limited to expropriation proceedings or sale of the Land under the *Builders' Lien Act* of Alberta:

- (a) you hereby assign to the Lender such portion of any proceeds which becomes due and payable to you by an expropriating authority upon such expropriation equal to the difference, if any, between all Secured Obligations at the date of the expropriation, and the compensation payable or paid to the Lender for the expropriation of its interest in the Lands by the expropriating authority;

- (b) you shall forward to the Lender copies of any documentation relating to an expropriation or a proposed expropriation of the Land or any portion thereof forthwith upon receipt of the said documentation by it;
- (c) notwithstanding anything to the contrary contained herein, if you or the Lender receives notice of intention to expropriate in relation to the Lands, or any portion thereof, at the option of the Lender, the whole of the Secured Obligations (including principal, interest and compensation payments) under this mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired; and
- (d) service of a copy of this mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver proceeds to the Lender in accordance with the terms of the assignment contained herein.

11. ALTERATIONS

Except for any construction contemplated by this mortgage, you shall not make or permit to be made any additions or alterations to the Lands without the written consent of the Lender being first obtained; and you shall not use the Lands or permit the Lands to be used, without the Lender's written consent, for a purpose other than that disclosed to the Lender in the application for this mortgage. If, with the Lender's written consent, you commence work on the Lands, the following will apply:

- (a) You will carry on diligently to completion the construction of the development, and will complete such construction in compliance with the requirements of all municipal and other governmental authorities, laws, by-laws or regulations; and, when so required by the Lender, supply the Lender with confirmation from any such municipal or governmental authority of such compliance and confirmation from an independent engineer or architect as may be designated by the Lender that construction is being completed in accordance with such requirements; it being understood and agreed that the Lender, by reason of its approval of any Plans and Specifications shall not be liable to you or any third party for the safety, adequacy, soundness or sufficiency of the development or the Plans and Specifications;
- (b) If any part of the development remains unfinished and without any work being done for a period of ten consecutive days, the Lender may enter the Lands and do all work necessary to protect such work from deterioration and to complete the construction in such manner as the Lender may see fit, and any monies expended by the Lender pursuant to this paragraph shall constitute part of the Secured Obligations;
- (c) the Lender shall be entitled, at your expense, to inspect all aspects of the construction and make tests of materials and you will not cover any portion of the construction work requiring inspection by the Lender until the Lender has inspected the same and any defects in the construction or variation in construction as reported to the Lender by its consultants shall be promptly corrected by you to the satisfaction of the Lender;
- (d) You will pay, or cause to be paid as soon as the same are due, all claims and demands of contractors and materialmen and all wages, salaries, holiday pay, Workers' Compensation assessments or other charges of any nature or kind (hereinafter called "Charges") which could in any circumstances constitute a lien or charge having priority over this mortgage or any future advance on this mortgage and you will from time to time, on demand, provide the Lender with such books, payrolls or other records, receipts, certificates and declarations as the Lender may deem necessary to satisfy itself that such Charges have been paid as soon as the same are due; and
- (e) the Lender shall not be obliged to hold back advances or any portion of advances to provide the lien fund or other protection to you under the *Builders Lien Act* of Alberta; provided that if the Lender makes a holdback in a manner similar to the way the said Act provides for an owner to make holdbacks, then notwithstanding such holdbacks by the Lender, such holdbacks shall not constitute the lien fund under the said Act and the Lender shall not be a mortgagee authorized by the owner to disburse money secured by a mortgage as referred to in the said Act.

12. INSURANCE

While this mortgage is in effect you will:

- (a) maintain or cause to be maintained insurance on the Lands with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Lender may require;
- (b) cause the insurance policy or policies required by this mortgage to name the Lender as a loss payee as the Lender's interest may appear in respect of the Lands, include a standard mortgage clause as approved by the Insurance Bureau of Canada, and include a 30-day notice by the insurer to the Lender of any material change to the amounts or coverage of the policy or of its cancellation;
- (c) pay all premiums respecting such insurance, and deliver all policies to the Lender if required;
- (d) upon request, immediately assign, transfer and deliver over to the Lender each and every policy or policies of insurance and all receipts pertaining to same;
- (e) on the happening of any loss or damage to the Lands, immediately notify and furnish to the Lender, at your expense, all necessary proofs and do all necessary acts to enable the Lender to obtain payment of any insurance monies otherwise payable to you, but nothing shall limit the Lender's right to submit to the insurer a proof of loss on its own behalf; and
- (f) authorize and direct the insurer under any required policy of insurance to include the Lender as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by us to any insurer of a certified copy of this mortgage shall be its complete authority for so doing.

If you fail to maintain insurance as required, the Lender may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Lender considers necessary for the protection of the Lender's interest. If proceeds of any required insurance become payable, the Lender may, in its absolute discretion, hold such funds as security for the Secured Obligations, apply the proceeds to the Secured Obligations as the Lender sees fit or release any insurance proceeds to you to repair, replace or rebuild, but any release of insurance proceeds to you shall not operate as a payment on account of the Secured Obligations or in any way affect this mortgage or the charges created hereby. To ensure that we may apply such insurance monies in the manner herein contemplated, you also assign and release to us all of your rights to receive the insurance monies and expressly waive all your rights and benefits under the *Insurance Act* and the *Fire Prevention (Metropolis) Act 1774* each as amended or replaced from time to time.

13. ENVIRONMENTAL MATTERS

13.1 Definitions

For the purposes of this Article 13:

- (a) "Environmental/Hazardous Materials Claims" means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental/Hazardous Materials Laws, together with claims made or threatened by any third party against you or in respect of the Lands relating to the environment, health, safety, any Hazardous Materials or any Environmental/Hazardous Materials Laws;
- (b) "Environmental/Hazardous Materials Laws" means laws, by-laws, rules, ordinances, regulations, notices, approvals, orders, licenses, permits, standards, guidelines and policies from time to time of an Environmental Authority relating to the environment, health, safety or any Hazardous Materials;
- (c) "Hazardous Materials" means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which is prohibited, controlled or licensed under any Environmental/ Hazardous Materials Laws, or the remediation or release of which into

the environment is likely, immediately or in the future, to cause harm or degradation to any of the Lands or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls;

- (d) "Environmental Authority" means any level of government or other authorized agency relating to the environment, health, safety or any Hazardous Materials with appropriate jurisdiction over the Lands or your activities or both, as the case may be; and
- (e) "Environmental Risks" means any risk of liability, culpability or obligation of remediation under Environmental/Hazardous Materials Laws applicable to either or both the Lands or yourself.

13.2 Environmental Representations

You represent, warrant, covenant and promise to the Lender that:

- (a) the Lands are free of any and all Environmental Risks and you are not aware of any Environmental Risks which have not been disclosed to the Lender and approved by the Lender in writing;
- (b) the Lands do not contain any Hazardous Materials whatsoever, and no Hazardous Materials have ever been released into the environment as a result of any of the activities conducted on the Lands;
- (c) you possess and will maintain all environmental licences, permits and other approvals from Environmental Authority as may be necessary for the continued conduct of your business. All operations on the Lands are and will be kept in compliance with all such environmental licences, permits and other approvals, and Environmental/Hazardous Materials Laws and, all future usage of the Lands will be limited to environmentally acceptable activities in compliance with all Environmental/Hazardous Materials Laws, it being agreed without limiting the generality of the above, you will not install in, on or under the Lands storage tanks for any Hazardous Materials without the Lender's prior written consent and only upon full compliance with the Lender's requirements and the standards and requirements of all boards and governmental authorities having jurisdiction over the Lands and your activities and assets;
- (d) you will advise the Lender immediately upon becoming aware of any Environmental Risks;
- (e) there are no claims, actions, investigations, liens, prosecutions, notices, work orders, control orders, stop orders or directives, written or oral ("Orders") of any kind issued or pending by any Environmental Authority with respect to any of your activities, or any of your property, past or present, as they relate to any and all Environmental/Hazardous Materials Laws; and there are no circumstances, current or contemplated, which might give rise to such Orders and you will provide the Lender with copies of all communications from or to any person relating to Environmental/Hazardous Materials Laws and any Environmental/Hazardous Materials Claims in connection with the Lands that become known to you, and all environmental studies or assessments prepared for you, and you consent to the Lender contacting and making enquiries of environmental officials or assessors;
- (f) you have an environmental emergency response plan and all your officers and employees are familiar with that plan and their duties under it. You will ensure your staff is trained as required for such purpose and for all purposes relating to the use, handling and storage of Hazardous Materials; and
- (g) you will from time to time and at any time required by the Lender, provide evidence satisfactory to the Lender that you and the Lands are compliant with all Environmental/Hazardous Materials Laws, and, if the Lender considers it necessary, cause such inspections, reports and audits and provide the results thereof to the Lender as it may require. You shall pay the entire cost of any such inspections, reports and audits of the Lands, and such inspections, reports and audits shall be performed by a duly licensed engineer acceptable to the Lender. The scope of any environmental audit shall be at the Lender's sole discretion, and the auditor performing or

conducting the environmental audit shall be granted full access to the Lands to perform or conduct any testing or investigation deemed necessary by the auditor in the auditor's sole discretion.

13.3 Environmental Repair

You will, at your sole cost and expense, comply, and cause all of your tenants, agents and invitees to comply, with all Environmental/Hazardous Materials Laws and with all permits and licenses issued by any Environmental Authority with respect to the storage, discharge and removal of Hazardous Materials, and you shall pay, immediately when due, the cost of removal of any such Hazardous Materials. You shall pay the cost of any improvements necessary to deal with such Hazardous Materials and shall keep the Lands free and clear of any lien imposed pursuant to any law including all Environmental/Hazardous Materials Laws. If you fail to do so, the Lender may, after notice to you and the expiration of the earlier of:

- (a) any applicable cure period under this mortgage charge; or
- (b) the cure period under the applicable law, rule, regulation or order;

without any responsibility or liability in connection therewith, enter upon the Lands and do the work required and the cost thereof will be added to the Secured Obligations and become immediately due and payable, or alternatively at the option of the Lender, may declare this mortgage to be in default.

13.4 Environmental Assessments and Audits

It is expressly understood that the Lender has no responsibility to monitor your compliance or to take any action in the event of non-compliance. You will provide to the Lender copies of any and all environmental reports or studies in respect of the Lands that you receive or possess from time to time.

13.5 Exclusion of Liability

No action taken by the Lender in doing remedial work or repairs or in conducting assessments, audits, appraisals or inspections as provided in this Article shall constitute the Lender as a mortgagee in possession and the Lender by taking any such action shall not be considered to have care, management or control of the Lands; it being expressly understood that you have complete responsibility to ensure compliance with all Environmental/Hazardous Materials Laws and the Lender's right to monitor such compliance shall not be construed as a responsibility to ensure such compliance.

13.6 Indemnity

You hereby indemnify the Lender, its officers, directors, employees, agents, shareholders and members, and agrees to hold each of them harmless, from and against any and all losses, liabilities, damages, costs, demands, expenses and claims of any and every kind whatsoever relating to any breach or non-compliance with Environmental/Hazardous Materials Laws by yourself or by your directors, officers, servants, agents, tenants or invitees, or relating to any Hazardous Materials handled, placed, held, located or disposed of on or in the Lands or related to any claims or proceedings (whether by civil action or related to any enforcement or recovery action under statute or regulation) for injury or damage to person or property from or relating directly or indirectly to the use, presence, handling, disposal, escape or release of any Hazardous Materials on or from the Lands. Such indemnity includes, without limitation, indemnity against:

- (a) all costs (including legal expenses on a solicitor and his own client basis) of defending, counterclaiming and/or claiming against you or any third parties in respect of any such action or matter;
- (b) all costs of every kind and nature whatsoever incurred by the Lender directly in order, either, to comply with Environmental/Hazardous Materials Laws or to remediate the Lands to comply with Environmental/Hazardous Materials Laws; and
- (c) any and all costs, liabilities, claims or damages arising out of a settlement of any action entered into by the Lender with or without your consent, which at any time or from time to time may be paid, incurred or asserted against any of the parties indemnified hereby for, with respect to, or as a

direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the Lands or into or upon any land, the atmosphere, or any water course, body of water or wetland, of any Hazardous Materials.

This indemnity shall survive foreclosure or judicial sale (including the process of judicial sale known in Alberta as a "Rice Order") of the Lands and any other exercise of the Lender's rights hereunder or under any security collateral hereto.

14. POWERS AND PROTECTIVE DISBURSEMENTS

the Lender and any of its agents, may at such time and from time to time, as the Lender deems necessary and without the concurrence of any person, enter upon any part of the Lands and make arrangements for completing the construction, repairing or putting in of improvements, or for inspecting, appraising, taking care of, leasing, collecting the rents of, and generally managing any or all of the Lands, as the Lender may deem expedient, and the Lender may, without notifying you, purchase any material or service and make any payments to preserve, protect or enhance the Lands or to remedy any default by you in respect of any promise or covenant contained in this mortgage and, without restricting the generality of the foregoing, the Lender may:

- (a) retire fees, expenses and borrowings of a receiver;
- (b) acquire insurance against direct damage, liability to third parties or any other risk associated with the Lands on such terms and at such limits as the Lender may find advisable;
- (c) discharge any lien, mortgage or encumbrance which, in the opinion of the Lender, has priority over this mortgage;
- (d) improve the title of the Lender or of any purchaser of the Lands who purchases them through a sale having the effect of foreclosing your interest in the Lands or who purchases them from the Lender after the your interest in the Lands has been foreclosed;
- (e) discharge any debt or obligation which the Lender may find should be discharged in order to better market, sell or protect the Lands;
- (f) cause the Lands to be inspected, investigated (including environmental audits), appraised, surveyed or subdivided;
- (g) cause your books and records to be audited and the financial health of your business to be investigated;
- (h) retire the fees, commissions or expenses of any agent retained by the Lender to market the Lands;
- (i) retire all costs and expenses, including legal fees on a solicitor and his own client basis, in relation to the preparation, execution and delivery of this mortgage and any amendment or discharge of it, in relation to the collection of any amount due hereunder and in relation to the enforcement of any remedy including the actual fees and expenses of solicitors on a solicitor and his own client basis who act on behalf of the Lender in proceedings for the appointment of a receiver, foreclosure, foreclosure and sale, judicial sale, sale by power of sale or possession of the Lands;
- (j) pay the fees and expenses of your trustee in Bankruptcy, should the Lender determine to make itself liable for such;
- (k) retire all costs and expenses including fees on a solicitor and his own client basis in respect of any suit concerning this mortgage, any lands that may be mortgaged hereunder, the Lender's title to the Lands, or the priority of the Lender's interest in the Lands;
- (l) cause any environmental rehabilitation, investigation, removal or repair necessary to protect, preserve or remediate the Lands; and

- (m) contact and make inquiries of the your lessors/lessees, as well as environmental officials, assessors, municipal authorities and any taxing body.

A purchase or payment mentioned in this clause is referred to in this mortgage as a "protective disbursement". the Lender is not obliged to make any protective disbursement. All protective disbursements, including solicitor and his own client fees and expenses upon foreclosure and sale, are secured by this mortgage and are payable out of the proceeds of the exercise of any remedy notwithstanding that the Lender's liability for the protective disbursement arises after or is discharged after a sale of the mortgaged property.

15. EVENTS OF DEFAULT

The occurrence of any of the following events will constitute an Event of Default:

- (a) if you fail, or threaten to fail, to observe or perform any covenant, agreement, condition or obligation in the Lender's favour, whether or not herein contained, including your failure to pay or perform any of the Secured Obligations when due;
- (b) if any representation, warranty or statement made to the Lender either by yourself or on your behalf and whether or not contained herein or elsewhere, is not or ceases to be true;
- (c) if you, or any other person (the "obligant") liable, in respect of any of the Secured Obligations, ceases or threatens to cease to carry on business, as the case may be, or any material part thereof or to sell all or substantially all of your or the obligant's assets, or becomes insolvent or files a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation, or if a petition is filed, an order is made, a resolution is passed, or any other step is taken for your, or the obligant's, bankruptcy, liquidation, dissolution, winding-up or reorganization or for any arrangement or composition of debts or any protection from your or the obligant's creditors;
- (d) if you are in default under any other charge of the Lands or under any indebtedness other than Secured Obligations, or if you permit the acceleration of any indebtedness (other than Secured Obligations) that you may owe to any creditor other than the Lender;
- (e) if a Receiver, trustee or similar official of any of your property is appointed;
- (f) if you are a corporation and any member or shareholder commences an action against you or gives you notice of dissent in accordance with the provisions of any applicable legislation;
- (g) the holder of any other charge on, or claim against, any of the Lands does anything to enforce or realize on such charge or claim, or any execution, sequestration, or other process becomes enforceable against you, or if a distress, seizure or similar process is levied upon or exercised against any of the Lands;
- (h) if the lessor under any lease to you of any of the Lands takes any step to or threatens to terminate such or otherwise exercise any of its remedies under such lease as a result of any default or alleged default on your part under such lease;
- (i) if any of the Lands are destroyed, substantially damaged, expropriated, or designated or considered for designation as a contaminated site;
- (j) if any permit, licence, certification, quota or order granted to you or held by you is cancelled, reduced or revoked, or any order against you is enforced, with the effect of preventing your business from being carried on for more than five days or materially adversely changing the condition (financial or otherwise) of your business;
- (k) if you sell, transfer, convey, lease, assign, release, surrender or otherwise dispose of or part with possession of any of the Lands or agree to do so;

- (l) if you are in arrears of payment to any taxing authority;
- (m) if you cause or allow hazardous materials to be brought upon the Lands or incorporated into any of your assets without the Lender's prior consent, or if you cause, permit or fail to remedy any environmental contamination upon, in or under the Lands or fails to comply with any abatement or remediation order given by a responsible authority;
- (n) if you use any of the monies advanced hereunder for any purpose other than as declared to and agreed upon by the Lender;
- (o) if the Lender deems itself insecure or believes that the assets secured hereby are in danger of loss, damage or misuse; or
- (p) if there is any Event of Default or deemed Event of Default pursuant to this mortgage.

Upon the occurrence of an Event of Default, at the option of the Lender, without notice to you, this mortgage and the Lender's other security, if any, shall immediately become enforceable and all of the Secured Obligations remaining unpaid shall become due and payable. If, in respect of a default, the Lender chooses not to exercise any of the remedies given to it or waives its right to call in the balance of the loan, such does not constitute a waiver of the Lender's rights under this clause in respect of any other default.

16. NOTICE RESPECTING DEFAULT AND ENFORCEMENT

the Lender may exercise any remedy or remedies immediately upon the occurrence of an Event of Default, without making a demand for payment or giving time for payment or notifying you of the Lender's intention to exercise the remedy or remedies. If the Lender chooses to notify you of such an intention or to demand payment, it shall not thereby be taken to have waived its rights under this clause or to have subjected itself to a duty to give reasonable notice to you respecting the Lender's intention or to you reasonable time for payment.

17. ENFORCEMENT

17.1 Enforcement. Upon the occurrence of an Event of Default the Lender may declare any or all of the Secured Obligations immediately due and payable, and the Lender's security will immediately become enforceable. To enforce and realize on the charges created hereby we may take (or refrain from taking) any action permitted by law or in equity as we may deem expedient, including any of the following:

- (a) enter upon, take possession of, occupy, use, preserve and protect the Lands, with power to exclude you, your agents and employees therefrom and may inspect, use, operate, manage, lease and control the Lands and conduct the business thereof;
- (b) maintain, repair, replace and complete any development of the Lands in accordance with existing plans or otherwise as the Lender, in its our absolute discretion, may determine;
- (c) collect all assigned rents and other assets the Lender holds as security for the Secured Obligations;
- (d) sell, lease or otherwise dispose of all or part of the Lands and other assets of yours over which the Lender holds security, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions as the Lender may consider reasonable, provided that if any sale, lease or other disposition is on credit you will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received. No purchaser shall be bound to inquire into the legality or propriety of any such sale or be affected by notice of any irregularity or impropriety. the Lender may take sale proceedings hereunder even if other mortgage proceedings have been taken or are pending;
- (e) exercise any or all of your rights and remedies in respect of the Lands;

- (f) as your agent, appoint by instrument a Receiver of the Lands and of all your properties, assets, effects and undertakings related to or arising out of the Lands with or without bond as the Lender may determine, and in the Lender's absolute discretion and from time to time, remove any Receiver so appointed and appoint another in its stead, but the Lender shall be under no liability for the remuneration, acts or omissions of the Receiver, its employees and agents;
- (g) exercise any other rights and remedies under this mortgage; or,
- (h) exercise any other right and power a Receiver could exercise.

the Lender shall not be liable for any debts the Lender contracts during enforcement of this mortgage, for damages to persons or property, salaries or non-fulfillment of contracts during any period when the Lender takes any action referred to above, for any misconduct, negligence or misfeasance by us, or any employee or agent of ours, and neither the provisions of this mortgage nor the exercise of any of the powers provided in this mortgage shall render us a mortgagee in possession, and we shall not be accountable except for the monies we actually receive. You waive any provision of law which may be waived which imposes any greater obligations on us than described above.

17.2 Receiver. A Receiver appointed pursuant to this mortgage shall be your agent and not ours, and, to the extent permitted by law or its appointment, shall, in our discretion, have all of our rights and powers (including those under this mortgage), including the power to:

- (a) take possession of and enter upon the Lands;
- (b) sell or lease or concur in selling or leasing of the Lands;
- (c) make any arrangement or compromise which it shall think expedient;
- (d) carry on, or concur in the carrying on of, any development then in progress or otherwise contemplated by you with respect to the Lands or your business relating to the Lands and for such purposes from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of the Lands, such security may rank before or *pari passu* with or behind this mortgage; and
- (e) commence, continue or defend proceedings in the name of the Receiver or in your name, which the Receiver considers necessary or advisable for the proper protection of the whole or any portion of the Lands or the enforcement of this mortgage.

We may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the proceeds of the receivership. The rights and powers conferred by this paragraph are in addition and not in substitution for any right we may from time to time possess.

17.3 Application of Proceeds. Any money from time to time received by the Receiver shall, subject to the claims of creditors, if any, which are secured by any Charges ranking in priority to this mortgage, be paid, subject to our direction otherwise, by it **Firstly**, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by it, **Secondly**, in or towards payment to us of the amounts comprised in the Secured Obligation in such manner and order as we shall, in our absolute discretion, deem advisable, and **Thirdly**, any surplus shall be paid to you provided that in the event any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or any portion of the surplus as the Receiver deems appropriate in the circumstances.

17.4 Appointment of Attorney. You irrevocably appoint us or the Receiver, as the case may be, with full power of substitution, as your attorney for and in your name to do everything necessary or incidental to the exercise of any or all of the powers conferred on us or the Receiver, as the case may be, pursuant to this mortgage.

18. LIABILITY RESPECTING ENFORCEMENT OF SECURITY

Once the Lender has determined to exercise a remedy or remedies, it may deal with and dispose of the Lands as the Lender may see fit and neither you nor those claiming by, though from or under you shall maintain any action, advance any claim or rely on any set-off by reason of the order of enforcement of remedies against parts of the Lands, the abandonment or discharge of the Lands or part of them, the Lender's failure to maintain or insure the Lands, the Lender's failure to secure an adequate price for the Lands or anything relating to the manner in which the Lands are dealt with or disposed of (in this clause "the Lender" includes the receiver).

Further, the Lender may, in its sole discretion, realize on various securities (including this mortgage) and any parts thereof in any order that the Lender considers advisable and no realization or exercise by the Lender of any power or right under this mortgage or other security shall in any way prejudice any further realization or exercise until all Secured Obligations are satisfied. All rights and remedies available to the Lender are cumulative and not restrictive of remedies at law and in equity and by statute.

19. RELEASES

You are and will not be released from any your obligations to pay the Secured Obligations nor is any security held to secure the Secured Obligations released by reason of the Lender releasing any person who may be obligated to pay the Secured Obligations or any part of them, or by reason of the Lender releasing any security held to secure payment of the Secured Obligations. the Lender is only accountable for money actually received by it in consideration of the release of any person or security.

20. INDULGENCES

the Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compromise, make settlements, grant releases and discharges, refrain from registering or maintaining registration of charges, and otherwise deal with you, any other obligant, your other creditors, sureties and other persons and with the Lands and other security, all as the Lender sees fit in its absolute discretion and without prejudice to your liability or the Lender's rights or remedies. You agree that you will not be released nor your liability in any way reduced because the Lender has done, not done, or concurred in doing or not doing, anything whereby a surety would or might be released in whole or in part.

21. ASSIGNS

This mortgage is binding upon you and your successors, assigns, heirs, executors and administrators and is granted to and for the benefit of the Lender, its successors and its assigns.

22. BORROWER AUTHORITY

You hereby represent and warrant to the Lender that you are duly and appropriately authorized and empowered to grant this mortgage, incur the Secured Obligations and observe, adhere to and perform (as the case may be) all of your obligations, promises and covenants under this mortgage without either breach or default under any other obligation (whether imposed by law or by contract) or promise made by you or any further consent or approval of any person, party, authority or regulator; and, further, that this mortgage constitutes a valid and binding obligation on your part to the Lender.

23. GENDER AND NUMBER

The use in this mortgage of the neuter gender includes the masculine and the feminine; the use of the plural includes the singular; the use of the singular includes the plural.

24. FURTHER ASSURANCES

You shall execute and deliver to the Lender upon request any further or additional documentation which the Lender in its sole discretion deems necessary to give full effect to this mortgage and each and every provision contained in this mortgage.



112052406

112052406 REGISTERED 2011 02 24
MORS - STANDARD FORM MORTGAGE
DOC 1 OF 1 DRR#: E00D2FD ADR/DALBONIG
NO LAND AFFECTED

This is **Exhibit "F"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta

MORTGAGE AMENDING AGREEMENT

This Agreement made effective as of the 17 day of **March, 2015** (the "Effective Date")

BETWEEN:

P7 CONSTRUCTION LTD., with offices at Unit 305, 9940 Lougheed Hwy, Burnaby, BC V3J 1N3 (the "**Mortgagor**")

- and -

BUSINESS DEVELOPMENT BANK OF CANADA, incorporated by Special Act of the Parliament of Canada, having its head office at the City of Montreal, in the Province of Quebec, with a branch office at 10625 West Side Drive, Suite 203, Grande Prairie, AB T8V 8E6 (the "**Mortgagee**")

WHEREAS by a certain mortgage (the "Mortgage") dated the 15th day of December, 2011 and registered in the Alberta Land Registration District at Edmonton, Alberta on the 20th day of December, 2011 as Instrument Number 112 409 607, the Mortgagor granted and mortgaged to the Mortgagee, upon the terms therein mentioned, the following lands:

**PLAN 0625318
BLOCK 3
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.02 HECTARES (2.52 ACRES) MORE OR LESS**

(which above described lands with the buildings and improvements now or hereafter located thereon are herein collectively called the "Lands") to secure an amount not to exceed the sum of \$5,900,000.00, and interest as therein mentioned;

AND WHEREAS it has been agreed between the parties that the Mortgage be amended as hereinafter set forth;

NOW THEREFORE IN CONSIDERATION of continuation of the credit extended by the Mortgagee to the Mortgagor and in consideration of the sum of \$1.00, the receipt of which is acknowledged by the Mortgagor, and in consideration of the premises and the mutual covenants herein contained and in consideration of the Mortgagee agreeing to the amendments set forth herein, IT IS HEREBY DECLARED AND AGREED as follows:

1. This Mortgage Amending Agreement (this "Agreement") is effective as of the Effective Date.
2. On the Effective Date the maximum Principal Amount Secured and payable under Item 7 of the Mortgage is amended to \$7,600,000.00.
3. That wherever they appear in the Mortgage the figures "\$5,900,000.00" be amended to read "\$7,600,000.00".
4. For securing repayment of the amounts secured by the Mortgage as herein amended, the Mortgagor hereby mortgages and charges to and in favour of the Mortgagee as and by way of a fixed and specific mortgage and charge, all of the Mortgagor's estate, right, title and interest in the Lands.

5. This Agreement will be read and interpreted with the Mortgage and will be treated as part of it. For such purpose and to the extent necessary to give effect to this Agreement, the Mortgage will be regarded as being amended and the Mortgage so amended, together with all the remaining conditions and covenants in it, will remain in full force and effect.

6. All terms, conditions and provisions contained in the Mortgage which call for performance by the Mortgagor will be considered covenants and the use of either the word "will" or the word "shall" will have the same mandatory meaning, requiring performance by the Mortgagor.

7. The Mortgagor will be responsible for and will pay when rendered all fees and disbursements of the Mortgagee including, without limitation, legal fees as between a solicitor and his own client on a full indemnity basis in connection with the preparation and registration of this Agreement and all other work related to it or to the Mortgage as amended in this Agreement.

8. Nothing in this Agreement and no act or omission of the Mortgagee in respect of it will in any way prejudice the rights, remedies or powers of the Mortgagee with respect to the Mortgage. Neither this Agreement nor anything contained in it will constitute a novation of the Mortgage.

9. All covenants, clauses, agreements, provisos, stipulations, conditions, powers, matters, and things whatsoever contained in the Mortgage shall continue in force and apply except as to the amended terms as set forth herein.

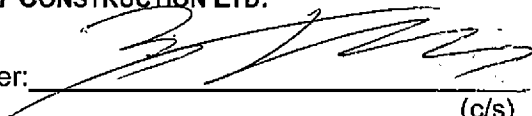
10. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto respectively and wherever the singular and masculine gender are used throughout this Agreement, the same shall be construed as meaning the plural or the feminine gender or a body corporate where the context so requires, and all covenants shall be deemed to be joint and several.

11. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. It shall not be necessary that any single counterpart hereof be executed by all parties to this Agreement so long as at least one counterpart is executed by each such party. For the purposes of this Agreement any person who has acknowledged in writing that he has signed a counterpart of this Agreement shall be conclusively deemed to have executed same.


IN WITNESS WHEREOF the Mortgagor and the Mortgagee have executed this Agreement effective as of the date first above written.



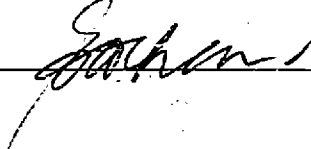
Witness
JUDY J. PARK
Barrister & Solicitor
207 - 4885 Kingsway
Burnaby, BC V5H 4T2
Tel: 604-433-0787

P7 CONSTRUCTION LTD.
Per: 

(c/s)

BUSINESS DEVELOPMENT BANK OF CANADA
Per:  **VIVIAN WEI MCCORMICK**

COUNSEL

Per: 

c/s
ERIKA AYUMI CHAN
LEGAL ASSISTANT

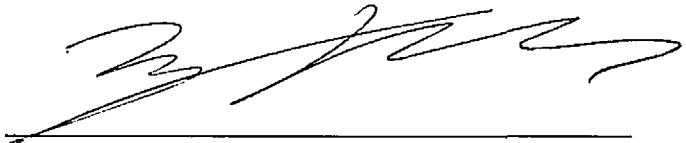
LAND TITLE ACT
(SECTION 152.3)

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

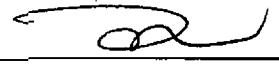
I, SUNG SOO CHOI, of the City of Burnaby, in the Province of British Columbia, **MAKE OATH AND SAY THAT:**

1. I am an officer and director of **P7 CONSTRUCTION LTD.** named in the within Mortgage.
2. I am authorized by the Corporation to execute the Mortgage without affixing a corporate seal.

SWORN BEFORE ME at the City)
of Burnaby, in the Province of)
British Columbia, this 17)
day **March, 2015.**)



SUNG SOO CHOI



JUDY J. PARK
Barrister & Solicitor
A Notary Public in and for the Province of British Columbia
207 - 4885 Kingsway
Burnaby, BC V5H 4T2
Tel: 604-433-0787

AFFIDAVIT OF EXECUTION

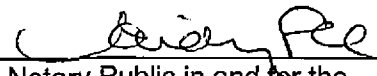
CANADA) I, JUDY J. PARK Barrister and
PROVINCE OF BRITISH COLUMBIA) Solicitor, of the City of Burnaby,
TO WIT) in the Province of British Columbia
) **MAKE OATH AND SAY THAT:**

1. I was personally present and did see SUNG SOO CHOI named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.
2. The same was executed at the City of Burnaby, in the Province of British Columbia, and that I am the subscribing witness thereto.
3. I know the said SUNG SOO CHOI and in my belief he is of the full age of 18 years.

SWORN BEFORE ME at the City)
of Burnaby, in the Province of)
British Columbia, this 18)
day **March, 2015.**)



JUDY J. PARK



A Notary Public in and for the Province of British Columbia

CINDY A.S. LEE
Barrister & Solicitor
403 - 4885 KINGSWAY
BURNABY, B.C. V5H 4T2
PHONE: 604-688-8007 FAX: 1-888-830-7878

This is **Exhibit "G"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta



GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated ^{R.C.}~~October~~ 15, 2011.

December

FROM:

P7 CONSTRUCTION LTD.

(the "Borrower")

TO:

BUSINESS DEVELOPMENT BANK OF CANADA, incorporated by Special Act of the Parliament of Canada, and having its head office in Montreal, Quebec, with a business centre at 10625 West Side Drive, Suite 203, Grande Prairie, Alberta, T8V 8E6

("BDC")

1. SECURITY INTEREST

(You, as the Borrower, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking and real property interests. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Borrower:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is hereinafter collectively called the "Intellectual Property");
 - (vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule A attached to this Security Agreement;
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Borrower's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the "Real Property") and excluding the personal property described in Clause 1.1(a); and
 - (ii) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property and real property interests are subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Borrower shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Borrower's consumer goods are excepted out of the Security Interests; provided that for the purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Borrower.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Borrower agrees that the Security Interests attach upon the signing of this Security Agreement (or in the

case of after acquired property, upon the date of acquisition), that value has been given, and that the Borrower has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Borrower confirms that there has been no agreement between the Borrower and BDC to postpone the time for attachment of the Security Interests and that it is the Borrower's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Borrower acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that monies advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Borrower or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Borrower to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Borrower to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Borrower's obligation and liability under any contract or guarantee now or in the future in existence whereby the Borrower guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Borrower to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Borrower represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Borrower has provided a written memorandum to BDC accurately setting forth all prior names under which the Borrower has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good

standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Borrower is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Borrower, in which a decision adverse to the Borrower would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Borrower; and the Borrower agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations; property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Borrower;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Borrower has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Borrower, if the Borrower is a corporation, or, if the Borrower is a partnership, of the partners of the Borrower, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Borrower's obligations valid and there is no restriction contained in the constating documents of the Borrower or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Borrower to borrow money or give security; and
- (k) the Borrower's place(s) of business and chief executive office are correctly described in Schedule A.

7. COVENANTS OF THE BORROWER

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Borrower covenants with BDC that while this Security Agreement remains in effect the Borrower will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;

- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) promptly pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Borrower shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter or the Loan Agreement between BDC and the Borrower including, without limitation, inspection, administration and returned cheque handling fees;
- (g) promptly pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Borrower, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Borrower's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) any sums BDC pays as fines, clean up costs because of contamination of or from your assets. Further you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defence costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;
 - (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and*

Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act (Canada)*;

- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Borrower, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Borrower respecting any Accounts;
 - (v) any claims against the Borrower including claims in respect of the Intellectual Property or of any actions taken by the Borrower to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Borrower of Collateral that was disposed of by the Borrower; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Borrower's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Borrower will render all assistance necessary;
- (m) permit and does consent to BDC contacting and making enquiries of the Borrower's lessors as well as assessors, municipal authorities and any taxing body;
- (n) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (o) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
- (iii) all financial statements prepared by or for the Borrower regarding the Borrower's business;
- (iv) such information concerning the Collateral, the Borrower and the Borrower's business and affairs as BDC may reasonably require;
- (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (q) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (r) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Borrower under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Borrower and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Borrower covenants that while this Security Agreement is in effect the Borrower shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if required.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Borrower to repair, replace or rebuild, but any release of insurance proceeds to the Borrower shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Borrower will promptly, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Borrower's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Borrower authorizes and directs the insurer under any required policy of insurance to include the name

of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Borrower fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Borrower will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2;
- (c) where the Borrower is a corporation:
 - (i) issue, purchase or redeem its shares;
 - (ii) change its voting control;
 - (iii) permit any of its shareholders to sell, transfer or dispose of its shares;
 - (iv) declare or pay any dividends on any of its shares; or
 - (v) repay or reduce any shareholders loans or other debts due to its shareholders;
- (d) change its name, merge with or amalgamate with any other entity.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Borrower will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 So long as the Borrower is not in default under this Security Agreement the Borrower may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Borrower holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Borrower fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Borrower to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Borrower, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Borrower in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Borrower shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Borrower and BDC in any of the following events:

- (a) the Borrower defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Borrower is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Borrower to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Borrower or a guarantor of the Borrower declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared Bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Borrower or a guarantor of the Borrower; or
- (f) the Borrower or a guarantor of the Borrower ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its

assets; or

- (g) distress or execution is levied or issued against all or a part of the Collateral; or
- (h) if the Borrower is a corporation and any member or shareholder:
 - (i) commences an action against the Borrower; or
 - (ii) gives a notice of dissent to the Borrower in accordance with the provisions of any governing legislation; or
- (i) if the Borrower is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Borrower uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Borrower creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Borrower enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Borrower is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Borrower of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Borrower; or
- (p) the Borrower causes or allows hazardous materials to be brought upon any lands or premises occupied by the Borrower or to be incorporated into any of its assets, or the Borrower causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Borrower is cancelled, revoked or reduced, as the case may be, or any order against the Borrower is enforced, preventing the business of the Borrower from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Borrower's business; or
- (r) if an individual, the Borrower dies or is declared incompetent by a court of competent jurisdiction.

14.2 The floating charge created by this Security Agreement over Real Property shall become a fixed charge upon the earliest of:

- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
- (b) BDC taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to BDC repayment of the Obligations the Borrower mortgages to BDC all of the Borrower's estate and interest in the Real Property.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 If the Borrower is in default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Borrower's premises at any time and take possession of the Collateral with power to exclude the Borrower, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Borrower will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Borrower and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Borrower's business and to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Borrower's creditors or a proposal on behalf of the Borrower under the *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Borrower for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Borrower ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor

and its own client basis) incurred by BDC respecting or incidental to:

- (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
 - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
 - (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

- 16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Borrower of any obligations or covenants imposed upon the Borrower nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Borrower waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.
- 16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Borrower or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.
- 16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Borrower, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to the Borrower and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral. The Borrower shall not be released nor shall its liability be in any way reduced because BDC has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.
- 16.4 Notwithstanding anything to the contrary in any security held by BDC for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. BDC in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.
- 16.5 Any right of BDC and any obligation of the Borrower arising under any other agreements between BDC and the Borrower shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security

Agreement. The obligation, if any, of the Borrower to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter or Loan Agreement with the Borrower shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Borrower and any legal fees, commitment fees, standby fees or administration fees owing by the Borrower shall be secured by the Collateral.

- 16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Borrower shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Borrower now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Borrower shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that BDC may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Borrower irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Borrower for and in the name of the Borrower to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Borrower is obliged to sign, endorse or execute and generally to use the name of the Borrower and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall survive any mental infirmity of the Borrower subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Borrower to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Borrower to remedy any default without waiving the default so remedied. BDC may at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given

in writing by one party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

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

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Borrower or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Security Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Borrower or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Borrower and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Borrower, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Borrower agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Borrower will not assert as a defense, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Borrower to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Borrower shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Borrower and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Borrower shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Borrower, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Borrower represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will not install on or under any land mortgaged to BDC storage tanks for petroleum products or any hazardous substance without BDC's prior written consent and only upon full compliance with BDC's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Borrower's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Borrowers and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the jurisdiction in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in Subclause 29.1(b). For enforcement purposes, the Borrower hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Borrower:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Borrower acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. SASKATCHEWAN LAW

If the Borrower is a corporation, the Borrower agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement as BDC is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Borrower.

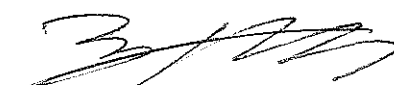
34. PARENTHETICAL COMMENTS

The Borrower acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

35. THE LOAN AGREEMENT


If the Borrower has entered into a commitment letter or a written loan agreement (the "Loan Agreement") with BDC dealing with, or relating to, the loan facilities secured by this Security Agreement, the Borrower acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the Loan Agreement, the terms of the Loan Agreement shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Borrower has executed this Security Agreement.

Officer Signature(s)	Execution Date Y M D
	2011 12 15

Borrower(s) Signature(s)

by its authorized signatory(ies)


Print Name: _____

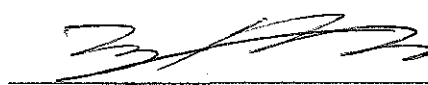
(as to all signatures)

Print Name:

OFFICER CERTIFICATION:

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

If this agreement is to be used in British Columbia, the above procedure must be followed. For jurisdictions other than British Columbia, normal witness procedures as follows should be used.

)	P7 Construction Ltd.
)	by its authorized signatory(ies)
)	
)	
)	per: 
)	
)	
)	per: _____

AFFIDAVIT OF OFFICER OF CORPORATION

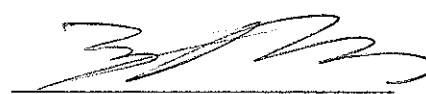
CANADA)
PROVINCE OF)
TO WIT:)

I, Sung Soo Choi
of the City of Langley
in the Province of Alberta
BC R.C.

MAKE OATH AND SAY:

1. That I am the Secretary of the Borrower.
2. That I subscribed my name to the annexed agreement in my capacity as Secretary an officer of the Borrower as aforesaid.
3. That I am one of the persons duly authorized to subscribe my name as aforesaid.

SWORN before me at the City of)
Edmonton, in the Province of)
Alberta, this 10 day of October, 2011.)
December 9



A Commissioner for Oaths/Notary Public
in and for the Province of Alberta.
My commission expires: _____

Nam Hyeong (Frank) Jeon
Barrister, Solicitor and
Notary Public
9716 - 45 Avenue
Edmonton, AB T6E 5C5
(780) 433-1149

AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF)
TO WIT:)
MAKE OATH AND SAY:

I, Frank N. Jeon
of the City of Edmonton
in the Province of AB

1. That I was personally present and did see the within instrument executed by Sang Eock Yoon and Sung Soo Choi of the parties thereto.
2. That the said instrument was executed at the City of Edmonton aforesaid.
3. That I know the said party(ies) and am satisfied that she/he is (they are each) of the full age of eighteen/nineteen years.
4. That I am a subscribing witness to the said instrument and duplicate.

SWORN before me at the City of)
Edmonton, in the Province of)
Alberta, this 10 day of October, 2011.)
December 9



A Commissioner for Oaths/Notary Public
in and for the Province of Alberta.
My commission expires: _____

SUNG JOO RYU
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
MY COMMISSION EXPIRES JAN. 29, 2014

SCHEDULE A

Subclause 1.1 (a) (vii):

the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

n/a

the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model

Subclause 6.1 (c):

Date of Birth of Borrower (if an individual):

Month

Day

Year

Subclause 6.1 (i):

Location(s) of the Collateral:

Plan 0625318 Block 3 Lot 5

Subclause 6.1 (k):

The Borrower's place(s) of business ("POB") and chief executive office ("CEO")

Chief Executive Office:	Unit 305, 9940 Lougheed Hwy, Burnaby, BC
Place of Business:	4404 - 52 Ave Bonnyville, AB
And:	

This is **Exhibit "H"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta



GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated ^{RC}~~October~~ ⁵~~5~~, 2011.
December

FROM:

1619904 ALBERTA LTD.

(the "Borrower")

TO:

BUSINESS DEVELOPMENT BANK OF CANADA, incorporated by Special Act of the Parliament of Canada, and having its head office in Montreal, Quebec, with a business centre at 10625 West Side Drive, Suite 203, Grande Prairie, Alberta, T8V 8E6

("BDC")

1. SECURITY INTEREST

(You, as the Borrower, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking and real property interests. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Borrower:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is hereinafter collectively called the "Intellectual Property");
 - (vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule A attached to this Security Agreement;
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Borrower's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the "Real Property") and excluding the personal property described in Clause 1.1(a); and
 - (ii) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property and real property interests are subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Borrower shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Borrower's consumer goods are excepted out of the Security Interests; provided that for the purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Borrower.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Borrower agrees that the Security Interests attach upon the signing of this Security Agreement (or in the

case of after acquired property, upon the date of acquisition), that value has been given, and that the Borrower has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Borrower confirms that there has been no agreement between the Borrower and BDC to postpone the time for attachment of the Security Interests and that it is the Borrower's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Borrower acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that monies advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Borrower or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Borrower to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Borrower to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Borrower's obligation and liability under any contract or guarantee now or in the future in existence whereby the Borrower guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Borrower to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Borrower represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Borrower has provided a written memorandum to BDC accurately setting forth all prior names under which the Borrower has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good

standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Borrower is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Borrower, in which a decision adverse to the Borrower would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Borrower; and the Borrower agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Borrower;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Borrower has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Borrower, if the Borrower is a corporation, or, if the Borrower is a partnership, of the partners of the Borrower, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Borrower's obligations valid and there is no restriction contained in the constating documents of the Borrower or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Borrower to borrow money or give security; and
- (k) the Borrower's place(s) of business and chief executive office are correctly described in Schedule A.

7. COVENANTS OF THE BORROWER

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Borrower covenants with BDC that while this Security Agreement remains in effect the Borrower will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;

- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) promptly pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Borrower shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter or the Loan Agreement between BDC and the Borrower including, without limitation, inspection, administration and returned cheque handling fees;
- (g) promptly pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Borrower, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Borrower's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) any sums BDC pays as fines, clean up costs because of contamination of or from your assets. Further you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defence costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;
 - (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and*

Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act (Canada)*;

- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Borrower, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Borrower respecting any Accounts;
 - (v) any claims against the Borrower including claims in respect of the Intellectual Property or of any actions taken by the Borrower to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Borrower of Collateral that was disposed of by the Borrower; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Borrower's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Borrower will render all assistance necessary;
- (m) permit and does consent to BDC contacting and making enquiries of the Borrower's lessors as well as assessors, municipal authorities and any taxing body;
- (n) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (o) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
- (iii) all financial statements prepared by or for the Borrower regarding the Borrower's business;
- (iv) such information concerning the Collateral, the Borrower and the Borrower's business and affairs as BDC may reasonably require;
- (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (q) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (r) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Borrower under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Borrower and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Borrower covenants that while this Security Agreement is in effect the Borrower shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if required.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Borrower to repair, replace or rebuild, but any release of insurance proceeds to the Borrower shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Borrower will promptly, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Borrower's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Borrower authorizes and directs the insurer under any required policy of insurance to include the name

of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Borrower fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. **OTHER PROHIBITIONS**

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Borrower will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2;
- (c) where the Borrower is a corporation:
 - (i) issue, purchase or redeem its shares;
 - (ii) change its voting control;
 - (iii) permit any of its shareholders to sell, transfer or dispose of its shares;
 - (iv) declare or pay any dividends on any of its shares; or
 - (v) repay or reduce any shareholders loans or other debts due to its shareholders;
- (d) change its name, merge with or amalgamate with any other entity.

10. **RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL**

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Borrower will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 So long as the Borrower is not in default under this Security Agreement the Borrower may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Borrower holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. **PERFORMANCE OF OBLIGATIONS**

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Borrower fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Borrower to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. **ACCOUNTS**

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Borrower, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Borrower in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held in trust for BDC.

13. **APPROPRIATION OF PAYMENTS**

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. **DEFAULT**

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Borrower shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Borrower and BDC in any of the following events:

- (a) the Borrower defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Borrower is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Borrower to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Borrower or a guarantor of the Borrower declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared Bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies Creditors' Arrangement Act (Canada)* or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Borrower or a guarantor of the Borrower; or
- (f) the Borrower or a guarantor of the Borrower ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its

assets; or

- (g) distress or execution is levied or issued against all or a part of the Collateral; or
- (h) if the Borrower is a corporation and any member or shareholder:
 - (i) commences an action against the Borrower; or
 - (ii) gives a notice of dissent to the Borrower in accordance with the provisions of any governing legislation; or
- (i) if the Borrower is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Borrower uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Borrower creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Borrower enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Borrower is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Borrower of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Borrower; or
- (p) the Borrower causes or allows hazardous materials to be brought upon any lands or premises occupied by the Borrower or to be incorporated into any of its assets, or the Borrower causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Borrower is cancelled, revoked or reduced, as the case may be, or any order against the Borrower is enforced, preventing the business of the Borrower from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Borrower's business; or
- (r) if an individual, the Borrower dies or is declared incompetent by a court of competent jurisdiction.

14.2 The floating charge created by this Security Agreement over Real Property shall become a fixed charge upon the earliest of:

- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
- (b) BDC taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to BDC repayment of the Obligations the Borrower mortgages to BDC all of the Borrower's estate and interest in the Real Property.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

- 15.1 If the Borrower is in default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:
- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
 - (b) enter upon any of the Borrower's premises at any time and take possession of the Collateral with power to exclude the Borrower, its agents and its servants, without becoming liable as a mortgagee in possession;
 - (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
 - (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Borrower will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
 - (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
 - (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.
- 15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Borrower and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:
- (a) carry on the Borrower's business and to borrow money either secured or unsecured; and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
 - (b) make an assignment for the benefit of the Borrower's creditors or a proposal on behalf of the Borrower under the *Bankruptcy and Insolvency Act* (Canada); and
 - (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Borrower for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
 - (d) make any arrangement or compromise that the Receiver deems expedient.
- 15.3 Subject to the claims, if any, of the creditors of the Borrower ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:
- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor

and its own client basis) incurred by BDC respecting or incidental to:

- (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
 - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
 - (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

- 16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Borrower of any obligations or covenants imposed upon the Borrower nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Borrower waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.
- 16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Borrower or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.
- 16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Borrower, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to the Borrower and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral. The Borrower shall not be released nor shall its liability be in any way reduced because BDC has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.
- 16.4 Notwithstanding anything to the contrary in any security held by BDC for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. BDC in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.
- 16.5 Any right of BDC and any obligation of the Borrower arising under any other agreements between BDC and the Borrower shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security

Agreement. The obligation, if any, of the Borrower to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter or Loan Agreement with the Borrower shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Borrower and any legal fees, commitment fees, standby fees or administration fees owing by the Borrower shall be secured by the Collateral.

- 16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Borrower shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Borrower now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Borrower shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that BDC may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Borrower irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Borrower for and in the name of the Borrower to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Borrower is obliged to sign, endorse or execute and generally to use the name of the Borrower and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall survive any mental infirmity of the Borrower subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Borrower to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Borrower to remedy any default without waiving the default so remedied. BDC may at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given

in writing by one party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

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

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Borrower or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Security Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Borrower or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Borrower and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Borrower, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Borrower agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Borrower will not assert as a defense, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Borrower to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Borrower shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Borrower and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Borrower shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Borrower, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Borrower represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will not install on or under any land mortgaged to BDC storage tanks for petroleum products or any hazardous substance without BDC's prior written consent and only upon full compliance with BDC's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Borrower's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Borrowers and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the jurisdiction in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in Subclause 29.1(b). For enforcement purposes, the Borrower hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Borrower:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Borrower acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. SASKATCHEWAN LAW

If the Borrower is a corporation, the Borrower agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement as BDC is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Borrower.

34. PARENTHETICAL COMMENTS

The Borrower acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

35. THE LOAN AGREEMENT


If the Borrower has entered into a commitment letter or a written loan agreement (the "Loan Agreement") with BDC dealing with, or relating to, the loan facilities secured by this Security Agreement, the Borrower acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the Loan Agreement, the terms of the Loan Agreement shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Borrower has executed this Security Agreement.

Officer Signature(s)

Execution Date
Y M D

Borrower(s) Signature(s)



2011 12 15

by its authorized signatory(ies)

Sungsoo Choi
Print Name:

(as to all signatures)

Print Name:

OFFICER CERTIFICATION:

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

If this agreement is to be used in British Columbia, the above procedure must be followed. For jurisdictions other than British Columbia, normal witness procedures as follows should be used.

)
) 1619904 Alberta Ltd.
) by its authorized signatory(ies)

per: 

per: _____

AFFIDAVIT OF OFFICER OF CORPORATION

CANADA)
PROVINCE OF)
TO WIT:)

I, Sung Soo Choi
of the City of Langley
in the Province of BC

MAKE OATH AND SAY:

1. That I am the Secretary of the Borrower.
2. That I subscribed my name to the annexed agreement in my capacity as Secretary an officer of the Borrower as aforesaid.
3. That I am one of the persons duly authorized to subscribe my name as aforesaid.

SWORN before me at the City of)
Edmonton, in the Province of)
Alberta, this 15)
day of October, 2011.)



A Commissioner for Oaths/Notary Public
in and for the Province of Alberta.
My commission expires: _____

Nam Hyeong (Frank) Jeon
Barrister, Solicitor and
Notary Public
9716 - 45 Avenue
Edmonton, AB T6E 5C5
(780) 433-1149

AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF)
TO WIT:)

I, Frank N. Jeon
of the City of Edmonton
in the Province of Alberta

MAKE OATH AND SAY:

1. That I was personally present and did see the within instrument executed by Sung Soo Choi and Jung Sik Kong of the parties thereto.
2. That the said instrument was executed at the City of Edmonton aforesaid.
3. That I know the said party(ies) and am satisfied that she/he is (they are each) of the full age of eighteen/nineteen years.
4. That I am a subscribing witness to the said instrument and duplicate.

SWORN before me at the City of)
Edmonton, in the Province of)
Alberta, this 15)
day of October, 2011.)



A Commissioner for Oaths/Notary Public
in and for the Province of Alberta.
My commission expires: _____

SUNG JOO RYU
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
MY COMMISSION EXPIRES JAN. 29, 20 14

SCHEDULE A

Subclause 1.1 (a) (vii):

the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

n/a

the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model

Subclause 6.1 (c):

Date of Birth of Borrower (if an individual):

_____ /
Month

_____ /
Day

Year

Subclause 6.1 (i):

Location(s) of the Collateral:

Subclause 6.1 (k):

The Borrower's place(s) of business ("POB") and chief executive office ("CEO")

Chief Executive Office:	Unit 305, 9940 Lougheed Hwy Burnaby, BC
Place of Business:	4404-52 Ave Bonnyville, AB
And:	

This is **Exhibit "I"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0031 890 981 0625318;3;5 112 169 738

LEGAL DESCRIPTION
PLAN 0625318
BLOCK 3
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.02 HECTARES (2.52 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;5;61;17;SW

MUNICIPALITY: TOWN OF BONNYVILLE

REFERENCE NUMBER: 082 111 543

REGISTERED OWNER(S)
REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

112 169 738 08/06/2011 TRANSFER OF LAND \$500,000 SEE INSTRUMENT

OWNERS

P7 CONSTRUCTION LTD.
OF UNIT 305, 9940 LOUGHEED HWY
BURNABY
BRITISH COLUMBIA V3J 1N3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

052 217 486 03/06/2005 CAVEAT
RE : RIGHT OF WAY AGREEMENT
CAVEATOR - ATCO ELECTRIC LTD.
ATTN LAND & RECORDS MANAGEMENT
10035 105 ST
EDMONTON
ALBERTA T5J2V6
AGENT - TRACY DAVIDSON

 ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
 # 112 169 738

REGISTRATION

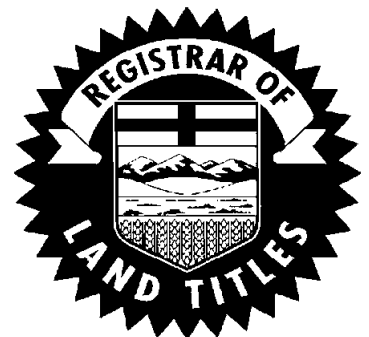
NUMBER	DATE (D/M/Y)	PARTICULARS
062 398 184	07/09/2006	CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE TOWN OF BONNYVILLE. BAG SERVICE 1006 BONNYVILLE ALBERTA T9N2J7 AGENT - MARK POWER
112 409 607	20/12/2011	MORTGAGE MORTGAGEE - BUSINESS DEVELOPMENT BANK OF CANADA. 10625 WEST SIDE DRIVE, SUITE 203 GRANDE PRAIRIE ALBERTA T8V8E6 ORIGINAL PRINCIPAL AMOUNT: \$5,900,000
112 409 608	20/12/2011	MORTGAGE MORTGAGEE - AGRICULTURE FINANCIAL SERVICES CORPORATION. 4910 52 ST, BOX 5000 STN. MAIN CAMROSE ALBERTA T4V4E8 ORIGINAL PRINCIPAL AMOUNT: \$700,000
152 091 513	23/03/2015	AMENDING AGREEMENT AMOUNT: \$7,600,000 AFFECTS INSTRUMENT: 112409607
152 094 399	25/03/2015	POSTPONEMENT OF MORT 112409608 TO AMEA 152091513

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
 ACCURATE REPRODUCTION OF THE CERTIFICATE OF
 TITLE REPRESENTED HEREIN THIS 13 DAY OF MAY,
 2021 AT 10:05 A.M.

ORDER NUMBER: 41662874

CUSTOMER FILE NUMBER: 20204585 CPR



END OF CERTIFICATE

(CONTINUED)

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S) .

Search ID #: Z13817122

Transmitting Party

MCLENNAN ROSS LLP

600, 12220 Stony Plain RD
EDMONTON, AB T5N 3Y4

Party Code: 50025451

Phone #: 780 482 9250

Reference #: 20204585 CPR

Search ID #: Z13817122

Date of Search: 2021-May-12

Time of Search: 11:33:37

Business Debtor Search For:

P7 CONSTRUCTION LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z13817122

Business Debtor Search For:

P7 CONSTRUCTION LTD.

Search ID #: Z13817122

Date of Search: 2021-May-12

Time of Search: 11:33:37

Registration Number: 12010627410

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jan-06

Registration Status: Current

Expiry Date: 2044-Jan-06 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

12110114553	Renewal	2012-Nov-01
15030100082	Amendment And Renewal	2015-Mar-01
19070303059	Amendment	2019-Jul-03

Debtor(s)

Block

Status

1 P7 CONSTRUCTION LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Block

Status

2 1619904 ALBERTA LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Secured Party / Parties

Block

Status

1 BUSINESS DEVELOPMENT BANK OF CANADA
10625 WEST SIDE DRIVE, SUITE 203
GRANDE PRAIRIE, AB T8V 8E6

Current

Block

Status

2 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BARRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 7467 Fax #: 604 666 1573

Deleted by
19070303059

Search ID #: Z13817122

Block

3 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573
Email: legalwfsc@bdc.ca

Status

Current by
19070303059

Collateral: General

Block

Description

Status

1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current
2	PROCEEDS: ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current By 15030100082

Search ID #: Z13817122

Business Debtor Search For:

P7 CONSTRUCTION LTD.

Search ID #: Z13817122

Date of Search: 2021-May-12

Time of Search: 11:33:37

Registration Number: 12010628903

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jan-06

Registration Status: Current

Expiry Date: 2033-Jan-06 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

12062024561

Amendment

2012-Jun-20

Debtor(s)

Block

Status

1 P7 CONSTRUCTION LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Block

Status

2 1619904 ALBERTA LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Secured Party / Parties

Block

Status

1 AGRICULTURE FINANCIAL SERVICES CORPORATION
4910-52ND STREET (BOX 5000, STN.MAIN)
CAMROSE, AB T4V 4E8

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR

Deleted By
12062024561

2 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR,
INCLUDING PROCEEDS

Current By
12062024561

Search ID #: Z13817135

Transmitting Party

MCLENNAN ROSS LLP

600, 12220 Stony Plain RD
EDMONTON, AB T5N 3Y4

Party Code: 50025451
Phone #: 780 482 9250
Reference #: 20204585 CPR

Search ID #: Z13817135

Date of Search: 2021-May-12

Time of Search: 11:34:44

Business Debtor Search For:

1619904 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z13817135

Business Debtor Search For:

1619904 ALBERTA LTD.

Search ID #: Z13817135

Date of Search: 2021-May-12

Time of Search: 11:34:44

Registration Number: 12010627410

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jan-06

Registration Status: Current

Expiry Date: 2044-Jan-06 23:59:59

Exact Match on:

Debtor

No: 2

Amendments to Registration

12110114553	Renewal	2012-Nov-01
15030100082	Amendment And Renewal	2015-Mar-01
19070303059	Amendment	2019-Jul-03

Debtor(s)

Block

Status

1 P7 CONSTRUCTION LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Block

Status

2 1619904 ALBERTA LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Secured Party / Parties

Block

Status

1 BUSINESS DEVELOPMENT BANK OF CANADA
10625 WEST SIDE DRIVE, SUITE 203
GRANDE PRAIRIE, AB T8V 8E6

Current

Block

Status

2 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BARRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 7467 Fax #: 604 666 1573

Deleted by
19070303059

Search ID #: Z13817135

Block

3 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573
Email: legalwfsc@bdc.ca

Status

Current by
19070303059

Collateral: General

Block

Description

Status

1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current
2	PROCEEDS: ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current By 15030100082

Search ID #: Z13817135

Business Debtor Search For:

1619904 ALBERTA LTD.

Search ID #: Z13817135

Date of Search: 2021-May-12

Time of Search: 11:34:44

Registration Number: 12010628903

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jan-06

Registration Status: Current

Expiry Date: 2033-Jan-06 23:59:59

Exact Match on:

Debtor

No: 2

Amendments to Registration

12062024561

Amendment

2012-Jun-20

Debtor(s)

Block

Status

1 P7 CONSTRUCTION LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Block

Status

2 1619904 ALBERTA LTD.
4404 - 52 AVENUE
BONNYVILLE, AB T9N 2R4

Current

Secured Party / Parties

Block

Status

1 AGRICULTURE FINANCIAL SERVICES CORPORATION
4910-52ND STREET (BOX 5000, STN.MAIN)
CAMROSE, AB T4V 4E8

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR

Deleted By
12062024561

2 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR,
INCLUDING PROCEEDS

Current By
12062024561

This is **Exhibit "J"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta



MCLENNAN ROSS LLP
LEGAL COUNSEL

Our File Reference: 20204585

Charles P. Russell, Q.C.
Direct Line: (780) 482-9115
e-mail: crussell@mross.com

Erika Kiss, Assistant
Direct Line: (780) 482-9262

Fax: (780) 733-9757

PLEASE REPLY TO EDMONTON OFFICE

November 30, 2020

SENT BY REGISTERED MAIL AND
BY ORDINARY MAIL AND BY EMAIL

P7 Construction Ltd.
4404 – 52nd Avenue
Bonnyville, AB T9N 0C3

P7 Construction Ltd.
c/o Primary Attorney
Sung Soo Choi
2520 – 2nd Avenue
Edson, AB T7E 1N9
(by email to richardchoi1299@gmail.com)

1619904 Alberta Ltd.
c/o Registered Office
9716 – 45 Avenue
Edmonton, AB T6E 5C5
(by email to f.jeon@jeonlaw.ca)

Hyoung Joon Yoon aka Jason Yoon
#120, 12160 Horseshoe Way
Richmond, BC V7A 4V5
(by email to jasonhj.yoon@gmail.com)

Sung Soo Choi aka Richard Choi
935 Dennison Avenue
Coquitlam, BC V3J 1X2
(by email to richardchoi1299@gmail.com)

Eung Chang Kim
9048 – 216A Street
Langley, BC V1M 4C9

Dear Sirs:

Re: Business Development Bank of Canada ("BDC") v. P7 Construction Ltd. (the "Borrower") and 1619904 Alberta Ltd., Hyoung Joon Yoon, Sung Soo Choi and Eung Chang Kim (each a "Guarantor" and collectively, the "Guarantors")

Edmonton Office

600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
p. 780.482.9200
f. 780.482.9100
tf. 1.800.567.9200

Calgary Office

1900 Eau Claire Tower
600 – 3rd Avenue SW
Calgary, AB T2P 0G5
p. 403.543.9120
f. 403.543.9150
tf. 1.888.543.9120

Yellowknife Office

301 Nunasi Building
5109 – 48th Street
Yellowknife, NT X1A 1N5
p. 867.766.7677
f. 867.766.7678
tf. 1.888.836.6684

We are counsel for BDC.

Pursuant to a Letter of Offer dated February 18, 2015, as amended from time to time, BDC had provided financing to the Borrower (the "Loan"). The balance due and owing on the Loan, exclusive of unbilled costs, as at November 30, 2020 was \$6,860,931.28. Interest continues to accrue due on such indebtedness from November 30, 2020.

BDC is entitled to recover its costs of review and enforcement of the Loan, on a solicitor and his own client basis.

As security for payment of the Loan, BDC holds the following security (the "Security"):

- (a) General Security Agreement by the Borrower dated December 15, 2011;
- (b) General Security Agreement by 1619904 Alberta Ltd. dated Dec 15, 2011;
- (c) Mortgage in the principal amount of \$5,900,000 dated December 15, 2011 over lands legally described as Plan 0625318, Block 3, Lot 5; and
- (d) Mortgage Amending Agreement dated March 17, 2015 amending the principal amount of the Mortgage to \$7,600,000.

As further security for payment of the Loan, BDC holds the following guarantees (each a "Guarantee" and, collectively, the "Guarantees"):

- (a) Guarantee by 1619904 Alberta Ltd. limited to the sum of \$7,600,000 dated March 17, 2015; and
- (b) Guarantee by Hyoung Joon Yoon, Sung Soo Choi and Eung Chang Kim, jointly and severally, limited to \$500,000 dated March 17, 2015.

The Borrower has defaulted in performance of various obligations owed to BDC in connection with the Loan, and BDC hereby declares the Loan to now be due and payable in full.

BDC hereby demands that the Borrower and the Guarantors make payment of their respective obligations within 10 days of the date of this letter. Failure to do so will result in BDC taking such action as it may deem fit, including enforcement of the Security and the Guarantees.

Enclosed herewith are Notices of Intention to Enforce Security addressed to the Borrower and 1619904 Alberta Ltd.

Please govern yourselves accordingly.

Yours truly,

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

CHARLES P. RUSSELL, Q.C.

CPR/ner
Encl.

cc. BDC
Attention: Jennifer Koh

20204585 - 4135-3371-7033 v.1

NOTICE OF INTENTION TO ENFORCE SECURITY

(subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: **P7 CONSTRUCTION LTD.**
insolvent person

TAKE NOTICE that:

1. Business Development Bank of Canada, secured creditor, intends to enforce its security on the personal and real property charged by the insolvent person pursuant to the Security.
2. The Security that is to be enforced is:
 - (a) General Security Agreement dated Dec 15, 2011;
 - (b) Mortgage in the principal amount of \$5,900,000 dated December 15, 2011 over lands legally described as Plan 0625318, Block 3, Lot 5; and
 - (c) Mortgage Amending Agreement dated March 17, 2015 amending the principal amount of the Mortgage to \$7,600,000.
3. The total amount of the indebtedness secured by the Security is \$6,860,931.28 as at November 30, 2020, together with further interest and costs.
4. Business Development Bank of Canada will not have the right to enforce the Security until the expiration of 10 days from the date hereof.

DATED at Edmonton, Alberta this 30th day of November, 2020.

BUSINESS DEVELOPMENT BANK OF CANADA,
by its solicitors and agents MCLENNAN ROSS LLP



per _____
Charles P. Russell, Q.C.

NOTICE OF INTENTION TO ENFORCE SECURITY

(subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: **1619904 ALBERTA LTD.**
insolvent person

TAKE NOTICE that:

1. Business Development Bank of Canada, secured creditor, intends to enforce its security on the personal and real property charged by the insolvent person pursuant to the Security.
2. The Security that is to be enforced is:
 - (a) General Security Agreement dated Dec 15, 2011;
3. The total amount of the indebtedness secured by the Security is \$6,860,931.28 as at November 30, 2020, together with further interest and costs.
4. Business Development Bank of Canada will not have the right to enforce the Security until the expiration of 10 days from the date hereof.

DATED at Edmonton, Alberta this 30th day of November, 2020.

BUSINESS DEVELOPMENT BANK OF CANADA,
by its solicitors and agents MCLENNAN ROSS LLP



per _____
Charles P. Russell, Q.C.

This is **Exhibit "K"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta



3 Ravinia Drive
Suite 100
Atlanta, GA 30346

Telephone (770) 604-2057
www.ihg.com

January 5, 2021

VIA OVERNIGHT COURIER
AND EMAIL-richardchoi1299@hotmail.com

P7 CONSTRUCTION LTD.

Attn: Sung Soo Choi
9940 Lougheed Hwy, Unit 305
Burnaby, BC V3J 1N3

RE: LICENSE AGREEMENT DATED MAY 19, 2011 (AS SAME MAY HAVE BEEN AMENDED, THE "LICENSE") BETWEEN P7 CONSTRUCTION LTD. ("LICENSEE") AND HOLIDAY HOSPITALITY FRANCHISING, LLC (FORMERLY KNOWN AS HOLIDAY HOSPITALITY FRANCHISING, INC.) ("IHG") FOR THE HOLIDAY INN EXPRESS® & SUITES BONNYVILLE, AB/#14351 (THE "HOTEL"): NOTICE OF DEFAULT AND TERMINATION

Dear Mr. Choi:

As the COVID-19 pandemic continues to impact our industry, your Hotel and your colleagues, we at IHG continue to be aligned with you and your business. In March of this year, IHG provided our owners with a fee relief plan, parts of which were recently extended through June 30, 2020. We have taken other steps and measures to assist IHG owners with management of costs through the remainder of 2020. Additionally, we have offered payment plans to IHG owners to address outstanding amounts owed to IHG.

Despite the above steps and our attempts to work with Licensee regarding a payment plan, Licensee currently owes IHG **\$124,970.95** (the "Amount Owed"), which is described in more detail on Exhibit A to this letter. The Amount Owed includes the amount of fees due and owing under the License as of the date of this letter. The Amount Owed may also include those amounts that will be due to IHG by the 15th of the following month.

While we are still willing to work with you on a payment plan, this letter constitutes formal notice of default and termination (the "Notice") of the License in the event the default is not timely cured.

By **February 19, 2021** (the "Cure Date"), Licensee must pay IHG the Amount Owed in addition to all other fees/payments that may subsequently come due under the License



*IHG® Rewards Club not applicable to Kimpton® Hotels & Restaurants; to be included at a future date.

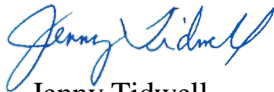
Mr. Choi
January 5, 2021
Page 2

from the date of this Notice until the Cure Date, such as monthly fees, additional finance charges and other amounts. Unless the Amount Owed is paid by the Cure Date, IHG will cease taking reservations for the Hotel through the IHG system web sites, the central reservation offices and any other reservation channel for stays commencing after **March 4, 2021** (the "End-Sell Date"). If this occurs, any reservation attempts past the End-Sell Date in the reservation channels listed above, including the central reservation office, will show no availability at the Hotel to a prospective guest.

Finally, if the above default is not timely cured by Licensee or extended by IHG, the License will be terminated on **May 4, 2021** (the "Termination Date").¹ If the License is terminated, the Hotel will be removed from the IHG system, access to the IHG reservation system will be discontinued on the Termination Date, Licensee will be subject to the payment of damages, and Licensee will be required to comply with the performance of post-termination obligations such as de-identification of the Hotel.²

We at IHG sincerely hope that we can work out a payment plan and come to a resolution in advance of the timeline described in this letter. If you have any questions or would like to discuss how to otherwise address the Amount Owed, please contact Isha Arora at 678/746-0251.

Sincerely,



Jenny Tidwell
Vice President
Franchise Licensing and Compliance

cc: General Manager
c/o Holiday Inn Express® & Suites
4404-52 Avenue
Bonnyville, AB T9N 0C3

Raul Baffi – Raul.Baffi@ihg.com

Enclosure: wiring instructions

¹ Please note that if payment of the Amount Owed is made by a personal check, the payment date will not be the date the check is received but the date on which confirmation is received from your bank that funds are immediately available in the amount of the check. Therefore, IHG recommends that you submit payment via certified check or wire transfer (instructions enclosed) or allow at least five (5) business days for a personal check to clear. Licensee's partial payment, even if accepted by IHG, will not constitute cure of this financial default.

² This includes, but is not limited to, Licensee's right to continue to use or possess other components of the IHG system such as the Yielding and Price Optimization system, the front desk/property management system (along with any credit card authorization/electronic data transmission functions) and associated equipment.

EXHIBIT A

InterContinental Hotels Group

Open Items by Due Date

1435100 : YBYBV : Bonnyville

Customer ID	Receivable Item	Description	Amount Due	Due Date	Line	Bal Crncy	Base	Currency
1435100	A001204128	HOLIDEX	\$40.78	2/15/2020	1	CAD	31.320	USD
1435100	AWH0087110	WHTAXEXP	(\$714.59)	2/15/2020	1	CAD	-539.920	USD
			(\$673.81)	2/15/2020 Total				
1435100	A001225305	HOLIDEX	\$1,138.86	5/15/2020	10	CAD	821.160	USD
1435100	A001225305	IHG RC MBRSTAY	\$1,942.20	5/15/2020	1	CAD	1400.390	USD
1435100	A001225305	IHG RC PROMOS	\$46.21	5/15/2020	2	CAD	33.320	USD
1435100	A001225305	IHG RC PROMOS	\$303.11	5/15/2020	3	CAD	218.550	USD
1435100	A001225305	REVENUEMANAGE	\$1,195.00	5/15/2020	6	CAD	861.630	USD
1435100	A001225305	ROYALTY	\$3,354.32	5/15/2020	11	CAD	2418.570	USD
1435100	A001225305	TACP COMMISSION	\$58.10	5/15/2020	7	CAD	41.890	USD
1435100	A001225305	TACP OTHER PROGRAM	\$160.13	5/15/2020	4	CAD	115.460	USD
1435100	A001225305	TACP OTHER PROGRAM	\$761.57	5/15/2020	8	CAD	549.120	USD
1435100	A001225305	TERMINALMAINT	\$208.04	5/15/2020	12	CAD	150.000	USD
1435100	AWH0090539	WHTAXEXP	(\$335.43)	5/15/2020	1	CAD	-241.860	USD
			\$8,832.11	5/15/2020 Total				
1435100	AWH0091030	WHTAXEXP	(\$596.92)	6/15/2020	1	CAD	-434.300	USD
1435100	A001247793	COMBOFEE	(\$1,492.29)	6/15/2020	8	CAD	-1085.740	USD
1435100	A001247793	COMBOFEE	\$2,984.58	6/15/2020	4	CAD	2171.470	USD
1435100	A001247793	GLBL SALES BOOKING	\$16.00	6/15/2020	1	CAD	11.640	USD
1435100	A001247793	HOLIDEX	(\$543.66)	6/15/2020	3	CAD	-395.550	USD
1435100	A001247793	HOLIDEX	\$2,174.65	6/15/2020	5	CAD	1582.200	USD
1435100	A001247793	IHG RC MBRSTAY	\$3,203.10	6/15/2020	9	CAD	2330.460	USD
1435100	A001247793	IHG RC PROMOS	\$52.70	6/15/2020	11	CAD	38.340	USD
1435100	A001247793	IHG RC PROMOS	\$457.19	6/15/2020	10	CAD	332.630	USD
1435100	A001247793	IHG RC REWARDS	(\$71.80)	6/15/2020	12	CAD	-52.240	USD
1435100	A001247793	REVENUEMANAGE	\$1,195.00	6/15/2020	2	CAD	869.440	USD
1435100	A001247793	ROYALTY	\$5,969.16	6/15/2020	6	CAD	4342.940	USD
1435100	A001247793	TACP COMMISSION	\$192.37	6/15/2020	13	CAD	139.960	USD
1435100	A001247793	TACP OTHER PROGRAM	\$121.30	6/15/2020	14	CAD	88.250	USD
1435100	A001247793	TACP OTHER PROGRAM	\$747.19	6/15/2020	15	CAD	543.630	USD
1435100	A001247793	TERMINALMAINT	\$206.17	6/15/2020	7	CAD	150.000	USD
			\$14,614.74	6/15/2020 Total				
1435100	A001253807	INTEREST_FC	\$282.20	6/19/2020	1	CAD	205.320	USD
			\$282.20	6/19/2020 Total				
1435100	A001258985	COMBOFEE	\$2,240.57	7/15/2020	11	CAD	1637.840	USD
1435100	A001258985	GLBL SALES BOOKING	\$8.43	7/15/2020	6	CAD	6.160	USD
1435100	A001258985	HOLIDEX	\$2,164.45	7/15/2020	12	CAD	1582.200	USD
1435100	A001258985	IHG RC ENROL	(\$641.98)	7/15/2020	5	CAD	-469.280	USD
1435100	A001258985	IHG RC MBRSTAY	\$2,979.58	7/15/2020	2	CAD	2178.060	USD
1435100	A001258985	IHG RC PROMOS	\$32.65	7/15/2020	3	CAD	23.870	USD
1435100	A001258985	IHG RC PROMOS	\$568.27	7/15/2020	4	CAD	415.400	USD
1435100	A001258985	IHG RC REWARDS	(\$179.50)	7/15/2020	1	CAD	-131.210	USD
1435100	A001258985	REVENUEMANAGE	\$1,195.00	7/15/2020	8	CAD	873.540	USD
1435100	A001258985	ROYALTY	\$4,481.15	7/15/2020	13	CAD	3275.690	USD
1435100	A001258985	TACP COMMISSION	\$553.34	7/15/2020	9	CAD	404.490	USD
1435100	A001258985	TACP OTHER PROGRAM	\$161.83	7/15/2020	7	CAD	118.300	USD
1435100	A001258985	TACP OTHER PROGRAM	\$625.05	7/15/2020	10	CAD	456.910	USD
1435100	A001258985	TERMINALMAINT	\$205.20	7/15/2020	14	CAD	150.000	USD
1435100	AWH0091483	WHTAXEXP	(\$448.11)	7/15/2020	1	CAD	-327.570	USD
1435100	A001263248	INTEREST_FC	\$543.10	7/15/2020	1	CAD	397.000	USD
			\$14,489.03	7/15/2020 Total				
1435100	A001267813	COMBOFEE	\$3,000.86	8/15/2020	10	CAD	2235.110	USD
1435100	A001267813	HOLIDEX	\$2,124.26	8/15/2020	11	CAD	1582.200	USD

EXHIBIT A

1435100	A001267813	IHG RC MBRSTAY	\$2,897.11	8/15/2020	2 CAD	2157.840 USD
1435100	A001267813	IHG RC PROMOS	\$6.50	8/15/2020	3 CAD	4.840 USD
1435100	A001267813	IHG RC PROMOS	\$383.05	8/15/2020	4 CAD	285.300 USD
1435100	A001267813	IHG RC REWARDS	(\$323.10)	8/15/2020	1 CAD	-240.650 USD
1435100	A001267813	MOBILE CHK IN OUT	\$335.65	8/15/2020	6 CAD	250.000 USD
1435100	A001267813	REVENUEMANAGE	\$1,195.00	8/15/2020	7 CAD	890.060 USD
1435100	A001267813	ROYALTY	\$6,001.71	8/15/2020	12 CAD	4470.210 USD
1435100	A001267813	TACP COMMISSION	\$384.11	8/15/2020	8 CAD	286.090 USD
1435100	A001267813	TACP OTHER PROGRAM	\$106.29	8/15/2020	5 CAD	79.170 USD
1435100	A001267813	TACP OTHER PROGRAM	\$533.43	8/15/2020	9 CAD	397.310 USD
1435100	A001267813	TERMINALMAINT	\$201.39	8/15/2020	13 CAD	150.000 USD
1435100	AWH0091954	WHTAXEXP	(\$600.17)	8/15/2020	1 CAD	-447.020 USD
1435100	A001271814	INTEREST_FC	\$594.12	8/15/2020	1 CAD	442.510 USD
			\$16,840.21	8/15/2020 Total		
1435100	A001276525	COMBOFEE	\$2,815.34	9/15/2020	11 CAD	2154.620 USD
1435100	A001276525	GLBL SALES BOOKING	\$7.26	9/15/2020	7 CAD	5.560 USD
1435100	A001276525	HOLIDEX	\$2,067.38	9/15/2020	12 CAD	1582.200 USD
1435100	A001276525	IHG RC ENROL	(\$317.23)	9/15/2020	5 CAD	-242.780 USD
1435100	A001276525	IHG RC MBRSTAY	\$3,267.08	9/15/2020	2 CAD	2500.350 USD
1435100	A001276525	IHG RC PROMOS	\$89.64	9/15/2020	3 CAD	68.600 USD
1435100	A001276525	IHG RC PROMOS	\$524.13	9/15/2020	4 CAD	401.130 USD
1435100	A001276525	IHG RC REWARDS	(\$646.20)	9/15/2020	1 CAD	-494.550 USD
1435100	A001276525	REVENUEMANAGE	\$1,195.00	9/15/2020	8 CAD	914.550 USD
1435100	A001276525	ROYALTY	\$5,630.67	9/15/2020	13 CAD	4309.240 USD
1435100	A001276525	TACP COMMISSION	\$676.86	9/15/2020	9 CAD	518.010 USD
1435100	A001276525	TACP OTHER PROGRAM	\$248.60	9/15/2020	6 CAD	190.260 USD
1435100	A001276525	TACP OTHER PROGRAM	\$978.78	9/15/2020	10 CAD	749.080 USD
1435100	A001276525	TERMINALMAINT	\$196.00	9/15/2020	14 CAD	150.000 USD
1435100	AWH0092358	WHTAXEXP	(\$563.07)	9/15/2020	1 CAD	-430.930 USD
1435100	A001278516	INTEREST_FC	\$737.61	9/15/2020	1 CAD	564.500 USD
			\$16,907.85	9/15/2020 Total		
1435100	A001283603	COMBOFEE	\$3,393.56	10/15/2020	11 CAD	2534.590 USD
1435100	A001283603	GLBL SALES BOOKING	\$9.18	10/15/2020	6 CAD	6.860 USD
1435100	A001283603	HAC DUES	\$216.00	10/15/2020	7 CAD	161.330 USD
1435100	A001283603	HOLIDEX	\$2,118.41	10/15/2020	12 CAD	1582.200 USD
1435100	A001283603	IHG RC MBRSTAY	\$3,973.58	10/15/2020	2 CAD	2967.790 USD
1435100	A001283603	IHG RC PROMOS	\$68.27	10/15/2020	3 CAD	50.990 USD
1435100	A001283603	IHG RC PROMOS	\$471.36	10/15/2020	4 CAD	352.050 USD
1435100	A001283603	IHG RC REWARDS	(\$323.10)	10/15/2020	1 CAD	-241.320 USD
1435100	A001283603	RMH	\$1,195.00	10/15/2020	8 CAD	892.520 USD
1435100	A001283603	ROYALTY	\$6,787.12	10/15/2020	13 CAD	5069.180 USD
1435100	A001283603	TACP COMMISSION	\$348.82	10/15/2020	9 CAD	260.530 USD
1435100	A001283603	TACP OTHER PROGRAM	\$283.59	10/15/2020	5 CAD	211.810 USD
1435100	A001283603	TACP OTHER PROGRAM	\$839.94	10/15/2020	10 CAD	627.340 USD
1435100	A001283603	TERMINALMAINT	\$262.42	10/15/2020	14 CAD	196.000 USD
1435100	AWH0092796	WHTAXEXP	(\$678.71)	10/15/2020	1 CAD	-506.920 USD
1435100	A001285782	INTEREST_FC	\$842.64	10/15/2020	1 CAD	629.350 USD
			\$19,808.08	10/15/2020 Total		
1435100	A001290415	COMBOFEE	\$3,004.21	11/15/2020	11 CAD	2258.300 USD
1435100	A001290415	GLBL SALES BOOKING	\$8.94	11/15/2020	6 CAD	6.720 USD
1435100	A001290415	HOLIDEX	\$2,104.80	11/15/2020	12 CAD	1582.200 USD
1435100	A001290415	IHG RC MBRSTAY	\$2,903.42	11/15/2020	2 CAD	2182.530 USD
1435100	A001290415	IHG RC PROMOS	\$95.25	11/15/2020	3 CAD	71.600 USD
1435100	A001290415	IHG RC PROMOS	\$479.29	11/15/2020	4 CAD	360.290 USD
1435100	A001290415	IHG RC REWARDS	(\$1,400.10)	11/15/2020	1 CAD	-1052.470 USD
1435100	A001290415	RMH	\$1,195.00	11/15/2020	7 CAD	898.290 USD
1435100	A001290415	ROYALTY	\$6,008.43	11/15/2020	13 CAD	4516.600 USD

EXHIBIT A

1435100	A001290415	TACP COMMISSION	\$603.35	11/15/2020	9 CAD	453.540 USD
1435100	A001290415	TACP OTHER PROGRAM	\$212.33	11/15/2020	5 CAD	159.610 USD
1435100	A001290415	TACP OTHER PROGRAM	\$933.14	11/15/2020	10 CAD	701.450 USD
1435100	A001290415	TERMINALMAINT	(\$61.58)	11/15/2020	8 CAD	-46.290 USD
1435100	A001290415	TERMINALMAINT	\$199.55	11/15/2020	14 CAD	150.000 USD
1435100	AWH0093252	WHTAXEXP	(\$600.84)	11/15/2020	1 CAD	-451.660 USD
1435100	A001292663	INTEREST_FC	\$1,458.83	11/15/2020	1 CAD	1096.620 USD
			\$17,144.02	11/15/2020 Total		
1435100	A001295255	COMBOFEE	\$2,458.80	12/15/2020	12 CAD	1898.100 USD
1435100	A001295255	GLBL SALES BOOKING	\$11.32	12/15/2020	9 CAD	8.740 USD
1435100	A001295255	HOLIDEX	\$2,049.58	12/15/2020	13 CAD	1582.200 USD
1435100	A001295255	IHG RC ENROL	(\$352.09)	12/15/2020	6 CAD	-271.800 USD
1435100	A001295255	IHG RC MBRSTAY	\$3,120.79	12/15/2020	3 CAD	2409.130 USD
1435100	A001295255	IHG RC PROMOS	\$57.08	12/15/2020	4 CAD	44.060 USD
1435100	A001295255	IHG RC PROMOS	\$697.87	12/15/2020	5 CAD	538.730 USD
1435100	A001295255	IHG RC REWARDS	(\$215.40)	12/15/2020	2 CAD	-166.280 USD
1435100	A001295255	RMH	\$1,195.00	12/15/2020	8 CAD	922.490 USD
1435100	A001295255	ROYALTY	\$4,917.60	12/15/2020	14 CAD	3796.200 USD
1435100	A001295255	TACP COMMISSION	\$374.01	12/15/2020	10 CAD	288.720 USD
1435100	A001295255	TACP OTHER PROGRAM	\$317.40	12/15/2020	7 CAD	245.020 USD
1435100	A001295255	TACP OTHER PROGRAM	\$850.46	12/15/2020	11 CAD	656.520 USD
1435100	A001295255	TERMINALMAINT	\$194.31	12/15/2020	15 CAD	150.000 USD
1435100	A001295255	TRAINING	\$133.03	12/15/2020	1 CAD	102.690 USD
1435100	AWH0093680	WHTAXEXP	(\$491.76)	12/15/2020	1 CAD	-379.620 USD
1435100	A001298821	INTEREST_FC	\$1,408.52	12/15/2020	1 CAD	1087.320 USD
			\$16,726.52	12/15/2020 Total		
			\$124,970.95	Grand Total		

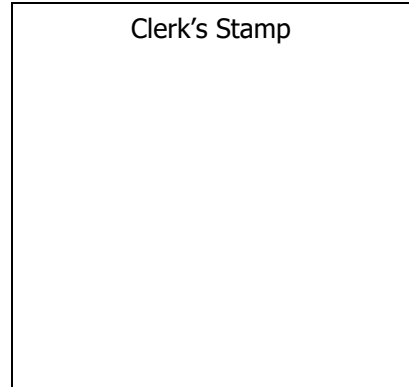
This is **Exhibit "L"** referred to in the
Affidavit of MONIKA SAHDEV sworn
before me on the 14th day
of May, 2021

A Commissioner for Oaths in and for
the Province of Alberta

COURT FILE NO. 2103 02132

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON



PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDANT P7 CONSTRUCTION LTD., 1619904 ALBERTA LTD.,
HYOUNG JOON YOON aka JASON YOON,
SUNG SOO CHOI aka RICHARD CHOI and EUNG CHANG KIM

DOCUMENT **CONSENT TO ACT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Charles P. Russell, Q.C. Telephone: (780) 482-9115 Fax: (780) 733-9757 Email: crussell@mross.com File No.: 20204585
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The undersigned, BDO Canada Limited, hereby consents to act as Receiver and Manager pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, section 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, section 99(a) of the *Business Corporations Act*, R.S.A. 2000, c. B-9 and section 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, each as amended, of all of the current and future assets and undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of P7 CONSTRUCTION LTD. and 1619904 ALBERTA LTD.

Dated at the City of Calgary, in the Province of Alberta, this _____ day of May, 2021.

BDO CANADA LIMITED

Per:

Name: Kevin Meyler, CPA, CIRP
Title: Licensed Insolvency Trustee
I have authority to bind the Corporation