ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 **Representations and Warranties of the Borrower.**

The Borrower hereby represents and warrants to the Lender the following:

(a) Each of the Borrower and the Corporate Guarantors are corporations duly formed under their originating jurisdictions, validly exists and has the necessary corporate power and authority to carry on its business, and to own real property in the Province of Alberta and is in good standing and, to the extent applicable, has the power and authority to enter into this Credit Agreement and all other documents contemplated thereby and to perform its obligations pursuant thereto;

(b) the Borrower is the owner of the Real Property and has good and marketable title to the Real Property free and clear of all mortgages, liens or charges, except for the mortgages securing the Existing First Mortgages and the Second Mortgage;

(c) there is no litigation and there is no legal proceedings pending, threatened against the Borrower, or the Guarantors or the Secured Property before any court or administrative agency of any jurisdiction which could if determined adversely, separately or in the aggregate have a Material Adverse Effect;

(d) each of this Credit Agreement, the Security Documents and the other documents contemplated thereby has been duly authorized by all necessary corporate action of the Borrower;

(e) neither the execution and delivery of this Credit Agreement, the Security Documents and the other documents and agreements related thereby by the Borrower and the Guarantors, nor compliance with the terms and provisions hereof or thereof:

(i) will conflict with, violate, or result in a breach in any of the terms and conditions or provisions of any applicable law or regulation applicable to the Borrower or the Guarantors or any order, injunction, decree, determination or award of any court or any governmental department, body, commission, board, bureau, agency or instrumentality applicable to the Borrower or the Guarantors, in each case in a manner which would have a Material Adverse Effect;

(ii) conflicts with, violates, results in a breach of or constitutes a default under any articles, charter or by-law provision of the Borrower, or of any loan agreement, loan or trust indenture, trust deed, or any similar agreement or instrument to which the Borrower or the Guarantors, is a party, or by which it is bound;

(f) the Borrower has all necessary consents, authorisations, approvals, orders, certificates, licences and permits from, and have made all necessary filings with, all federal, provincial, territorial, state and local authorities to conduct its business, except to the extent that the failure to obtain or file same would not have a Material Adverse Effect;

(g) the Borrower and the Guarantors are not in default and, to the best of the knowledge of the Borrower, no event or omission has occurred which, with the passage of time or the giving of notice or both, would constitute a default pursuant to any order, writ, decree or demand of any court or governmental authority, or any other agreement to which the Borrower or the Guarantors are a party;

(h) no event has occurred or is continuing which constitutes an Event of Default;

(i) all taxes including but without limitation to the GST taxes and withholding taxes as applicable, have been paid or remitted by the Borrower and Guarantor to the relevant authorities in due course and all income taxes have been paid to Canada Revenue Agency when due;

(j) all written information provided by the Borrower and the Guarantors to the Lender in respect of the Borrower, the Guarantors or the Secured Property is true and accurate in all material respects and said information contains no material misstatement of fact nor does it omit any material fact which is necessary to make such information not misleading, and there exists no fact which the Borrower or Guarantors has not disclosed in writing to the Lender which could have a Material Adverse Effect;

(k) all financial information or representations of the Borrower previously delivered or communicated to the Lender are correct and complete in all material respects and have been prepared in accordance with generally accepted accounting principles consistently applied; since the date thereof, there has been no adverse change in the business or financial condition of the Borrower; and

(l) the Borrower and the Guarantors have not received any notice of violation or non-conformity of any of the Property from any level of government or other regulatory body.

ARTICLE 11
ENVIRONMENTAL MATTERS

11.1 Environmental Representations and Warranties.

The Borrower and Guarantors declare, represent and warrant to the Lender that, to the best of its knowledge and after due inquiry, as of the date hereof:

(a) the Secured Property, as well as the use thereof, are in compliance with the Environmental Laws (defined below);

(b) no notice, demand, ordinance, lawsuit or, to the best of its knowledge, complaint has been brought against it concerning environmental protection laws, regulations, by-laws and other similar requirements (collectively, the "**Environmental Laws**");

(c) to its knowledge, there is no circumstance which may give rise to the revocation of the aforesaid certificates, approvals, permits, authorizations and orders or to the issue of a notice, demand, ordinance, lawsuit or complaint as aforesaid;

(d) to the best of its knowledge there is at present no evidence in any part of the Real Property of any contaminant, pollutant, waste or other hazardous substance which is prohibited by law; and

(e) the contaminated soils beyond the level permitted have been removed and disposed of in accordance with the Environmental Laws.

11.2 **Compliance with Environmental Laws.**

The Borrower and Guarantors shall comply in all material respects with the requirements of Environmental Laws applicable to the Real Property and the activities carried out therefrom and shall notify the Lender immediately upon becoming aware of any release or discovery of the presence of any contaminant at, upon, under, over or within the Real Property or any contiguous real property or any real property on or near which a contaminant could reasonably be anticipated to be released that would materially affect the Real Property . The Borrower shall promptly forward to the Lender copies of all notices, permits, orders, demands or other documents and reports received from any authority having jurisdiction in connection with any release or the presence of any contaminant or any alleged material non-compliance with any Environmental Laws affecting the Real Property or the activities carried out therefrom.

ARTICLE 12
RIGHT OF INSPECTION AND FINANCIAL INFORMATION

12.1 **Secured Property**

The Lender or its representatives may inspect the Secured Property at reasonable times, with notice to the Borrower. Subject to the foregoing, the Borrower and the Guarantor agree to give the Lender or its representatives unrestricted access for this purpose.

12.2 **General Information**

The Borrower agrees to furnish to the Lender, upon demand, a copy of all books, registers, financial reports and records, accounting and banking statements, offers to lease, leases, renewals and amendments thereof, service or other contracts and invoices relating to its business. At the Lender's request, the Borrower must provide timely leasing updates as they relate to the Walden Landing Lands.

12.3 Annual Financial Information

Each year within ninety (90) days after the Borrower's fiscal year end, the Borrower and Guarantors shall provide the Lender with their annual financial statements prepared by an independent firm of chartered accountants, which shall include a balance sheet, an income statement, a statement of cash flows and a list of accounts payable. Annually, at the Lender's request, Borrower and Guarantors will provide updated statements of net worth at the fair market value, inclusive of a cash flow and liability summary.

12.4 Semi-annual Information

Semi-annually, the Borrower shall deliver an up-to-date rent roll and the most recent trailing 12-month operating statement for the Walden Landing Lands.

12.5 Quarterly Information

Each quarter, the Borrower shall deliver statement of accounts from the Receiver General confirming that all income taxes and other taxes including all sales taxes, have been paid to CRA.

12.6 Personal and Financial Information

(1) The Borrower and the Guarantors authorize the Lender to collect personal information concerning them, in particular, contact information and financial information or information with respect to any undertaking or guarantee given in favour of third persons for the purposes of verifying information provided to the Lender by the Borrower and the Guarantors to ensure their solvency within the context of this Loan and for purposes of processing and administering the Loan solely. Without limiting the generality of the foregoing, this personal information may include contact information (mailing address, e-mail address, telephone number, fax number), information relating to financial status (bank account numbers, existing debts, personal net worth, credit history), date of birth, place of employment and social insurance number (but only when the Borrower or the Guarantors opt to provide such social insurance number) of the Borrower and the Guarantors financial statements, annual operating statements, cash flow forecast and rent rolls. The Borrower and the Guarantors authorize the Lender to establish a file for these purposes.

(2) For these purposes, the Borrower and the Guarantors authorize any agent of personal information, financial institution with whom the Borrower or the Guarantors has had a relationship (references provided by the Borrower or the Guarantors, credit bureau, tax authority, employer, creditor, public entity and any other person with personal information concerning the Borrower or the Guarantors, in particular, contact and financial information or information with respect to any undertaking or guarantee given to communicate such information to the Lender. They and the Lender are also authorized to exchange such information concerning the Borrower and the Guarantors.

(3) The Borrower and the Guarantors authorize the Lender to communicate this information to its affiliates and subsidiaries and any future assignee of its rights by virtue of this Agreement.

(4) To fulfil the purposes stated in Sections 12.6 (1) and (2), the Lender's employees in charge of Loan and security applications, management and realization or its mandataries, insurers and internal or external auditors and legal counsels, may have access to the information collected on the Borrower or the Guarantors.

12.7 **Power of attorney and Business consent regarding taxes**

The Borrower shall upon request of the Lender sign any Power of Attorney and business consent forms allowing the Lender to obtain information directly from CRA.

ARTICLE 13
INSURANCE

13.1 **Insurance**

The Borrower and Guarantor undertake to insure the Secured Property and keep it insured at all times with:

(a) Property Insurance in the following minimum coverage amounts:

(i) all risks and perils insurance covering any loss, theft, destruction or damage from any cause whatsoever (including the perils of flood, sewer, back-up, earthquake, and any collapse) on the Real Property with full replacement cost endorsement; and

(ii) at least CDN$18,000,000 of all perils insurance covering any loss, theft, destruction or damage from any cause whatsoever (including the perils of flood, sewer, back-up, earthquake, and any collapse) and replacement costs on equipment, furniture, other chattels and personal property;

(b) Commercial General Liability Insurance with a global limit of not less than CDN$5,000,000.00 and a per incident coverage amount of not less than CDN$2,000,000.00 on a per occurrence basis, or such higher limit as the Lender may require; and

(c) such coverage and other insurance as the Lender may reasonably require, given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained until full repayment of the Loan.

13.2 **Named Insured and Loss Payee**

All insurance contracts, with the exception of contracts relating to public liability, shall list the Lender as a first loss payee and additional insured, as applicable, and provide for the standard mortgage endorsement clause.

ARTICLE 14
AFFIRMATIVE COVENANTS

Each of the Borrower and the Guarantors covenant and agree that unless otherwise consented to in writing by the Lender:

14.1 Payment Covenant

it will duly and punctually pay all sums of money due and payable by it under the terms of this Credit Agreement and any other related documents at the times and places, in the currencies and in the manner specified;

14.2 Compliance with the Security Documents

it will comply with all the terms and conditions of the Security Documents;

14.3 Corporate Existence

it will do or cause to be done all things necessary to preserve and maintain its corporate existence;

14.4 Real Estate Taxes

it will duly and punctually pay all property taxes and assessments with respect to the Real Property when due;

14.5 Other Information

it will deliver to the Lender any other information that the Lender may reasonably require from time to time and shall perform and do all such acts and things as are necessary in the exercise of the Lender's rights hereunder and under the Security Documents;

14.6 Financial Condition

it shall, from time to time, forthwith on Lender's written request, furnish to the Lender, at Borrower's expense, in writing, all reasonable information requested relating to the financial condition and operations of the Borrower and the Guarantor, the Lender shall be entitled, upon reasonable notice, from time to time during normal business hours, to inspect and make copies of all books, papers, documents or records pertaining to the Borrower, the Guarantor and the Secured Property;

14.7 Protection of Secured Property

it shall, defend the Secured Property against the claims and demands of all other persons claiming the same or a security interest therein, keep the Secured Property free from all competing security interests and not sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Secured Property or any interest therein without the prior written consent of Lender;

14.8 **Protection of Lender's Rights**

it shall, at Lender's request, do all acts and things and give such receipts, deeds, transfers, discharges and/or instruments which may be required to give effect more fully to this Agreement or to realize any Security Documents which is held or which may hereafter be held by the Lender (or its agent) in connection with the Loan; and

14.9 **Payment of Fees**

Except for any provision to the contrary in this Agreement and the Security Documents, it shall pay, upon demand, all reasonable legal, notarial, consulting and other professional fees and disbursements in connection with the transactions herein contemplated in this Agreement, the Security Documents and all the provisions hereof and thereof.

14.10 **Permits and Licences**

It will maintain and caused to be maintained all permits and licences required for the operation and business carried on in respect of the Real Property.

14.11 **Environmental Reports**

Within 180 days of the Advance Date, the Borrower shall deliver to the Lender updated Phase 1, and if required, Phase 2 environmental & remediation reports for the Genco 608 Lands, such reports to be acceptable to the Lender, acting reasonably.

14.12 **Geotechnical Reports**

Within 180 days of the Advance Date, the Borrower shall deliver to the Lender a Geo-technical report for the Genco 608 Lands together with transmittal letters to be submitted to the Lender, such reports to be acceptable to the Lender, acting reasonably.

14.13 **Appraisal**

Within 30 days of the Advance Date, the Borrower shall deliver to the Lender an updated appraisal for the Genco 608 Lands together with a transmittal letter to be submitted to the Lender, such appraisal to be acceptable to the Lender, acting reasonably.

14.14 **Development and Construction**

The Borrower shall upon request of the Lender provide updates and information regarding the status of the redevelopment and construction of the project on the Genco 608 Lands, including any forward-sale negotiations on the completed proposed project on the Genco 608 Lands.

ARTICLE 15
NEGATIVE COVENANTS

15.1 No Liens

The Borrower and Guarantors undertake not to permit any mortgages, security, prior claims or other non-conventional charges to be registered against the Secured Property unless in favour of the Lender or unless approved in writing by the Lender.

15.2 Sale or Assignment of Secured Property

The Borrower and Guarantors shall not sell or assign their interests in the Secured Property without the prior written consent of the Lender. A change of control, whether direct or indirect, is also considered a sale under this section.

15.3 Loan to Employees or Shareholders

The Borrower shall not make any loans or advances to its employees or shareholders;

15.4 Dividends or Distributions

The Borrower shall not declare any dividends or make any other distributions (whether by reduction of capital or otherwise) with respect to any of their issued and outstanding shares or other equity interest.

15.5 No Change in Borrower's Business

The Borrower shall not change the nature of its business as it is being carried on at the date hereof or the nature of or the character or location of the Secured Property, nor alter ownership or control of ownership of the Secured Property; or change the current shareholders or the controlling interests in the Borrower.

ARTICLE 16
EXPENSES AND COSTS

16.1 Costs

The Borrower shall, whether or not any or all of the transactions hereby contemplated shall be consummated, pay all reasonable legal and other out-of-pocket costs and expenses of the Lender in connection with (i) the preparation, amendments, execution, delivery of the Loan documentation, including this Credit Agreement and the Security Documents, (ii) the enforcement of, and the preservation of any of the Lender's rights under this Credit Agreement (including without limitation, the fees and out-of-pocket expenses of legal counsel) and the Security Documents.

ARTICLE 17
EVENTS OF DEFAULT

17.1 Event of Default

The Borrower and the Guarantor shall be in default upon occurrence of any of the following (each an "**Event of Default**"):

(a) failure to pay any principal, interest, costs or fees under the Loan or under the Security Documents within 2 Business Days of the due date of such payment;

(b) failure of the Borrower or the Guarantors to observe or perform any other covenant, undertaking or obligation provided hereunder or in the Security Documents after a 10 Business Day notice of said breach;

(c) upon the insolvency or bankruptcy of the Borrower or the Guarantors or if any of the Borrower or the Guarantors makes an assignment of all or substantially all of its property for the general benefit of its creditors obtains an initial order or makes an arrangement under the *Companies' Creditors Arrangement Act*, files a notice of intention to make a proposal or a proposal under the *Bankruptcy and Insolvency Act*, or avails itself or otherwise becomes subject to any other bankruptcy, insolvency, liquidation, winding-up, dissolution or similar legislation, or any step is taken for the winding-up, dissolution or bankruptcy of the Borrower or Guarantors in any jurisdiction; if the Borrower or Guarantors involuntarily become subject to procedures, petitions, or filings pursuant to the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act*, or any other bankruptcy, insolvency, liquidation, winding-up, dissolution or similar legislation and such procedure, petition or filings have not been discharged or successfully contested within thirty (30) days after their institution, provided that the foregoing shall not be applicable to the Borrower's current bankruptcy proposal unless the Borrower defaults in the implementation of said proposal or in the payout to the trustee as required pursuant to the terms of this Agreement;

(d) misrepresentation given hereunder or pursuant to the Security Documents or in any document delivered hereunder;

(e) Borrower or Guarantors allow any amount outstanding from it to the Crown pursuant to any federal or provincial statute to remain unpaid for 30 days or more;

(f) any security interest affecting the Secured Property becomes enforceable or an execution or other process of any court becomes enforceable against Borrower or the Guarantors or a distress or analogous process is levied upon the assets of Borrower or Guarantors or any part thereof;

(g) a seizure is made against any portion of the Secured Property and remains unquashed for a period of thirty days; or

(h) a situation that has a Material Adverse Effect has occurred and is continuing.

17.2 Lapse of Time

The Borrower or the Guarantors are in default of performing an obligation by the mere lapse of time stipulated for performance, without (extrajudicial demand) notice of default.

The Lender may require that the Borrower and the Guarantors perform their obligations or undertakings entirely, properly and without delay. The Lender may also, when there is an Event of Default, but without being obliged to do so, demand the immediate payment of all amounts due by virtue of this Agreement in principal, interest, costs and accessories.

17.3 Loss and Expenses

The Borrower shall indemnify the Lender against any loss or reasonable expense which the Lender may sustain or incur as a consequence of any default or delay in payment of the principal amount of the Loan or any part thereof or interest accrued thereon or any other amount due hereunder or under the Security Documents or as a consequence of the occurrence of any Event of Default hereunder including but not limited to any loss (including loss of margin) or expense sustained or incurred in liquidating or employing funds acquired, or committed for, to make, fund or maintain the Loan or any part thereof.

17.4 Enforcement of all Rights and Remedies

The Lender may, when there is an Event of Default, without (extrajudicial demand) notice of default:

(i) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all indebtedness hereunder will be immediately due, payable and enforceable without any notice or demand whatsoever;

(ii) exercise its personal right of action;

(iii) exercise the security rights permitted by law;

(iv) exercise any other right it possesses by virtue of this Agreement, the Security Documents or by law;

(v) take any other measure provided by law or this Agreement or the Security Documents for the exercise of its right to have performance of the obligation; and

(vi) in all cases the Lender is entitled to the payment of the costs incurred.

In addition, the Lender or its nominee or agent shall be entitled to exercise and enforce all of the rights and remedies available to it, free from any control of the Borrower and the Guarantors provided, however, that the Lender shall not be bound to realize such Security Documents or exercise any right or remedy as aforesaid and shall not be liable for any loss which may be occasioned by any failure to do so.

17.5 **Imputation**

Notwithstanding any law, usage or custom to the contrary, any sums received by the Lender from the Borrower and the Guarantors may be imputed to the repayment of any amount disbursed by the Lender hereunder.

17.6 **Delay extensions**

The Lender may grant extensions of time and other indulgences, take and give up securities, accept lesser amounts than required hereunder, grant releases and discharges and otherwise deal with the Borrower and the Guarantors and with other parties and securities as the Lender may see fit without prejudice to the liability of the Borrower or the Guarantor or to the Lender's rights in respect of the Secured Property.

17.7 **Not a waiver**

The omission on the part of the Lender to notify the Borrower or the Guarantors of any Event of Default hereunder or to avail itself of any of its rights hereunder shall not be construed as a waiver of such Event of Default or rights.

17.8 **Cumulative Rights and Recourse**

The acceptance by the Lender following any default by the Borrower or the Guarantors of any sum owing to it or the exercise by it of any right or recourse shall not preclude it from exercising any other right or recourse, all its rights and recourses being cumulative and not alternative, and in addition to and not in substitution for any other rights or remedies of the Lender, whether pursuant to any agreement or otherwise provided by law.

17.9 **Change in Guidelines**

If by reason of (i) the introduction of, or any change in any law or its interpretation or administration or (ii) compliance with any request from or requirement or guideline of any central bank or other authority (whether or not such request or requirement has the force of law):

(a) the Lender incurs a cost as a result of having entered into and/or performed its obligations under this Agreement, and/or as a result of obligations of the Lender being outstanding hereunder in favour of third parties, including any reserve or special deposit requirement or other similar requirement;

(b) the Lender suffers a reduction in the rate of return of that part of its overall capital (not being a reduction by reason of the imposition of, or any increase in the rates of tax payable on its overall profits or net income) which it is required to attribute or to allocate to the Loan, as a result of a requirement to attribute or allocate capital in respect of any undrawn portion of the credit facilities hereunder, or as a result of a change in the manner in which the Lender is required to allocate resources to its obligations hereunder;

(c) there is any increase in the direct cost to the Lender of making available the Loan hereunder; or

(d) the Lender becomes liable to make any payment (not being the payment of tax on its overall profits or net income) on or calculated by reference to the amount of the Loan hereunder;

then the Borrower shall, on demand of the Lender (where the Lender, in its sole discretion determines that such amount is material in the context of the Loan hereunder); pay to the Lender amounts sufficient to indemnify the Lender against (i) such cost, or (ii) such reduction as in the reasonable opinion of the Lender attributable to the Loan hereunder, or (iii) such increased cost or, (iv) such liability; provided that where the Lender intends to make a claim pursuant to this Section 17.9, it shall as soon as reasonably practical deliver to the Borrower a certificate to that effect specifying the event by reason of which it is entitled to make such claim and setting out in reasonable detail the basis and computation of such claim.

ARTICLE 18
ASSIGNMENTS

18.1 No assignment by the Borrower

The Borrower and the Guarantors may not assign or transfer all or any part of their rights or obligations hereunder without the prior written consent of the Lender.

18.2 Assignment by the Lender

The Lender shall have the right at any time to assign its rights and obligations hereunder to any third party.

ARTICLE 19
GOVERNING LAWS AND JURISDICTION

This Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable thereto.

ARTICLE 20
NOTICES

20.1 Demand, Request and Notice

Any demand, request or notice given under this Credit Agreement shall be given by delivering the same or by mailing, by registered mail or postage prepaid, addressed to the Borrower or the Lender, as the case may be, as also indicated opposite its name on the signature page of this Credit Agreement, or to such other address as may be notified by any party to the other.

20.2 **Demand received**

Any such demand, request or notice sent as aforesaid shall be deemed to have been received by the party to whom it is addressed upon receipt, if delivered or sent by registered mail, before 12:00 p.m. MST, provided, however, that in the event normal mail service have been interrupted by strike, force majeure or other cause, then the party sending the demand, request or notice shall utilise any other mode of communication which shall ensure prompt receipt of such demand, request or notice by the other party.

ARTICLE 21
MISCELLANEOUS

21.1 **Payments**

All payments to be made hereunder to the Lender shall be made at the address in Canada of the principal place of business of the Lender as set out in its appearance within the first (1st) page or at such other address as the Lender may designate to the Borrower from time to time. Each payment received by the Lender hereunder at or before 12:00 P.M. MST, on any Business Day shall, for the purposes hereof, be deemed to have been received by the Lender on such Business Day and each payment received by the Lender after 12:00 P.M. MST, on any Business Day shall, for the purposes hereof, be deemed to have been received by the Lender on the next following Business Day.

21.2 **Severability**

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

21.3 **Whole Agreement**

This Agreement constitutes the whole and entire agreement between the Parties hereto with respect to the Loan, and, save as contemplated herein, cancels and supersedes any prior offers, agreements, undertakings, declarations and representations, written or verbal in respect thereof; provided that, for greater certainty, the documents delivered in connection therewith remain in full force and effect.

21.4 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument; any Party may execute this Agreement by signing any counterpart of it and may communicate such signing by telecopier or otherwise.

21.5 **Further Assurances**

Each Party hereto shall do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

21.6 **Force Majeure**

The Borrower and the Guarantors expressly assume all risks of force majeure, such that it shall be bound to timely execute each and every of its obligations under this Agreement notwithstanding the existence or occurrence of any event or circumstance constituting a force majeure.

21.7 **Successors**

This Agreement shall inure to the benefit of and be binding on the parties, their respective successors and permitted assigns.

21.8 **Assignment of Proceeds**

All rights and obligations of the Borrower and the Guarantors hereunder and all proceeds of the Loan may not be transferred or assigned by the Borrower and the Guarantors, any such transfer or assignment being null and void insofar as the Lender is concerned and rendering any balance then outstanding of the Loan immediately due and payable at the option of the Lender and relieving the Lender from the obligation of making any further Advance hereunder.

21.9 **Interest on Lender's Expenses**

If the Lender has paid any expense or expended any other sum which, pursuant to the provisions of this agreement, it is entitled to reimbursement from the Borrower or the Guarantors by reason of the Borrower's or the Guarantors' liability therefore, such expenses shall bear interest in accordance with Section 5.1, if not paid on demand.

ARTICLE 22
GUARANTOR

22.1 **Liability**

The Guarantors bind themselves with the Borrower jointly and severally for the performance of all of the Borrower's obligations under the terms of this Agreement. This guarantee shall remain in effect until the full repayment of the Loan including all principal, interest, costs and accessories.

22.2 **Immediate Performance**

The Guarantors undertakes to perform these obligations as soon as the Borrower is in default, without notice or demand.

22.3 **Extend to any increase**

The undertakings of the Guarantors extend to any increase in the interest rate and amendments to the conditions for the repayment of the Loan at the time of any renewal. It also extends to any amendments to the other conditions of the Loan, the Borrower being for this purpose considered as the agent or power of attorney of the Guarantors.

22.4 **Not attached to duties**

This guarantees are not attached to the performance of duties. This guarantees are a significant factor in this Loan without which the Lender would not have agreed to execute this contract.

22.5 **Death**

The Borrower, as soon as it knows, must advise the Lender of the death of any of the Guarantors. Without in any way liberating the Guarantor who has died, and whose estate remains obligated for the amounts due under this contract at the date of his death, the Borrower shall within thirty (30) days provide the Lender with another equally solvent guarantor who shall be bound jointly and severally with the Borrower for all the latter's obligations from the death of the prior such Guarantor.

22.6 **Explanation to the Guarantor**

The Guarantors declare having received from their legal counsel sufficient explanation of the nature and extent of the terms and conditions of this contract and of the obligations of such Guarantors, the Borrower and of the Lender deriving therefrom.

[*signature page immediately follows*]

IN WITNESS WHEREOF hereto have caused this Agreement to be duly executed as of this 22 day of December, 2017.

MAYNBRIDGE CAPITAL INC.

By: ______________________________
Name:
Title:

GENCO (WALDEN) LTD.

By: ______________________________
Name: Pali Bedi
Title: President

GENCO HOLDINGS LTD.

By: ______________________________
Name: Pali Bedi
Title: President

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Witness

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PALI ~~BEDL~~
BEDI

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Witness

____
TARLOK TATLA

____
Witness

____
JASBIR HANS

VAN01: 4924399: v4

SOLO LIQUOR HOLDINGS LTD.

By: Jasbir H

Name: Jasbir Hans

Title: President

SOLO LIQUOR HOLDINGS (2) LTD.

By: Jasbir H

Name: Jasbir Hans

Title: President

SCHEDULE "A"

PROPERTY

Municipal Address	Legal Description
19605 Walden Blvd SE, Calgary, Alberta (the **"Walden Landing Lands"**)	CONDOMINIUM PLAN 1711606 UNITS 1, 6, and 7 AND ALL APPLICABLE UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
735 6 Ave SW, Calgary, Alberta 608 7 Street SW, Calgary, Alberta (collectively, the **"Genco 608 Lands"**)	PLAN A1 BLOCK 33 THE NORTH HALVES OF LOTS 1 AND 2 AND ALL OF LOTS 3 AND 4 CONDOMINIUM PLAN 9410576 UNITS 1 – 6 INCLUSIVE AND ALL APPLICABLE UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

This is Exhibit "F" referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A. Elliot

GENERAL SECURITY AGREEMENT

DATED for reference this 22 day of December, 2017

1. **Genco Holdings Ltd.** (the "**Debtor**"), having a chief executive office at Suite 1100, 634 – 6th Avenue S.W., Calgary, Alberta, T2P 0S4 as continuing security for the repayment and the performance of each of the Obligations (as defined herein) grants to **Maynbridge Capital Inc.** (the "**Secured Party**") having an office at 388 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, a continuing, specific and fixed assignment, transfer, mortgage, charge and security interest in all of the Debtor's present and after-acquired personal property except any consumer goods, but specifically including all of the Debtors' present and after-acquired Accounts, Money, Chattel Paper, Goods (other than consumer goods), Intangibles, Inventory, Documents of Title, Instruments, Securities, Investment Property, Crops and Licences, and all Proceeds therefrom.

2. **Floating Charge.** As continuing security for the repayment and the performance of each of the Obligations (as defined herein), the Debtor grants a floating charge to the Secured Party on all the Debtor's interest in personal, real, immovable and leasehold property, including without limitation, all fixtures, crops and improvements, both present and future, other than such as are validly and effectively charged under Section 1 or excluded under Section 4.

3. **Attachment.** The Debtor acknowledges that value has been given. The security interests created hereby are intended to attach, as to all of the Collateral in which the Debtor has an interest, forthwith when the Debtor executes this Security Agreement, and, as to all Collateral in which the Debtor acquires any right or interest after the execution of this Security Agreement, when the Debtor acquires such right or interest.

4. **Exceptions - Leases.** The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor is hereby excepted out of the security interests created hereby. The Debtor shall assign and dispose of such last day of any term reserved by any such lease in such manner as the Secured Party may from time to time direct in writing. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Secured Party shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser, assignee, sublessee or such other acquirer of the lease, agreement to lease or any interest therein, be entitled by deed or other written instrument to assign to such other person, the aforesaid residue of any such term in place of the Debtor and to vest the same freed and discharged from any obligation whatsoever respecting the same.

5. **Where Consent Required.** Nothing herein shall constitute an assignment or attempted assignment of any right, privilege, benefit, contract, permit, policy or other document or instrument which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless and until such consent is obtained or is waived by the third party. In each such case the Debtor shall, unless the Secured Party otherwise agrees in writing, forthwith obtain the consent of any necessary third party to its assignment hereby and for its further assignment by the Secured Party to any third party who may acquire same as a result of the Secured Party's exercise of remedies after an Event of Default. Upon such consents being obtained or waived, this Security Agreement shall apply thereto without regard to this Section 5 and without the necessity of any further assurance to effect the assignment thereof.

6. **Pending Consent.** In any case to which Section 5 applies, unless and until consent to assignment is obtained as therein provided, the Debtor shall, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived therefrom in

trust for the Secured Party as additional security for performance of the Obligations and shall deliver up all such benefit to the Secured Party forthwith upon demand by the Secured Party.

7. **Collateral.** The property, assets, rights and undertaking charged hereunder, including all of such Accessions, Accounts, Chattel Paper, Documents of Title, Goods, Instruments, Intangibles, Inventory, Money, Proceeds, Investment Property and Securities together with all increases, additions, improvements and accessions thereto, and all substitutions or any replacements thereof are, unless otherwise specified, herein referred to as the "**Collateral**".

8. **Defined Terms.** Unless the context otherwise requires or unless otherwise specified, all the terms used herein without initial capitals which are defined in the *Personal Property Security Act* (Alberta) or the regulations thereunder, as they may be amended, restated or replaced by successor legislation of comparable effect (collectively, the "**PPSA**"), have the same meaning herein as in the PPSA.

9. **Obligations Secured.** The Collateral constitutes and will constitute continuing security for all present and future obligations (collectively, the "**Obligations**") of the Debtor to the Secured Party.

10. **Change of Name.** The Debtor agrees not to change its name or any name under which it carries on business without giving to the Secured Party 20 day's prior written notice of the change.

11. **Disclosure.** The Debtor agrees to deliver to the Secured Party upon request such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may request.

12. **Proceeds in Trust.** The Debtor will and shall be deemed to hold all proceeds in trust, separate and apart from other money, instruments or property, for the benefit of the Secured Party until all amounts owing by the Debtor to the Secured Party have been paid in full.

13. **Collection of Accounts.** After default under this Security Agreement, the Secured Party may notify and direct any party ("**Account Customer**") obligated to pay under any account, chattel paper or instrument constituting Collateral to make all payments whatever to the Secured Party. The Secured Party may hold all amounts acquired from any Account Customers and any proceeds as part of the Collateral. Any payments received by the Debtor whether before or after notification to Account Customers, shall be held by the Debtor in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be turned over to the Secured Party not later than the next business day following the day of their receipt.

14. **Default.** The Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events ("**Events of Default**"):

(a) **Performance of Obligations.** The Debtor defaults in the payment or performance of any of the Obligations;

(b) **Breach of Agreement.** The Debtor breaches any term, provision, warranty, representation or covenant under this Security Agreement or any other agreement with the Secured Party;

(c) **Guarantor or Indemnitor Default.** Any person who from time to time guarantees, assumes or otherwise becomes liable for the Obligations or who covenants and agrees to indemnify the Secured Party for any loss, costs or damages as a result of the Debtor's failure to perform the Obligations (the "**Guarantor/Indemnitor**"), commits a breach of, or fails to observe or perform, any covenant, representation or warranty in favour of the Secured Party;

(d) **Cease to Carry on Business.** The Debtor or Guarantor/Indemnitor ceases or threatens to cease to carry on business;

(e) **Bankruptcy, Insolvency.** The dissolution, termination of existence, insolvency, bankruptcy or business failure of the Debtor or Guarantor/Indemnitor, or upon the appointment of a receiver, receiver-manager or receiver and manager of any part of the property of the Debtor or Guarantor/Indemnitor, or the commencement by or against the Debtor or Guarantor/Indemnitor of any proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency or similar law for the relief of or otherwise affecting creditors of the Debtor or Guarantor/Indemnitor, or by or against any guarantor or surety for the Debtor or Guarantor/ Indemnitor, or upon the issue of any writ of execution, warrant, attachment, sequestration, levy, third party demand, notice of intention to enforce security or garnishment or similar process against the Debtor, Guarantor/Indemnitor or any part of the Collateral;

(f) **Commit Act of Bankruptcy.** The Debtor or Guarantor/Indemnitor commits or threatens to commit an act of bankruptcy;

(g) **Dissolution, Winding Up.** The institution by or against the Debtor or Guarantor/Indemnitor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor or Guarantor/Indemnitor;

(h) **Enforcement of Charge Against Collateral.** If any right of distress is levied or is threatened to be levied against the Collateral or if any encumbrance affecting the Collateral becomes enforceable against the Collateral or any part thereof and such distress or encumbrance is not remedied within 14 days;

(i) **Transfer of Collateral.** Any Collateral is transferred or sold without the Secured Party's prior written consent;

(j) **Destruction of Collateral.** Any material portion of the Collateral is damaged or destroyed; and

(k) **Other Default.** Either Debtor or any Guarantor/Indemnitor defaults under any agreement with respect to any indebtedness or other obligation to any person other than the Secured Party, if such default has resulted in, or may result, with notice or lapse of time or both, in, the acceleration of any such indebtedness or obligation or the right of such person to realize upon any Collateral.

15. **Crystallization.** The floating charge created by Section 2 shall become a fixed charge as soon as:

(a) the Secured Party gives notice to that effect to the Debtor;

(b) the Secured Party takes any step to accelerate or demand payment of the Obligations, or gives notice of its intention or takes any steps to enforce its security; or

(c) an Event of Default described in Subsection 14 (e) or (g) occurs in respect of the Debtor.

16. **Secured Party's Remedies on Default.** Upon the occurrence of an Event of Default all of the Obligations shall become immediately due and payable without notice to the Debtor, and the Secured Party may, at its option, proceed to enforce payment of same and to exercise any or all of the rights and remedies contained herein, including, without limitation, the signification and collection of any debts, accounts, claims or monies owed to the Debtor or otherwise afforded by law, in equity or otherwise. The Secured Party shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Secured Party expressly retains all rights and remedies not inconsistent with the provisions herein including all the rights it may have under the PPSA, and, without restricting the generality of the foregoing, the Secured Party may upon such Event of Default:

(a) **Appointment of Receiver.** Appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein a "**Receiver**") of the Debtor and of all or any part of the Collateral and remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by the Secured Party so far as concerns responsibility for its acts shall be deemed the agent of the Debtor and not of the Secured Party. Where the Secured Party is referred to in this Section the reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents of such Receiver;

(b) **Enter and Repossess.** Immediately and without notice enter the Debtor's premises and repossess, disable or remove the Collateral and the Debtor hereby grants to the Secured Party a licence to occupy any premises of the Debtor for the purpose of storage of the Collateral;

(c) **Retain the Collateral.** Retain and administer the Collateral in the Secured Party's sole and unfettered discretion, which the Debtor hereby acknowledges is commercially reasonable;

(d) **Dispose of the Collateral.** Dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor. The Secured Party may, at its discretion establish the terms of such disposition, including, without limitation, terms and conditions as to credit, upset, reserve bid or price. The Secured Party may also lease the Collateral on such terms as it deems appropriate. The payments for Collateral, whether on a disposition or lease, may be deferred. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. The Secured Party may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Secured Party has taken possession of the Collateral;

(e) **Foreclose.** Foreclose upon the Collateral in satisfaction of the Obligations. The Secured Party may designate any part of the Obligations to be satisfied by the foreclosure of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations shall be deemed to be satisfied by the foreclosure of the particular Collateral;

(f) **Carry on Business.** Carry on or concur in the carrying on of all or any part of the business of the Debtor and may, in any event, to the exclusion of all others, including the Debtor, enter upon, occupy and use all premises of or occupied or used by the Debtor and use any of the personal property (which shall include fixtures) of the Debtor for such time and such purposes as the Secured Party sees fit. The Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, costs, charges, depreciation or damages in connection therewith;

(g) **Payment of Encumbrances.** Pay any Encumbrance that may exist or be threatened against the Collateral. In any such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations secured by this Security Agreement;

(h) **Payment of Deficiency.** If the proceeds of realization are insufficient to pay all monetary Obligations, the Debtor shall forthwith pay or cause to be paid to the Secured Party any deficiency and the Secured Party may sue the Debtor to collect the amount of such deficiency; and

(i) **Dealing with Collateral.** Subject to applicable law seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Secured Party advisable and without notice to the Debtor. The Secured Party may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal services, consulting, receivers and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add such sums to the Obligations secured by this Security Agreement.

17. **Secured Party Not Liable for Failure to Exercise Remedies.** The Secured Party shall not be liable or accountable for any failure to exercise any of its remedies.

18. **Allocation of Proceeds.** All monies collected or received by the Secured Party in respect of the Collateral may be held by the Secured Party and may be applied on account of such parts of the Obligations at the sole discretion of the Secured Party.

19. **Extension of Time.** The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Debtor's guarantors or sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the Obligations, or the Secured Party's rights, remedies and powers under this Security Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Secured Party to the Debtor shall operate as a waiver, alteration or amendment of the rights of the Secured Party or otherwise preclude the Secured Party from enforcing such rights.

20. **Effect of Appointment of Receiver.** As soon as the Secured Party takes possession of any Collateral or appoints a receiver (the "**Receiver**"), all powers, functions, rights and privileges of the directors and officers of the Debtor with respect to that Collateral shall cease, unless specifically continued by the written consent of the Secured Party or the Receiver.

21. **Limitation of Liability.** The Secured Party shall not be liable by reason of any entry into or taking possession of any of the Collateral hereby charged or intended so to be or any part thereof, to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or any act or omission for which a secured party in possession might be liable.

22. **Release by Debtor.** The Debtor hereby releases and discharges the Secured Party and the Receiver from every claim of every nature which may arise or be caused to the Debtor or any person claiming through or under the Debtor by reason or as a result of anything done by the Secured Party or any successor or assign claiming through or under the Secured Party or the Receiver under the provisions of this Security Agreement unless such claim be the result of dishonesty or gross neglect.

23. **Costs.** The Debtor will reimburse the Secured Party on demand for all interest, commissions, costs of realization and other costs and expenses (including the full amount of all legal fees and expenses paid by the Secured Party) incurred by the Secured Party or any Receiver in connection with the perpetual registration of any financing statement registered in connection with the security interests hereby created, the preparation, execution, perfection, protection, enforcement of and advice with respect to this Security Agreement, the realization, disposition of, retention, protection, insuring or collection of any Collateral, the protection or enforcement of the rights, remedies and powers of the Secured Party or any Receiver, any costs incurred in complying with control orders and clean-up orders or liabilities to third parties arising out of the Debtor's activities or while enforcing the Secured Party's security, and the inspection of, and investigation of title to, the Collateral. All amounts for which the Debtor is required hereunder to reimburse the Secured Party or any Receiver shall, from the date of disbursement until the date the Secured Party or the Receiver receives reimbursement, bear interest at the highest rate per annum charged by the Secured Party on any of the Obligations.

24. **Security in Addition and not in Substitution, Remedies Cumulative.** The rights, remedies and powers conferred by this Security Agreement are in addition to, and not in substitution for, any other rights, remedies or powers the Secured Party may have under this Security Agreement, at law, in equity or by or under the PPSA or any other statute.

25. **Statutory Waivers.** To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protection given by the provisions of any existing or future statute which imposes limitations upon the rights, remedies or powers of the Secured Party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

26. **Further Assurances.** The Debtor shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Secured Party may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the security interests hereby created and the priority accorded to them by law or under this Security Agreement.

27. **Acknowledgement.** The Debtor hereby acknowledges receiving a copy of this Security Agreement.

28. **Entire Agreement.** This Security Agreement and the agreements referred to herein constitute the entire agreement between the Debtor and the Secured Party and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof. Any amendment of this Security Agreement shall not be binding unless in writing and signed by the Secured Party and the Debtor.

29. **Severability.** Any provision of this Security Agreement prohibited by law or otherwise ineffective shall be ineffective only to the extent of such prohibition or ineffectiveness and shall be severable without invalidating or otherwise affecting the remaining provisions hereof.

30. **Joint and Several Liability.** If more than one person executes this Security Agreement, their obligations hereunder shall be joint and several.

31. **Included Words.** Wherever the singular or the masculine are used herein, the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

32. **Time is of the Essence.** Time shall in all aspects be of the essence in this Security Agreement and no exception or variation of this Security Agreement or any Obligation hereunder shall operate as a waiver of this provision.

33. **Governing Law and Attornment.** This Security Agreement shall be construed and enforceable under and in accordance with the laws of Alberta.

34. **Successors and Assigns.** This Security Agreement shall be binding on the Debtor, and the Debtor's successors and assigns and enure to the benefit of the Secured Party and the successors and assigns of the Secured Party.

35. **Consent and Waiver.** The Debtor consents to the Secured Party filing such financing statements with respect to this Security Agreement in such jurisdictions as the Secured Party deems appropriate or advisable, and the Debtor waives all rights to receive from Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement on the 22 day of December, 2017.

Officer Signature(s)

(as to all signatures)

Execution Date		
Y	M	D
2017	12	22

Debtor(s) Signature(s)

GENCO HOLDINGS LTD.
by its authorized signatory(ies):

Print Name: Pali Bedi

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 Alberta and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

GENERAL SECURITY AGREEMENT

DATED for reference this 22 day of December, 2017

1. **Genco (Walden) Ltd.** (the "**Debtor**"), having a chief executive office at Suite 1100, 634 – 6th Avenue S.W., Calgary, Alberta, T2P 0S4 as continuing security for the repayment and the performance of each of the Obligations (as defined herein) grants to **Maynbridge Capital Inc.** (the "**Secured Party**") having an office at 388 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, a continuing, specific and fixed assignment, transfer, mortgage, charge and security interest in all of the Debtor's present and after-acquired personal property except any consumer goods, but specifically including all of the Debtors' present and after-acquired Accounts, Money, Chattel Paper, Goods (other than consumer goods), Intangibles, Inventory, Documents of Title, Instruments, Securities, Investment Property, Crops and Licences, and all Proceeds therefrom.

2. **Floating Charge.** As continuing security for the repayment and the performance of each of the Obligations (as defined herein), the Debtor grants a floating charge to the Secured Party on all the Debtor's interest in personal, real, immovable and leasehold property, including without limitation, all fixtures, crops and improvements, both present and future, other than such as are validly and effectively charged under Section 1 or excluded under Section 4.

3. **Attachment.** The Debtor acknowledges that value has been given. The security interests created hereby are intended to attach, as to all of the Collateral in which the Debtor has an interest, forthwith when the Debtor executes this Security Agreement, and, as to all Collateral in which the Debtor acquires any right or interest after the execution of this Security Agreement, when the Debtor acquires such right or interest.

4. **Exceptions - Leases.** The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor is hereby excepted out of the security interests created hereby. The Debtor shall assign and dispose of such last day of any term reserved by any such lease in such manner as the Secured Party may from time to time direct in writing. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Secured Party shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser, assignee, sublessee or such other acquirer of the lease, agreement to lease or any interest therein, be entitled by deed or other written instrument to assign to such other person, the aforesaid residue of any such term in place of the Debtor and to vest the same freed and discharged from any obligation whatsoever respecting the same.

5. **Where Consent Required.** Nothing herein shall constitute an assignment or attempted assignment of any right, privilege, benefit, contract, permit, policy or other document or instrument which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless and until such consent is obtained or is waived by the third party. In each such case the Debtor shall, unless the Secured Party otherwise agrees in writing, forthwith obtain the consent of any necessary third party to its assignment hereby and for its further assignment by the Secured Party to any third party who may acquire same as a result of the Secured Party's exercise of remedies after an Event of Default. Upon such consents being obtained or waived, this Security Agreement shall apply thereto without regard to this Section 5 and without the necessity of any further assurance to effect the assignment thereof.

6. **Pending Consent.** In any case to which Section 5 applies, unless and until consent to assignment is obtained as therein provided, the Debtor shall, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived therefrom in

trust for the Secured Party as additional security for performance of the Obligations and shall deliver up all such benefit to the Secured Party forthwith upon demand by the Secured Party.

7. **Collateral.** The property, assets, rights and undertaking charged hereunder, including all of such Accessions, Accounts, Chattel Paper, Documents of Title, Goods, Instruments, Intangibles, Inventory, Money, Proceeds, Investment Property and Securities together with all increases, additions, improvements and accessions thereto, and all substitutions or any replacements thereof are, unless otherwise specified, herein referred to as the "**Collateral**".

8. **Defined Terms.** Unless the context otherwise requires or unless otherwise specified, all the terms used herein without initial capitals which are defined in the *Personal Property Security Act* (Alberta) or the regulations thereunder, as they may be amended, restated or replaced by successor legislation of comparable effect (collectively, the "**PPSA**"), have the same meaning herein as in the PPSA.

9. **Obligations Secured.** The Collateral constitutes and will constitute continuing security for all present and future obligations (collectively, the "**Obligations**") of the Debtor to the Secured Party.

10. **Change of Name.** The Debtor agrees not to change its name or any name under which it carries on business without giving to the Secured Party 20 day's prior written notice of the change.

11. **Disclosure.** The Debtor agrees to deliver to the Secured Party upon request such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may request.

12. **Proceeds in Trust.** The Debtor will and shall be deemed to hold all proceeds in trust, separate and apart from other money, instruments or property, for the benefit of the Secured Party until all amounts owing by the Debtor to the Secured Party have been paid in full.

13. **Collection of Accounts.** After default under this Security Agreement, the Secured Party may notify and direct any party ("**Account Customer**") obligated to pay under any account, chattel paper or instrument constituting Collateral to make all payments whatever to the Secured Party. The Secured Party may hold all amounts acquired from any Account Customers and any proceeds as part of the Collateral. Any payments received by the Debtor whether before or after notification to Account Customers, shall be held by the Debtor in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be turned over to the Secured Party not later than the next business day following the day of their receipt.

14. **Default.** The Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events ("**Events of Default**"):

(a) **Performance of Obligations.** The Debtor defaults in the payment or performance of any of the Obligations;

(b) **Breach of Agreement.** The Debtor breaches any term, provision, warranty, representation or covenant under this Security Agreement or any other agreement with the Secured Party;

(c) **Guarantor or Indemnitor Default.** Any person who from time to time guarantees, assumes or otherwise becomes liable for the Obligations or who covenants and agrees to indemnify the Secured Party for any loss, costs or damages as a result of the Debtor's failure to perform the Obligations (the "**Guarantor/Indemnitor**"), commits a breach of, or fails to observe or perform, any covenant, representation or warranty in favour of the Secured Party;

(d) **Cease to Carry on Business.** The Debtor or Guarantor/Indemnitor ceases or threatens to cease to carry on business;

(e) **Bankruptcy, Insolvency.** The dissolution, termination of existence, insolvency, bankruptcy or business failure of the Debtor or Guarantor/Indemnitor, or upon the appointment of a receiver, receiver-manager or receiver and manager of any part of the property of the Debtor or Guarantor/Indemnitor, or the commencement by or against the Debtor or Guarantor/Indemnitor of any proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency or similar law for the relief of or otherwise affecting creditors of the Debtor or Guarantor/Indemnitor, or by or against any guarantor or surety for the Debtor or Guarantor/ Indemnitor, or upon the issue of any writ of execution, warrant, attachment, sequestration, levy, third party demand, notice of intention to enforce security or garnishment or similar process against the Debtor, Guarantor/Indemnitor or any part of the Collateral;

(f) **Commit Act of Bankruptcy.** The Debtor or Guarantor/Indemnitor commits or threatens to commit an act of bankruptcy;

(g) **Dissolution, Winding Up.** The institution by or against the Debtor or Guarantor/Indemnitor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor or Guarantor/Indemnitor;

(h) **Enforcement of Charge Against Collateral.** If any right of distress is levied or is threatened to be levied against the Collateral or if any encumbrance affecting the Collateral becomes enforceable against the Collateral or any part thereof and such distress or encumbrance is not remedied within 14 days;

(i) **Transfer of Collateral.** Any Collateral is transferred or sold without the Secured Party's prior written consent;

(j) **Destruction of Collateral.** Any material portion of the Collateral is damaged or destroyed; and

(k) **Other Default.** Either Debtor or any Guarantor/Indemnitor defaults under any agreement with respect to any indebtedness or other obligation to any person other than the Secured Party, if such default has resulted in, or may result, with notice or lapse of time or both, in, the acceleration of any such indebtedness or obligation or the right of such person to realize upon any Collateral.

15. **Crystallization.** The floating charge created by Section 2 shall become a fixed charge as soon as:

(a) the Secured Party gives notice to that effect to the Debtor;

(b) the Secured Party takes any step to accelerate or demand payment of the Obligations, or gives notice of its intention or takes any steps to enforce its security; or

(c) an Event of Default described in Subsection 14 (e) or (g) occurs in respect of the Debtor.

16. **Secured Party's Remedies on Default.** Upon the occurrence of an Event of Default all of the Obligations shall become immediately due and payable without notice to the Debtor, and the Secured Party may, at its option, proceed to enforce payment of same and to exercise any or all of the rights and remedies contained herein, including, without limitation, the signification and collection of any debts, accounts, claims or monies owed to the Debtor or otherwise afforded by law, in equity or otherwise. The Secured Party shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Secured Party expressly retains all rights and remedies not inconsistent with the provisions herein including all the rights it may have under the PPSA, and, without restricting the generality of the foregoing, the Secured Party may upon such Event of Default:

(a) **Appointment of Receiver.** Appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein a "**Receiver**") of the Debtor and of all or any part of the Collateral and remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by the Secured Party so far as concerns responsibility for its acts shall be deemed the agent of the Debtor and not of the Secured Party. Where the Secured Party is referred to in this Section the reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents of such Receiver;

(b) **Enter and Repossess.** Immediately and without notice enter the Debtor's premises and repossess, disable or remove the Collateral and the Debtor hereby grants to the Secured Party a licence to occupy any premises of the Debtor for the purpose of storage of the Collateral;

(c) **Retain the Collateral.** Retain and administer the Collateral in the Secured Party's sole and unfettered discretion, which the Debtor hereby acknowledges is commercially reasonable;

(d) **Dispose of the Collateral.** Dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor. The Secured Party may, at its discretion establish the terms of such disposition, including, without limitation, terms and conditions as to credit, upset, reserve bid or price. The Secured Party may also lease the Collateral on such terms as it deems appropriate. The payments for Collateral, whether on a disposition or lease, may be deferred. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. The Secured Party may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Secured Party has taken possession of the Collateral;

(e) **Foreclose.** Foreclose upon the Collateral in satisfaction of the Obligations. The Secured Party may designate any part of the Obligations to be satisfied by the foreclosure of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations shall be deemed to be satisfied by the foreclosure of the particular Collateral;

(f) **Carry on Business.** Carry on or concur in the carrying on of all or any part of the business of the Debtor and may, in any event, to the exclusion of all others, including the Debtor, enter upon, occupy and use all premises of or occupied or used by the Debtor and use any of the personal property (which shall include fixtures) of the Debtor for such time and such purposes as the Secured Party sees fit. The Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, costs, charges, depreciation or damages in connection therewith;

(g) **Payment of Encumbrances.** Pay any Encumbrance that may exist or be threatened against the Collateral. In any such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations secured by this Security Agreement;

(h) **Payment of Deficiency.** If the proceeds of realization are insufficient to pay all monetary Obligations, the Debtor shall forthwith pay or cause to be paid to the Secured Party any deficiency and the Secured Party may sue the Debtor to collect the amount of such deficiency; and

(i) **Dealing with Collateral.** Subject to applicable law seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Secured Party advisable and without notice to the Debtor. The Secured Party may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal services, consulting, receivers and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add such sums to the Obligations secured by this Security Agreement.

17. **Secured Party Not Liable for Failure to Exercise Remedies.** The Secured Party shall not be liable or accountable for any failure to exercise any of its remedies.

18. **Allocation of Proceeds.** All monies collected or received by the Secured Party in respect of the Collateral may be held by the Secured Party and may be applied on account of such parts of the Obligations at the sole discretion of the Secured Party.

19. **Extension of Time.** The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Debtor's guarantors or sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the Obligations, or the Secured Party's rights, remedies and powers under this Security Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Secured Party to the Debtor shall operate as a waiver, alteration or amendment of the rights of the Secured Party or otherwise preclude the Secured Party from enforcing such rights.

20. **Effect of Appointment of Receiver.** As soon as the Secured Party takes possession of any Collateral or appoints a receiver (the "**Receiver**"), all powers, functions, rights and privileges of the directors and officers of the Debtor with respect to that Collateral shall cease, unless specifically continued by the written consent of the Secured Party or the Receiver.

21. **Limitation of Liability.** The Secured Party shall not be liable by reason of any entry into or taking possession of any of the Collateral hereby charged or intended so to be or any part thereof, to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or any act or omission for which a secured party in possession might be liable.

22. **Release by Debtor.** The Debtor hereby releases and discharges the Secured Party and the Receiver from every claim of every nature which may arise or be caused to the Debtor or any person claiming through or under the Debtor by reason or as a result of anything done by the Secured Party or any successor or assign claiming through or under the Secured Party or the Receiver under the provisions of this Security Agreement unless such claim be the result of dishonesty or gross neglect.

23. **Costs.** The Debtor will reimburse the Secured Party on demand for all interest, commissions, costs of realization and other costs and expenses (including the full amount of all legal fees and expenses paid by the Secured Party) incurred by the Secured Party or any Receiver in connection with the perpetual registration of any financing statement registered in connection with the security interests hereby created, the preparation, execution, perfection, protection, enforcement of and advice with respect to this Security Agreement, the realization, disposition of, retention, protection, insuring or collection of any Collateral, the protection or enforcement of the rights, remedies and powers of the Secured Party or any Receiver, any costs incurred in complying with control orders and clean-up orders or liabilities to third parties arising out of the Debtor's activities or while enforcing the Secured Party's security, and the inspection of, and investigation of title to, the Collateral. All amounts for which the Debtor is required hereunder to reimburse the Secured Party or any Receiver shall, from the date of disbursement until the date the Secured Party or the Receiver receives reimbursement, bear interest at the highest rate per annum charged by the Secured Party on any of the Obligations.

24. **Security in Addition and not in Substitution, Remedies Cumulative.** The rights, remedies and powers conferred by this Security Agreement are in addition to, and not in substitution for, any other rights, remedies or powers the Secured Party may have under this Security Agreement, at law, in equity or by or under the PPSA or any other statute.

25. **Statutory Waivers.** To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protection given by the provisions of any existing or future statute which imposes limitations upon the rights, remedies or powers of the Secured Party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

26. **Further Assurances.** The Debtor shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Secured Party may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the security interests hereby created and the priority accorded to them by law or under this Security Agreement.

27. **Acknowledgement.** The Debtor hereby acknowledges receiving a copy of this Security Agreement.

28. **Entire Agreement.** This Security Agreement and the agreements referred to herein constitute the entire agreement between the Debtor and the Secured Party and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof. Any amendment of this Security Agreement shall not be binding unless in writing and signed by the Secured Party and the Debtor.

29. **Severability.** Any provision of this Security Agreement prohibited by law or otherwise ineffective shall be ineffective only to the extent of such prohibition or ineffectiveness and shall be severable without invalidating or otherwise affecting the remaining provisions hereof.

30. **Joint and Several Liability.** If more than one person executes this Security Agreement, their obligations hereunder shall be joint and several.

31. **Included Words.** Wherever the singular or the masculine are used herein, the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

32. **Time is of the Essence.** Time shall in all aspects be of the essence in this Security Agreement and no exception or variation of this Security Agreement or any Obligation hereunder shall operate as a waiver of this provision.

33. **Governing Law and Attornment.** This Security Agreement shall be construed and enforceable under and in accordance with the laws of Alberta.

34. **Successors and Assigns.** This Security Agreement shall be binding on the Debtor, and the Debtor's successors and assigns and enure to the benefit of the Secured Party and the successors and assigns of the Secured Party.

35. **Consent and Waiver.** The Debtor consents to the Secured Party filing such financing statements with respect to this Security Agreement in such jurisdictions as the Secured Party deems appropriate or advisable, and the Debtor waives all rights to receive from Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement on the 22 day of December, 2017.

Officer Signature(s)	Execution Date Y	M	D	Debtor(s) Signature(s)
	2017	12	22	GENCO (WALDEN) LTD. by its authorized signatory(ies): Print Name: Pali Bedi Print Name:
(as to all signatures)				

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 Alberta and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

This is Exhibit "G" referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A Elliott

COLLATERAL MORTGAGE

GENCO HOLDINGS LTD. and **GENCO (WALDEN) LTD.** (hereinafter referred to as the "**Mortgagor**") having an address at **Suite 1100, 634 6th Avenue S.W., City of Calgary, Province of Alberta T2P 0S4**, being registered owner of an estate in fee simple subject to registered encumbrances, liens and interests, if any) in all that piece of land described as follows:

SEE SCHEDULE "A"

(hereinafter referred to as "**the land**"), **IN CONSIDERATION OF** the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenant with **MAYNBRIDGE CAPITAL INC.**, having an office at **1111 West Hastings Street, Suite 388, in the City of Vancouver, Province of British Columbia, V6E 2J3** (hereinafter referred to as the "**Mortgagee**"), as follows:

(1) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:

(a) the Liabilities (as hereinafter defined), excluding any portion thereof constituting interest or constituting Enforcement Obligations (as hereinafter defined), up to the amount of **EIGHTEEN MILLION DOLLARS** ($18,000,000.00);

(b) the Enforcement Obligations (as hereinafter defined); and

(c) interest payable on the Liabilities calculated at the rate and in the manner specified herein or in the instrument or other agreement creating or evidencing the obligation to pay such interest.

"**Enforcement Obligations**" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.

"**Liabilities**" means all amounts owing to the Mortgagee from time to time in respect of any current or running account or revolving line of credit and all indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety.

(2) **Liabilities**: These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time or from time to time there may not be any Liabilities then outstanding. The Mortgagor agrees to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation. Any future or contingent Liability that does not

constitute a debt or loan shall accrue and be payable upon the satisfaction of any applicable condition or contingency which is specified in the agreement or dealing creating such Liability or upon the satisfaction of any other condition or contingency which may be applicable to making a determination of whether such Liability is accrued and payable. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute prima facie evidence of the amount of Liabilities outstanding and owing from time to time by the Mortgagor to the Mortgagee. Unless otherwise specified herein or in an instrument or other agreement creating or evidencing an obligation to pay interest on the Liabilities, the Mortgagor shall pay to the Mortgagee interest on the amount of the Liabilities outstanding from time to time for the period commencing on the date of demand for payment thereof until paid, such interest to be calculated at a rate equal to eighteen percent (18.00%) per annum, calculated and payable monthly not in advance, both before and after default and judgment, with interest on overdue interest at the rate aforesaid.

(3) **Enforcement Obligations:** All Enforcement Obligations shall be payable by the Mortgagor to the Mortgagee upon demand therefor by the Mortgagee to the Mortgagor together with interest thereon from the date such Enforcement Obligations become due and payable until paid, calculated at a rate equal to eighteen percent (18.00%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid.

(4) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.

(5) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:

(a) has a good title to the land and premises;

(b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;

(c) will execute such further assurances of the land and premises as may be requisite; and

(d) has done no act to encumber the land and premises.

(6) **Covenants:** The Mortgagor further covenants with the Mortgagee that:

(a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least seven (7) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;

(b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

(c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, tenancies, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;

(d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and all fixtures shall form a part of the mortgaged property and are charged by and subject to this mortgage;

(e) **Good Repair:** The Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the mortgaged property from time to time in order to inspect, and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended by the Mortgagee in doing all or any of the foregoing things shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

(f) **Erection of Improvements:** The Mortgagor will not, without the consent of the Mortgagee in writing, erect or permit to be erected on the mortgaged property any improvement, or enter into any contract that may cause the mortgaged property to be encumbered by a lien for work done, labor provided, services performed or material supplied and will keep the mortgaged property free from same;

(g) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental pollution, and the reasonable cost of such inspection and investigations paid for by the Mortgagee including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

(h) **No Other Encumbrances:** The Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and

(i) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.

(7) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that there is no product or substance on the mortgaged property or on any property adjacent thereto which contravenes any environmental law or which is not being dealt with according to best recognized environmental practices, and that the mortgaged property is being used in compliance with all environmental laws. The Mortgagor will give the Mortgagee immediate notice of any material change in circumstances which would cause any of the foregoing representations and warranties to become untrue. The Mortgagor will indemnify the Mortgagee and each of its directors, officers, employees, agents and independent contractors, from all loss or expense (including, without limitation, legal fees on a solicitor and his own client basis) due to the Mortgagor's failure to comply with any environmental law or due to the presence of any product or substance referred to in this paragraph, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property. All amounts payable to the Mortgagee in respect of such indemnity shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation.

(8) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision of this mortgage:

(a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;

(b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, and for executing all instruments, deeds and documents pertaining thereto, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from such sale or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitor's fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee;

(c) **Foreclosure:** The Mortgagee may take foreclosure or foreclosure and sale proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the jurisdiction in which the mortgaged property is situate; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency together with interest thereon until paid, calculated at a rate equal to eighteen percent (18.00%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. In the event foreclosure proceedings are commenced in respect of the mortgaged property, then from the time of the application for an order nisi in such proceedings, the rate of interest payable under this mortgage shall, at the option of the Mortgagee, be fixed at the rate applicable under this mortgage at that time and shall thereafter remain at such fixed rate unless and until such proceedings have been settled or discontinued;

(d) **Distraint:** The Mortgagee may distrain for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any law applicable in the jurisdiction in which the mortgaged property is situate;

(e) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver' s acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and

(f) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred hereunder or under any provision of any agreement or dealing evidencing the Liabilities and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees' observance or performance of any such provision. No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.

(9) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, become bankrupt or insolvent or shall be subject to the provisions of the *Bankruptcy and Insolvency Act*, the *Companies ' Creditors Arrangement Act*, the *Winding-up and Restructuring Act* or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, the same shall constitute a breach of covenant pursuant to this mortgage.

(10) **Costs to Protect Security:** All fees, charges, costs (including solicitor' s fees and disbursements as between a solicitor and his own client) or expenses levied or charged by any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any sale or abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the

mortgaged property, or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities, or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.

(11) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.

(12) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.

(13) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.

(14) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.

(15) **All Taxes Paid:** The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.

(16) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor hereby waives the provisions of any law applicable in the jurisdiction in which the mortgaged property is situate which would restrict recovery under this mortgage to recovering the market value of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall, notwithstanding the provisions of any such law, forthwith upon demand pay to the Mortgagee the remaining portion as a separate debt together with interest thereon until paid at a rate equal to eighteen percent (18.00%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.

(17) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full or are no longer in existence, the Mortgagee has no further obligations to the Mortgagor in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereunder and under any provision of any agreement evidencing the Liabilities; and the Mortgagee shall have a reasonable time after payment or termination of the Liabilities within which to prepare or have prepared an executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharge and any administration fee of the mortgagee in connection therewith shall be borne by the Mortgagor.

(18) **Condominium Units:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property constitutes a condominium or a unit in a condominium:

(a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, each and every provision of any law applicable in the jurisdiction in which the mortgaged property is situate which affects such condominium or unit in a condominium and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor' s ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");

(b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;

(c) In addition to the Mortgagor's obligations hereunder to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee' s request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand and shall constitute an Enforcement Obligation;

(d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;

(e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;

(f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor' s obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;

(g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and

(h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.

(19) **Farm Lands:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property is or includes farm lands:

(a) In addition to the Mortgagor's obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by hail and such other perils as the Mortgagee may require, all crops now or hereafter to be grown on the land;

(b) The Mortgagor will in each year during the currency of this mortgage either put into crop or summer fallow in good, proper and husbandlike manner every portion of the land which has been or may hereafter be brought under cultivation, and will keep the land clean and free from all noxious weeds and generally see that the mortgaged property does not depreciate in any way; and

(c) The Mortgagor will pay when and as the same fall due any charges for keeping down and destroying noxious weeds on the land and in default of payment the Mortgagee may pay the same, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation.

(20) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.

(21) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.

(22) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its Head Office or at such other place as the Mortgagee may, from time to time, in writing designate.

(23) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the *Interest Act* (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the *Interest Act* (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.

(24) **Type of Land Ownership:**

(a) **Freehold:** If this mortgage is a mortgage of a fee simple interest, the Mortgagor represents and warrants to the Mortgagee that it has a fee simple interest in possession in the mortgaged property and that it has full power to mortgage the mortgaged property.

(b) **Leasehold:** If the interest of the Mortgagor in the mortgaged property derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the mortgaged property (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

(i) all references in this mortgage to "mortgaged property" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of this mortgage;

(ii) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the mortgaged property, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the term of the mortgage, and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof, as security for the payment to the Mortgagee of the Liabilities, plus the interest on the Liabilities, Enforcement Obligations and all other amounts secured by this mortgage and for the performance of all liabilities and obligations secured by this mortgage upon the terms set out in this mortgage;

(25) **Representations and Warranties regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold title, the Mortgagor represents and warrants to the Mortgagee that:

(a) the leasehold estate which is the subject of this mortgage arises under the Lease, which has not been further modified or amended:

(b) the Lease is a valid, effective and subsisting lease which has not been surrendered or forfeited, and the Lease is not presently subject to any assignment, mortgage or other encumbrance;

(c) the Mortgagor has taken possession of the mortgaged property and all sums due under the Lease have been paid in full to the date hereof;

(d) the Mortgagor has full power to mortgage the Lease (subject to the consent, if necessary, of the lessor), and if the consent of the lessor is required, such consent has either been obtained or will be obtained prior to any advance of monies secured by this mortgage; and

(e) "Lease" means N/A.

(26) **Covenants regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold estate, the Mortgagor covenants with the Mortgagee that:

(a) it will not modify or amend or consent to any modification or amendment to the Lease without the prior written consent of the Mortgagee;

(b) it will not surrender or forfeit or consent to any surrender or forfeiture of the Lease, and it will not without the prior written consent of the Mortgagee further assign, mortgage or otherwise encumber the Lease;

(c) it will not postpone or subordinate its interest in Lease to any other mortgage or encumbrance without the prior written consent of the Mortgagee;

(d) it will faithfully comply with each provision of the Lease and will do all things necessary to preserve the Lease and the lessee's rights thereunder;

(e) it will promptly notify the Mortgagee of any default under the Lease by the Mortgagor, or the giving or receipt of any notice of default in respect thereof, and it agrees to request that the lessor provide the Mortgagee with the opportunity (but not the obligation) to cure any default under the Lease and any amount which may be required to be paid by the Mortgagee to cure such default and the costs thereof (including any legal costs as between solicitor and client) shall constitute an Enforcement Obligation;

(f) the Mortgagor will notify the Mortgagee of each and every notice of default, demand or claim forwarded to or served upon the Mortgagor by the lessor under the Lease;

(g) it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of the Lease;

(h) if the Mortgagor becomes the owner of the freehold title to the mortgaged property, then

if the mortgaged property is located in Alberta or Saskatchewan, it hereby mortgages to the Mortgagee all of its estate and interest in the mortgaged property, freehold and otherwise, such mortgage to take effect cn the Mortgagor acquiring the freehold title thereof, and this mortgage will thereupon be deemed to be a mortgage of the freehold title as if the Mortgagor had been the owner in fee simple at the date of execution of this mortgage and the Mortgagor agrees, if so requested by the Mortgagee, to execute in favour of the Mortgagee a mortgage covering the freehold estate on the same terms and conditions as are contained in this mortgage; and

if the mortgaged property is located in the Northwest Territories or Nunavut Territory, it agrees to provide to the Mortgagee, on request, a mortgage of all of its estate and interest in the mortgaged property, freehold and otherwise;

(i) it will indemnify the Mortgagee against any claims and demands in respect of the Lease, including any legal costs incurred by the Mortgagee in connection therewith, on a solicitor and client basis;

(j) the Mortgagor will at all times promptly observe and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal, or otherwise, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

(k) if this mortgage is outstanding at the end of the term of the Lease, it will at the appropriate time seek a renewal of the Lease or the issuance of a new lease in substitution and will promptly notify the Mortgagee if it becomes aware that such a renewed or substituted lease may not be forthcoming. The Mortgagor will provide a copy of any such renewed or substituted lease to the Mortgagee upon issuance and such a renewed or substituted lease will be included within the definition of the Lease hereunder and for greater certainty, will be subject to this mortgage.

(l) The Mortgagor agrees that it will from the date of execution of this mortgage stand possessed of the last day of the term of the Lease (whether it is the last date of the present term or of any extended term) and all rights, privileges and options of the Mortgagor under the Lease, in trust for the Mortgagee. The Mortgagor further agrees it will assign and dispose of said last day, consistent with the terms of the Lease, as the Mortagee may direct, but subject to the Mortgagor's right of redemption. The Mortgagor irrevocably appoints the Mortgagee as its attorney for on on behalf of the Mortgagor and in its name or otherwise to assign the said last day and privileges as the Mortgagee shall at any time direct, consistent with the terms of the Lease. The Mortgagor further agrees that upon a sale or other disposition made by the Mortgagee, and if requested by the Mortgagee, to assign the last day and privileges and options relating thereto to the purchaser or assignee and to exercise any and all assignments and transfers for that purpose; and the Mortgagee may at any time, by deed or other instrument, remove the Mortgagor or any other person as trustee for the last day and appoint a new trustee or trustees in its place.

(m) **Information:** The Mortgagor authorizes the Mortgagee to contact the lessor from time to time to obtain information regarding the rent or other sums payable under the Lease, the status of payment thereof and any other information relating to the Lease or default thereunder.

(n) **Breach:** The Mortgagor agrees that it will be deemed to constitute a breach of the provisions of this mortgage if the leasehold estate which is the subject of this mortgage ceases to exist.

(27) **Special Provisions:** The Mortgagor covenants with the Mortgagee that in the event the mortgaged property is situate in the Province of Saskatchewan and the Mortgagor is a body corporate, the Mortgagor agrees that:

(a) The *Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to an action, as defined in the said Act, with respect to this mortgage; and

(b) The *Limitation of Civil Rights Act* of the Province of Saskatchewan, or any provision thereof shall have no application to this mortgage or any agreement or instrument renewing or extending or collateral to this mortgage, or the rights, powers or remedies of any other person under this mortgage, or any such agreement or instrument renewing or extending or collateral to this mortgage.

(28) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.

(29) **Joint and Several:** In the event there is more than one Mortgagor hereunder, the terms, conditions and other obligations of each Mortgagor hereunder shall be joint and several.

(30) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and the terms of this mortgage shall be binding upon and apply to the party's heirs, executors, administrators, successors or assigns, as applicable.

(31) **Statutory Mortgage Clause:** And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor' s estate and interest in the mortgaged property.

(32) **Land Titles Act:** It is understood and intended that this mortgage is made with reference to and under the *Land Titles Act* of the jurisdiction in which the mortgaged property is situate.

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED THIS 22 day of December, 2017.

in the presence of

GENCO (WALDEN) LTD.

By: ____________________________

Name: Pali Bedi
Title: President

(c/s)

By: ____________________________

Name:
Title:

GENCO HOLDINGS LTD.

By: ____________________________

Name: Pali Bedi
Title: President

(c/s)

By: ____________________________

Name:
Title: