This is the 3rd affidavit
of Macario Teodoro Reyes in this case
and was made on 04/JUNE/2021

No. S-205095
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF PORT CAPITAL DEVELOPMENT (EV) INC. and EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP

AFFIDAVIT

I, **MACARIO TEODORO REYES**, businessman, of 325 West 4th Avenue, Vancouver, BC V5Y 1H3, SWEAR (OR AFFIRM) THAT:

1. I am a director and officer of Port Capital Group Inc. ("**Port Capital Group**"), the petitioner Port Capital Development (EV) Inc. (the "**General Partner**") and 1296371 B.C. Ltd. ("**129**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as to such facts, I verily believe the same to be true.

2. I swear this affidavit to provide certain updates to matters described in my second affidavit, sworn May 21, 2021. Capitalized terms in this affidavit have the meaning given to them in my second affidavit, unless otherwise defined herein.

3. At paragraph 15 of my second affidavit, I outlined the sources of funds that would be used to pay the Interim Financing Facility, and redeem and take an assignment of the loan and security held by CMLS.

4. After further negotiations with Domain, it has issued a Second Revised Commitment Letter, dated June 4, 2021 (the "**Second Domain Commitment Letter**"), in the amount of $14.7 million. Now shown to me and attached hereto as **Exhibit "A"** is a copy of the Second Domain Commitment Letter.

5. The Second Domain Commitment Letter confirms that all material conditions, other than court approval and consent from Aviva, have been satisfied. Fees in the total amount of $342,000 have been paid to Domain to secure an unconditional commitment letter, including the "funding fee" required for Domain to present an offering memorandum to its investors and secure the $14.7 million necessary to fund the proposed loan, which it has now done.

6. Further, I have had extensive discussions with Aviva, which has resulted in Aviva issuing a support letter confirming it will consent to the proposed refinancing, on certain terms. Now shown to me and attached hereto as **Exhibit "B"** is a copy of the Aviva consent.

7. Pursuant to the Aviva consent, the priority among Domain, NumberCo, 129 and Aviva following the re-financing transaction will be as follows:

(a) First, Domain up to the principal amount of $14.7 million;

(b) Second, 129 (in respect of the Deposits), as to 65%, and Aviva, as to 35%, *pro rata* up to the principal amount of $8,005,201

(c) Third, Aviva, for the balance owed to it;

(d) Fourth, NumberCo, for the balance owed to it; and

(e) Fifth, 129, for the balance owed to it.

8. The foregoing effectively amounts to Luz Consuelo Reyes (who is my mother, and the sole director and officer of NumberCo) subordinating the loan from NumberCo, and her $2.8 million deposit, to Aviva. Luz Reyes has consented to this subordination.

9. Attached to my second affidavit were irrevocable directions from the Pre-Sale Purchasers authorizing the use of their deposits in the proposed refinancing transaction. The irrevocable directions provided by 1192706 B.C. Ltd. and 1208596 B.C. Ltd. contained a condition that the direction was subject to, "the consent of the undersigned to release the Deposit after undersigned counsel has reviewed the definitive documents required to effect the Transaction."

10. This condition has now been satisfied. Now shown to me and attached hereto as **Exhibit "C"** is a copy of irrevocable directions from the foregoing Pre-Sale Purchasers with the relevant condition removed.

11. Lastly, NumberCo had previously given an unconditional commitment to fund a loan in the amount of $1.5 million in connection with this refinancing transaction. In order to ensure there are sufficient funds to redeem CMLS in full, NumberCo has agreed to increase the amount of its loan to $2.15 million. Now shown to me and attached hereto as **Exhibit "D"** is a copy of an email from Luz Reyes to myself, confirming the increase. I am informed by Robert Quon, of Dentons, and verily believe the same to be true, that Dentons holds the funds required to advance this loan in trust.

12. The total funding contemplated by the foregoing transaction, including fees pre-paid to Domain, is $24,960,201. This provides sufficient funding to:

(a) pay the remaining fees owing to Domain pursuant to the Revised Commitment Letter, and provide sufficient holdbacks as contemplated therein;

(b) pay the amounts owing to the beneficiaries of the Administration Charge, the Interim Lender, and CMLS, in full; and

(c) reserve $250,000 to pay the break-fees contemplated by the purchase agreements signed by Landa and Solterra, in the event those are payable.

13. Now shown to me and attached hereto as **Exhibit "E"** is a table setting out the sources and uses of funds in connection with the proposed refinancing transaction.

SWORN (OR AFFIRMED) BEFORE ME at Vancouver, BC, on 04/JUNE/2021	
A Commissioner for taking Affidavits within British Columbia	**MACARIO TEODORO REYES**

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

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DOMAIN FUNDING

Domain Funding
1100–1040 West Georgia St.
Vancouver, BC V6E 4H1
604.681.3000

This is Exhibit " A " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia

Friday, June 4, 2021

Loan #: 2021-BC011

Evergreen House Development LP
Port Capital Development (EV) Inc.
Port Capital Development Inc.
Mr. Macario Teodoro Reyes
c/o 325 West 4th Avenue,
Vancouver, B.C. V5Y 1H3

E-mail: tobi@portliving.com

Dear Sir:

SECOND REVISED COMMITMENT LETTER ("2RCL")

Bankers Mortgage Corporation doing business as Domain Funding is pleased to present you with a commitment to provide a loan with terms and conditions described herein and on the attached Schedules (the "Loan").

1. SECURED PROPERTY:

Civic Address:	1250 West Hastings Street, Vancouver B.C.
Legal Description:	LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92
PIDs:	006-721-397

The above property(s) is referred to herein as the "Secured Property".

2. LENDER/MORTGAGEE:

Name:	**Domain Mortgage Corp.** syndicated in trust for private mortgage investors, and/or nominee.
Address:	1100 – 1040 W. Georgia St. Vancouver, BC V6E 4H1

Hereinafter referred to as the "Lender".

3. BORROWER(S)/MORTGAGOR(S) AND ASSIGNEE(S) AND/OR NOMINEE(S):

Name:	**Evergreen House Development Limited Partnership**
Relationship:	The beneficial owner of the Secured Property
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3
Name:	**Port Capital Development (EV) Inc.**
Relationship:	The registered owner of the Secured Property and the General Partner of Evergreen House Development Limited Partnership
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

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4. COVENANTOR(S):

The Lender(s) will require the Loan to be guaranteed by the personal and/or corporate shareholders of the Borrowing Company(s) and/or others (the "Covenantors").

To date the following Covenantors have been identified:

Name:	**Macario Teodoro Reyes**
Relationship to Borrower:	Principal of Port Capital Development Inc.
Address:	#801-2211 Cambie Street, Vancouver, B.C. V5Z 2T5
Name:	**Port Capital Development Inc.**
Relationship to Borrower:	100% shareholder of Port Capital Development (EV) Inc.
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

5. LOAN TYPE AND PURPOSE:

To assist in (i) the redemption and repayment of the interim financing ("Interim Financing") provided by Desjardins Financial Security Life Assurance Company ("Desjardins") and, (ii) together with 1296371 B.C. Ltd. (the "Junior Lender"), the purchase and assignment of the existing loans and security (the "Existing Security") provided by CMLS Financial Ltd., as agent for and on behalf of certain lenders (collectively the "Existing Lenders").

The Interim Financing is in the principal amount of $1,287,274.88 (subject to verification), secured by a super-priority court-ordered charge over all assets, undertakings and property of the Borrowers.

The Existing Loan is in the principal amount of $21,233,416.87 (subject to verification).

The Interim Financing and the Existing Loan are secured by the following Mortgages and Assignments of Rents registered on title to the Secured Property:

Nature:	MORTGAGE
Registration Number:	CA7337616
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7337617
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226
Nature:	MORTGAGE
Registration Number:	CA8277031
Registration Date and Time:	2020-06-30 16:49
Registered Owner:	DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY INCORPORATION NO. A0056166

(collectively, the foregoing loans, the "Existing Loan", and the foregoing security interests, are referred to herein as the "Existing Security").

6. USES AND SOURCES OF FUNDS:

Loan proceeds to be used in accordance with the following Uses and Sources of Funds budget:

Uses of Funds

Payout CMLS Financial Ltd. (estimate)	$	21,233,416.87
Payout Desjardins Financial Security Life Assurance Company (estimate)	$	1,287,274.88
Provision of a Payment Reserve to the CCAA Monitor (estimate)	$	250,000.00
Domain Mortgage Corp Loan Servicing Fee (0.25% of the Loan amount)	$	18,375.00
Monthly Interest Reserve (6 months - see below)	$	866,250.00
Domain Funding Mortgage Broker Fee (2.0% of the Loan amount)	$	294,000.00
Domain Securities Corp Fund Raising Fee (1.0% of the Loan amount)	$	147,000.00
Lender's CCAA Reporting Consultant - (estimate)	$	60,000.00
Lender's legal fees, title insurance, misc., etc. (estimate)	$	40,000.00
Total Uses of Funds	**$**	**24,196,316.75**
Total Uses of Funds (Rounded)	**$**	**24,197,000.00**

Sources of Funds

Domain Mortgage Corp. Mortgage Loan Amount (First Loan Segment)	$	10,500,000.00
Domain Mortgage Corp. Mortgage Loan Amount (Second Loan Segment)	$	4,200,000.00
Paid Amount of Domain Funding Mortgage Broker Fee	$	145,000.00
Paid Amount of Lender's legal fee	$	27,000.00
Additional Equity requirement and/or Junior Lender requirement (est.)	$	9,325,000.00
Total Sources of Funds	**$**	**24,197,000.00**

NOTE 1: The above budget has been prepared by Domain Funding based on information provided by the Borrower(s) and Covenantor(s) and is subject to change.

NOTE 2: All figures listed in above budget are subject to verification and approval by the Lender.

NOTE 3: At the option of the Lender, any Loan proceeds will be controlled and/or disbursed by the Lender or its solicitor for the purposes outlined above or for other Lender-approved purposes.

NOTE 4: Any shortfall of funds to complete the assignment and transfer of the Existing Mortgage is the responsibility of the Borrower(s), Covenantor(s), and 1296371 B.C. Ltd.

NOTE 5: The Borrower(s) will pay $100,000 (or such other amount recommended by the Monitor of the CCAA proceedings pursuant to the Monitor's budget as approved by the Lender) from the Loan proceeds representing a payment to the Monitor on closing to cover anticipated future costs of the Monitor (including their counsel in the CCAA proceeding. The balance of the $250,000 Provision of a Payment Reserve will be held by the Lender in a reserve as against protective disbursements including without limitation monitor's or other costs. If the monitor's costs exceed the amount advanced to the monitor the Borrower(s) shall pay those costs and the Lender shall not be obligated to (but may) pay any additional costs from the said reserve.

NOTE 6: The Borrower(s) will assign $60,000 (or such other amount recommended by the Lender's solicitor) from the Loan proceeds representing a provision for a CCAA Reporting Consultant to provide reporting to and to advise the Lender with respect to the CCAA proceedings.

7. JUNIOR LENDER PARTICIPATION WITHIN THE EXISTING SECURITY:

1296371 B.C. Ltd. will become a Junior-ranking participant in the proposed new ownership of the Existing Security subordinate in all respects to the $14,700,000 aggregate amount of the Loan and will enter into a participation Agreement (the "**Participation and Stand Still Agreement**") with Domain Mortgage Corp. to be prepared by the Lender's Lawyer, or in the alternative, there will be sufficient recapitalization of the Borrower(s) to fund monies required (in addition to the Loan) to refinance the

Existing Lenders and retire the Interim Financing, without participating in the Loan and the related security.

The Participation and Stand Still Agreement will contain a provision allowing the Junior Lender to purchase the Loan and the interest of the Lender in the Existing Security and to transfer the administration of the Existing Security upon payment to the Lender of the amount owing under the Loan and subject to the Lender receiving the minimum interest provisions contained herein and otherwise as required by the Lender's lawyer.

The Participation and Stand Still Agreement will subordinate the Junior Lender to the Lender in all respects and the Lender or the Lender's nominee will administer the Loan and the interest of the Junior Lender in the Existing Security.

The Participation and Stand Still Agreement will contain provision(s) to cause unpaid interest, if and when due, to be made by Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd. and to apply interest due under the Loan exceeding the interest prescribed under the Existing Security to be deducted from the ownership interest of 1296371 B.C. Ltd., and in priority to the ownership interest of 1296371 B.C. Ltd., in the Existing Security.

The standstill provisions of the Participation and Stand Still Agreement will prohibit the Junior Lender from taking any action in respect of the Loan unless and until either:
a) the Loan is repaid in full; or
b) the Junior Lender purchases the Loan and the interest of the Lender from the Lender.

8. LOAN FUNDING DATE:

A date to be determined by the Lender NOT BEFORE June 23, 2021 and NOT AFTER June 30, 2021, subject to the following prior events:

(i) CCAA Monitor and Court to approve assignment and transfer of the Existing Security by June 8, 2021, in a form satisfactory to the Lender

The Borrower(s) acknowledges that interest on the Loan shall accrue from the date that funds are provided by the Lender to its solicitor in preparation for the funding of the Loan, whether or not the Borrower(s) and Covenantor(s) are in a position to draw funds in accordance with the terms and conditions of this Commitment Letter.

9. PAYMENT PROVISIONS:

The Loan will be divided into the following (2) Loan Segments with (2) differing interest rates in recognition of differing risk profiles within the $14,700,000 composition of the Loan.

Loan Amount:	$10,500,000.00 (the "First Loan Segment") <u>$ 4,200,000.00</u> (the "Second Loan Segment") $14,700,000.00 (the "Loan")

<u>Terms of $10,500,000 First Loan Segment</u>

Term:	6 months from Interest Adjustment Date
Amortization:	Interest Only
Interest Rate:	<u>Up to and including Nov. 30, 2021:</u> The greater of Prime + 8.05% per annum or 10.50% per annum, compounded monthly <u>Commencing Dec. 1, 2021:</u> 12.00% per annum, compounded monthly
Interest Calculation Period:	Monthly

Payment Dates:	1st day of month during Loan Term	
Interest Adjustment Date:	July 1, 2021	
First Payment Date:	August 1, 2021	
Periodic Payment Amounts:	$91,875.00	interest payment
	$ 2,187.50	Loan servicing fee (0.25% of Loan Amount)
	$94,062.50	

Monthly interest payments during the term of the Loan will be made using Monthly Payment Reserve(s) held by the Lender. If and when Monthly Payment Reserve(s) held by the Lender are depleted, interest due under the Loan be made by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd.

Balance Due Date: Jan. 1, 2022

Terms of $4,200,000 Second Loan Segment

Term:	6 months from Interest Adjustment Date.	
Amortization:	Interest Only	
Interest Rate:	Second Loan Segment:	
	Prior to the first day of the last month of the Loan Term:	
	18.00% per annum, compounded monthly	
	Commencing the first day of the last month of the Loan Term:	
	24.00% per annum, compounded monthly	
Interest Calculation Period:	Monthly	
Payment Dates:	1st day of month during Loan Term	
Interest Adjustment Date:	July 1, 2021	
First Payment Date:	August 1, 2021	
Periodic Payment Amounts:	$ 52,500.00	interest payment
	$ 875.00	Loan servicing fee (0.25% of Loan Amount)
	$ 53,375.00	subtotal

Monthly interest payments during the term of the Loan will be made using Monthly Payment Reserve(s) held by the Lender. If and when Monthly Payment Reserve(s) held by the Lender are depleted, interest due under the Loan be made by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd.

Balance Due Date: Jan. 1, 2022

10. EARLY REPAYMENT TERMS:

The Loan may be repaid in full without penalty provided the Lender has first received payment of Loan Interest and Loan Servicing Fees of not less than $884,625.00. Unless otherwise specified herein, partial repayment of the Loan is not permitted without the written consent of the Lender.

11. LOAN RESERVE(S):

The Lender requires the Borrower(s) to assign the following Monthly Payment Reserve to the Lender from the Loan Proceeds (collectively the "Loan Reserve(s)"). Upon payout of the Loan in full, any unused amounts in the Loan Reserve(s) will be returned to the Borrower(s) subject to the Early Repayment Terms outlined herein.

11.1 MONTHLY PAYMENT RESERVE:

The Borrower(s) will assign $884,625.00 to the Lender from the Loan proceeds representing a Monthly Payment Reserve which, upon the occurrence of an event of default of the Loan, the Borrower(s) agrees to and so directs the Lender to withdraw from the Monthly Payment Reserve payments to maintain monthly Loan interest and Loan Servicing Fee payments, to pay for any costs to enforce the terms of the Loan, including legal, and/or receivership costs, and/or for any costs to realize on the Loan Security, at the Lender's sole discretion.

Such payments shall be of the same force and effect as if made personally by the Borrower(s), however, shall not constitute a cure or waiver of a default by virtue of the failure to comply with any other payment terms herein. The Lender shall not pay interest on the interest reserve or any monies held or advanced as further security for the Loan.

12. SPECIAL TERMS AND CONDITIONS:

The Lender will require the following SPECIAL TERMS AND CONDITIONS, all of which must be found satisfactory to the Lender and its Solicitor:

a) Approval of the proposed form of Order and Court approval in CCAA Proceeding No. S-205095 approving the transfer and assignment of the Existing Loans and the Existing Security, on or before June 8, 2021.

b) DIP Financing to be fully paid out and a Court Order terminating the DIP Financing.

c) Review of monitor's budget through the term of the Loan.

d) Administration charge to be fully paid as of the funding date and removed and replaced by the funding of the security to the Monitor or alternatively the Administration charge limited to an amount satisfactory to the Lender.

e) Provision of a Payment Reserve to CCAA Monitor (with a current estimate of $250,000, but subject to change), of which $100,000 is to be advanced to the Monitor on closing, to cover anticipated future costs of the Monitor and its counsel in the CCAA Proceedings.

f) Consent of Aviva Insurance Company of Canada to the transfer and assignment of the Existing Loan and Existing Security to the Lender and agreement to not seek a reverse vesting order or challenge the interest of the participants in the new ownership of the Existing Security or otherwise to seek to modify the registration of the Existing Loans and the Existing Security as a first-ranking charge registered on title to the Secured Property.

g) Court approval referred to in 12.a), above, to include the following provisions:

- Carve out of the Existing Loans and the Existing Security from the stay of proceedings in connection with CCAA Proceeding No. S-205095.
- Stays of proceedings to be extended to the term of the Loan.
- No further DIP financing without consent of the Lender;
- CCAA Monitor's powers to be reduced to allow Borrower(s) to complete the Project;
- CCAA to go into "dormant status" for the term of the Loan, meaning that no further steps are to be taken in the CCAA Proceeding during the stays of proceedings without the consent of the Lender

13. PERMISSIBLE PRIOR ENCUMBRANCES:

The Lender will permit the following prior charge(s) to be registered against the Secured Property:

The Administration charge, if not removed and replaced by reserve funding, subject to limitation to the satisfaction of the Lender as contemplated by Section 12(d) hereof.

14. PERMISSIBLE SUBSEQUENT ENCUMBRANCES:

The Lender will permit the following subsequent-ranking financial charge(s) to be registered against title to the Secured Property:

Those charges registered against Land Title No. CA7287055 set out in Schedule "D".

15. LOAN SECURITY:

The Lender will require the following Loan Security and other or further Loan Security (the "Loan Security"), all of which must be found satisfactory to the Lender and its Solicitor:

a) An assignment of the Existing Loans and Existing Security to the Lender.

b) Assignment of a $884,625 Monthly Payment Reserve to the Lender.

c) Assignment of a $60,000 CCAA Reporting Consultant allowance to the Lender.

d) Assignment of the Lender-approved Payment Reserve to the Monitor of the CCAA proceeding.

e) To the extent not included in the Existing Security:

   i. General Security Agreement with respect to the Borrower(s) and Covenantor(s) under the P.P.S.A.
   ii. Personal and/or corporate covenants as required by the Lender.
   iii. Principals of the Borrowing Company and any Corporate Covenantor(s) to postpone any Shareholder Loans to the Lender.
   iv. Property insurance, acceptable to the Lender.
   v. Title insurance in favour of the Lender including the Extended Super Priority Lien Coverage under the Lender's Master Policy with First Canadian Title.
   vi. Hazardous substances and environmental indemnity agreement by the Borrower(s)/Covenantor(s) in favour of the Lender

f) Court approval of the security and the transaction including a declaration the Lender has a first charge on the assets.

g) Such other and further Loan security in connection with the Secured Property as may be required by the Lender or its solicitor.

16. STANDARD CLAUSES:

Standard terms, conditions, covenants, representations and warranties are attached to and form part of this Commitment Letter as outlined in Schedule "A".

17. CONDITIONS PRECEDENT TO FUNDING:

17.8 Funding of the Loan is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Wednesday, June 16, 2021**, all to be found satisfactory to the Lender and its solicitor:

a) An executed copy of this Commitment Letter.

b) Payment of the Non-Refundable Working Fee of $25,000.00 payable to "Domain Funding" by way of bank draft upon your acceptance of this Term Sheet. **SATISFIED**

c) Review and approval of the executed assignment and transfer agreement with respect to the purchase and assignment of the Existing Loans and the Existing Security, and all supporting documents including the commitment letter issued by CMLS Financial Ltd. as amended and its replacement by this Commitment Letter. **PENDING**

d) Verification of minimum of $9,325,000 of funds required to be contributed by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd. to complete the refinance of the Existing Lenders and purchase and assignment of the Existing Loans and the Existing Security. **PENDING**

e) Satisfactory review of and opinion with respect to the following by the Lender' solicitor:

  i. Mortgage CA7337616 registered i/n/o CMLS Financial Ltd.
  ii. Assignment of rents CA7337617 registered i/n/o CMLS Financial Ltd.
  iii. Mortgage CA8277031 registered i/n/o Desjardins Financial Security Life Assurance Co.

  PENDING

f) Satisfactory review of and opinion with respect to the following by the Lender' solicitor:

  i. Commitment Letter, issued by CMLS Financial Ltd. dated July 4, 2018 and all amendments, including, without limitation,
    - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated December 12, 2018, and
    - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated February 1, 2019, and
    - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated June 25, 2019,

  and its replacement by this Commitment Letter on funding.

  SATISFIED

g) Satisfactory inspection of the Secured Property by the Lender. **SATISFIED**

h) Satisfactory review by the Lender of the Certificate of Title for the Secured Property. **SATISFIED**

i) Satisfactory review by the Lender of the Organizational Chart of the Borrowers and any company providing a corporate covenant. **SATISFIED**

j) Satisfactory review by the Lender of the most recent Financial Statements for the Borrowing Company(s) and any company providing a corporate covenant (unless newly formed), prepared by a qualified accounting firm. **SATISFIED**

k) Confirmation of legal and beneficial ownership of the Secured Property, the Borrowing Company, and any company providing a corporate covenant including copies of any trust, joint venture, and/or limited partnership agreement(s). **SATISFIED**

l) Current, signed and dated Personal Net Worth Statement of any personal Borrower(s) or person(s) providing a covenant including details of all assets and liabilities. The PNW Statement should be prepared on Domain Funding forms with explanatory notes and/or attachments where necessary. **SATISFIED**

m) Credit Bureau Report for any personal Borrower(s) or person(s) providing a covenant. **SATISFIED**

n) Detailed real estate development resume of the Borrower(s)/Covenantor(s). **SATISFIED**

o) Satisfactory review by the Lender of Development and Building Permits issued by the City of Vancouver related to the Project. **SATISFIED**

p) A complete set of current architectural drawings (11" x 17") of the Project (Issued for Construction). **SATISFIED**

q) Geotechnical Report, acceptable to the Lender, confirming the Secured Property contains satisfactory soil conditions to permit development of the Secured Property. **SATISFIED**

r) Transmittal Letter(s), acceptable to the Lender, from the Geotechnical Engineer authorizing the use of their report for mortgage financing purposes. **SATISFIED**

s) Environmental Report(s), acceptable to the Lender, demonstrating that the Secured Property is environmentally clean. **SATISFIED**

t) Transmittal Letter(s), acceptable to the Lender, from the Environmental Consultant authorizing the use of their report for mortgage financing purposes. **SATISFIED**

u) Appraisal Report and Transmittal Letter from RYAN ULC demonstrating $26,000,000 minimum "as is" land value for the Secured Property. **SATISFIED**

v) Transmittal Letter(s), acceptable to the Lender, from RYAN ULC authorizing the use of their Appraisal Report for mortgage financing purposes. **PENDING**

w) Satisfaction of the SPECIAL TERMS AND CONDITIONS outlined in Section 12., herein. **PENDING**

x) Such other and further information, material or requirements that may be required by Domain Funding, the Lender or the Lender's solicitor.

17.9 Funding of the Loan is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Wednesday, June 23, 2021**, all to be found satisfactory to the Lender and its solicitor:

a) Receipt of insurance policies, including confirmation of paid insurance premiums, satisfactory to the Lender and/or its solicitor.

b) Registered Loan Security satisfactory to Lender's solicitor.

c) Such other and further information, material or requirements that may be required by Domain Funding, the Lender or the Lender's solicitor.

17.10 Domain Securities Corp., a related-party to Domain Funding, has advised Domain Funding that it has approved the Loan as a qualified mortgage investment for its private mortgage investors and that its investors will provide the monies necessary to fund the Loan on the Loan Funding Date. As a result, the fund-raising requirement of this 2RCL has been **SATISFIED.**

17.11 Upon satisfaction of all Conditions Precedent to Funding, as determined by the Lender and its solicitor at their sole discretion, the entire Loan Amount will be advanced to the Borrower(s) in one advance in accordance with the terms and conditions of this Commitment Letter.

18. POST FUNDING CONDITIONS:

None.

19. PAYMENT OF LOAN FEES:

Pursuant to Schedule "A" of the Loan Retainer Agreement dated Thursday, April 29, 2021, the $25,000 Non-Refundable Working Fee has been received.

The following further amounts are due as follows:

$ 80,000.00 Initial MORTGAGE BROKER FEE due upon issuance of the Loan Commitment Letter dated May 7, 2021. **RECEIVED**

$ 65,000.00 Second MORTGAGE BROKER FEE due upon issuance of the Revised Loan Commitment Letter dated May 11, 2021. **RECEIVED**

$147,000.00 Fund Raising Fee payable to Domain Securities Corp. due upon the issuance of the Second Revised Loan Commitment Letter dated June 4, 2021.

$149,000.00 Third MORTGAGE BROKER FEE due upon the earlier of: (a) the funding of the Loan; or (b) the Loan Funding Date specified in the 2RCL; or (c) the cancellation of the Loan Commitment Letter(s) by the Borrower(s). The $149,000.00 Third MORTGAGE

BROKER FEE will be further evidenced and secured by a Promissory Note to be issued and executed by the Borrower(s) and Covenantor(s) along with the Loan Commitment Letter(s).

20. LOAN SERVICING AND ADMINISTRATIVE FEES:

The Borrower(s) and Covenantor(s) agree to pay the following Loan Servicing and Administrative Fees during the Loan term:

a) Loan Servicing Fee of 0.25% per annum, calculated and paid monthly. The Loan Servicing Fee is payable by the Borrower to the Lender as the administrator of the Loan, as compensation for collecting and making interest payments, Loan record-keeping, and post funding administration of the Loan in the normal course;

b) $500.00 non-sufficient funds (NSF) fee, per occurrence.

c) $500.00 late payment fee, per occurrence.

d) $500.00 discharge fee, per title to be discharged.

e) $500.00 per hour (or portion thereof) administration fee for each occasion Domain Funding or the Lender provides administrative services outside the normal course administration of the Loan.

21. LENDER'S SOLICITOR:

Legal work and documentation will be performed, at the Borrower(s)' expense, by the Lender's solicitor, as follows:

Name:	Alan Frydenlund
Firm:	Owen Bird
Address:	Bentall 3, Suite 2900, 595 Burrard Street, Vancouver, BC V7X 1J5
Telephone:	(604) 691-7511
Email:	afrydenlund@owenbird.com

22. BORROWER(S)' INFORMATION:

The Borrower(s) must complete the information required in Schedule "C" attached to this Commitment Letter upon acceptance of this Commitment Letter.

23. DEDUCTIONS FROM LOAN PROCEEDS BY LENDER'S SOLICITOR:

The Borrower(s) and Covenantor(s) acknowledge and agree that the Lender's solicitor will be deducting the following amounts from the Loan Proceeds:

Interest Adjustment:	Lender's solicitor to advise.
Balance of Mortgage Broker Fee:	$149,000.00 (payable to Domain Funding)
Fund Raising Fee:	$147,000.00 (payable to Domain Securities Corp.)
Monthly Payment Reserve:	$884,625.00 (payable to Domain Mortgage Corp.)
Provision of a Payment Reserve for the CCAA Monitor:	$250,000.00 (payee to be named)
Lender's CCAA Reporting Consultant:	$60,000.00 (payee to be named)
Lender's Legal Fees:	$40,000.00 (estimate)

NOTE: Payouts of existing mortgages, outstanding taxes, utilities, etc. are to be deducted from mortgage proceeds and paid by the Lender's solicitor and/or paid by the Borrower(s)' solicitor subject to the appropriate undertakings.

24. LOAN FUNDING EXPIRY DATE:

Unless the Loan is funded by the Lender and funds are drawn by the Borrower(s) in accordance with the terms and conditions of this Commitment Letter on or before **Wednesday, June 30, 2021**, then, the Lender's obligation to fund the Loan will become null and void.

25. ACCEPTANCE:

The Borrower(s) and Covenantor(s) must indicate their acceptance of this Commitment Letter by completing, signing and initialing where indicated, and by completing, signing, and initialing Schedule "A", Schedule "B", Schedule "C", and Schedule "D" attached, and returning to Domain Funding along with the $147,000.00 Fund Raising Fee payable to Domain Securities Corp. on or before 5:00 P.M. on Friday, June 4, 2021.

The $80,000 Initial Mortgage Broker Fee has been previously received in connection with the Commitment Letter dated Friday, May 7, 2021.

The $65,000 Second Mortgage Broker Fee has been previously received in connection with the Commitment Letter dated Tuesday, May 11, 2021.

If this Commitment Letter is not accepted by the Borrower(s) and Covenantor(s) or if the $147,000.00 Fund Raising Fee payable to Domain Securities Corp. by 5:00 P.M. on Friday, June 4, 2021, then the Lender's obligation to fund the Loan will cease.

Yours truly,

DOMAIN Funding

PER: Authorized Signatory

ACCEPTANCE OF COMMITMENT LETTER

I/We hereby understand and accept the terms and conditions of this Commitment Letter and the attached Schedules.

Accepted this 4th day of June, 2021

BORROWER(S):	COVENANTOR(S):
Evergreen House Development Limited Partnership PER: Authorized Signatory	**Port Capital Development Inc.** PER: Authorized Signatory
Port Capital Development (EV) Inc. as the General Partner of Evergreen House Development Limited Partnership PER: Authorized Signatory	**Mr. Macario Teodoro Reyes** **Mr. Macario Teodoro Reyes**

SCHEDULE "A" – STANDARD CLAUSES

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FRIDAY JUNE 4, 2021)

1. PROPERTY TAXES AND OTHER CHARGES:

The Borrower(s) will pay all taxes, assessments, utilities, strata and/or condominium fees and all other amounts charged or levied against the Secured Property when the same are due and payable, and provide evidence to the Lender on an annual basis by no later than August 31 of each year, that they are fully paid and up to date.

Subject to the discretion of the Lender, any advance under the Loan will be conditional on the Borrower(s) providing evidence to the Lender that all taxes, assessments, utilities, strata and/or condominium fees and all other amounts charged or levied against the Secured Property have been paid in full.

2. INSURANCE:

The Borrower(s) will insure and keep insured the Secured Property and all chattel property against the following perils:

a) With respect to all buildings and other improvements, if any, now or hereinafter situated on the Secured Property, and all insurable property included within the buildings, coverage against loss or damage by fire and other insurable hazards, including earthquakes, defined in an "all risks" policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit.

b) If applicable, during construction for the full contract price plus extras and additions which, from time to time, may be added thereto using standard Builders' Risk - "all risk" form or equivalent. The policy is to grant permission for partial occupancy.

c) If applicable, standard comprehensive boiler and pressure vessel insurance for the full replacement cost of the Secured Property and all improvements thereon or such lesser amount as shall be acceptable to the Lender.

d) If applicable, business interruption insurance or rental loss insurance acceptable to the Lender for an indemnity period of not less than 100% of the resulting loss of rent and/or other revenue received from the operation of the building.

e) Loss or damage of all personal property by fire or other insurable hazards, including theft, in an amount not less than the full replacement cost thereof.

f) Public liability insurance to an amount not less than $2,000,000 on an occurrence basis.

The policies of insurance to be maintained shall not contain any co-insurance clauses and shall be in a form and with insurers satisfactory to the Lender, and/or its insurance consultant, and shall include the agreement of the insurer that the policy will not be cancelled without at least 15 days prior written notice of intended cancellation to the Lender. The Lender shall be named in all policies as "Loss Payee" and/or as "Additional Insured", as its interest may appear, and the Borrower shall provide to the Lender an updated Certificate of Insurance upon renewal, and in any event,15 days prior to the expiration of any insurance policy for the Secured Property.

The Lender reserves the right to engage the services of an insurance consultant, at the Borrower(s)' expense, to verify the adequacy of the policies of insurance.

3. DOCUMENTATION AND SOLICITOR'S APPROVAL:

Loan documentation will be drawn by the Lender's solicitor using the Lender's specified forms. The full Loan amount will be advanced to the Borrower(s) only when the title to and all security in connection with the Loan and all other documents and matters with respect to the Loan being necessary or advisable to the Lender's solicitors are complete, satisfactory and acceptable to the Lender's solicitors.

4. COSTS:

The Borrower(s) and Covenantor(s) shall pay, whether or not all or any part of the Loan is advanced, all legal costs, registration fees, appraisal fees, consulting fees and all out-of-pocket expenses incurred by the Lender relating to the Loan in preparation for and completion of the transaction contemplated by this Commitment Letter. Such costs, fees and expenses may be deducted out of the Loan funds to be disbursed, and this Commitment Letter shall constitute an irrevocable direction by the Borrower(s) and Covenantor(s) in that regard.

Upon the Borrower(s)' repayment of the Loan in full, including all interest and other charges owing thereon, the Lender shall provide the Borrower with a discharge of the Loan security registered against the Borrower(s), Covenantor(s) and Secured Property (to be prepared and delivered to the Lender by the Borrower(s) or its solicitor at its own cost) upon payment to the Lender of the discharge fee outlined herein (where permissible by provincial law).

5. TITLE:

The Borrower(s) are, or shall become, the registered and beneficial freehold interest owner of the Secured Property at the time of the disbursement of any part of the Loan. The Borrower(s) will have, as the registered owner of the Secured Property, a good and marketable title in fee simple to the Secured Property, and the Lender will be in priority over all other encumbrances, leases, agreements for leases, restrictions, agreements, liens, assignments, easements, mortgages and charges whatsoever to the extent of the Loan except for such encumbrances to which the Lender may consent to in writing.

The Secured Property and all improvements thereon shall have been duly authorized and comply in all respects with all applicable laws, bylaws, government requirements, whether federal, provincial, or municipal, including without restriction, those dealing with zoning, use, occupancy, liquor license, subdivision, parking, historical designations, fire access, loading facilities, landscaped areas, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and there shall be no outstanding work orders, judicial or administrative actions, suits, or proceedings pending or threatened against the Secured Property or the improvements or any part thereof.

6. REPRESENTATIONS AND WARRANTIES OF DOMAIN FUNDING:

The Borrower(s) and Covenantor(s) acknowledge that Domain Funding has made no verbal or written representations or warranties related to the Loan, the Secured Property, or the ability to provide future financing of the Secured Property after the Loan Funding Date, except as expressly outlined in this Commitment Letter.

7. REPRESENTATIONS AND WARRANTIES OF BORROWER(S) AND COVENANTOR(S):

The Borrower(s) and Covenantor(s) represent and warrant the following to Domain Funding and the Lender:

a) The Borrower(s) are, or shall become, the registered and beneficial freehold interest owner of the Secured Property at the time of the disbursement of any part of the Loan.
b) The Borrower(s) is the legal and beneficial owner of all the right, title and interest to the Secured Property and holds no portion of the legal or beneficial interest in the Secured Property in trust for any party(s).
c) All other mortgage loans to the Borrower(s) with any lender have not been in arrears in the last 12 months, except as disclosed to and approved by Domain Funding.
d) All financial statements and other documents and information delivered by the Borrower(s) and Covenantor(s) in connection with the Borrower(s)' application for the Loan are true, complete and accurate and representative of the financial condition of the Borrower(s) and Covenantor(s).
e) Neither the Borrower(s) nor the Covenantor(s) are in default under any agreement or instruments to which any of them are a party that materially affects any of their businesses, property, assets or financial condition.
f) At the time of disbursement of any part of the Loan, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default under any of the Loan Security documents, and neither the Borrower(s) nor the Covenantor(s) shall be deceased, insolvent or be subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, outstanding claims, actions, suits, judgments, investigations, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under laws of any jurisdiction, nor, to the best of the knowledge of the Borrower(s) or Covenantor(s) are there any pending or threatened. Any default herein shall be deemed to be a default under the Loan. Any default under the Loan shall be deemed to be a default hereunder.
g) The purpose of the Loan is primarily for business, investment or commercial purposes and is not primarily for personal, family or household purposes. The Borrower(s) will only use the Loan proceeds for the Loan purposes set out in the "Uses and Sources of Funds" section of this Commitment Letter.
h) Once executed by the Borrower(s) and Covenantor(s), this Commitment Letter and all other Loan security documentation will each be a valid and binding obligation of each of the Borrower(s) and Covenantor(s) in accordance with their terms.
i) All remittances required to be made by the Borrower(s) or Covenantor(s) to federal, provincial and municipal governments have been made, are currently up to date and not in arrears.
j) The Borrower(s) and/or Covenantor(s) have the ability to service the Loan debt.

The Borrower(s) and Covenantor(s) agree that the above representations and warranties will be true and correct as of the execution of this Commitment Letter and at the time of disbursement of any part of the Loan, and any extension or renewal of the Loan, and will survive the completion of the Loan and any extension or renewal thereof.

The Borrower(s) and Covenantor(s) represent and warrant that all financial and other information provided in connection with the Borrower(s)' Application to Finance the Secured Property is true, accurate and complete, and acknowledges that the terms and conditions contained in this Commitment Letter are based on reliance by Domain Funding and the Lender on the truth, accuracy and completeness of the information provided and the above representations.

8. COVENANTS OF BORROWER(S) AND COVENANTOR(S):

The Borrower(s) and Covenantor(s) hereby covenant to:

a) Comply with all Loan terms outlined in this Commitment Letter.
b) Keep all prior and subsequent mortgages registered against the Secured Property, as permitted by the Lender, current and in good status while the Loan remains outstanding.
c) If applicable, comply with all provisions of the Builders Lien Act (or equivalent provincial statute where the Secured Property is located).
d) If applicable, supply to the Lender a statutory declaration in conjunction with each advance under the Loan, confirming the status of any holdback account(s) as at the date of the statutory declaration.
e) Promptly deliver to the Lender the information and documentation required hereunder and such further information and documentation, such as financial reports, as is requested by the Lender or its solicitor, concerning the Borrower(s), Covenantor(s), the Secured Property, or the Project (if applicable), and to advise the Lender immediately upon a material adverse change or the discovery of a discrepancy or inaccuracy in or to the information and documentation provided to the Lender in connection with the Loan.
f) Take all appropriate remedial action in the event of a violation of any environmental law, release of hazardous substances on the Secured Property or any other contamination of the Secured Property.
g) Not further encumber the Secured Property without the written consent of the Lender.
h) Comply with provincial securities acts and mortgage broker acts, where applicable.
i) Remain in good standing with the Canada Revenue Agency (CRA) with respect to tax filings and remittances.
j) Neither the Borrower(s) nor their employees, officers, directors, or agents will represent that financing is available from Domain Funding or Domain Mortgage Corp. to any contractors, trades, or suppliers performing work on the Secured Property.

9. PUBLISHING, MARKETING AND SIGNAGE:

The Borrower(s) and Covenantor(s) agree to allow Domain Funding to photograph or utilize existing photographs of the Secured Property and to publish such photographs along with details of the Loan in internal and/or external marketing programs.

The Borrower(s) and Covenantor(s) also agree to allow Domain Funding the right to install on the Secured Property, at Domain Funding's expense, up to four "Domain Funding" financing signs, the location(s) of which shall be mutually agreed to by the parties.

10. CONFIDENTIALITY AND DISCLOSURE:

The Borrower(s) and Covenantor(s) acknowledge and agree that the terms and conditions of this Commitment Letter are confidential between the Borrower(s), the Covenantor(s), Domain Funding and the Lender. The Borrower(s) and Covenantor(s) agree not to disclose the information contained herein to any third party without the written consent of the Lender.

The Borrower(s) and Covenantor(s) also acknowledge and agree that the Lender may, at its sole discretion, syndicate the Loan, including to affiliates or associates of the Lender as co-lenders or the sole lender of the Loan, and may disclose to co-lenders, investors and their share or unit holders, as applicable, any or all information provided to the Lender by the Borrower(s) and Covenantor(s), including but not limited to corporate and personal financial information..

11. CONSENT TO COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

The Borrower(s) and Covenantor(s) hereby authorize Domain Funding and/or the Lender to obtain information from any credit reporting agency or credit granting organization as required at any time and consents to the disclosure of such information at any time to any credit reporting agency or credit granting organization.

In addition, without limiting the foregoing, the Borrower(s) and Covenantor(s), if an individual, hereby acknowledge that they have read and understood Domain Funding's current privacy policy, including specifically the provisions respecting the collection, use and disclosure of personal information, and hereby consents to the collection, use and disclosure of their personal information by Domain Funding and/or the Lender in accordance with Domain Funding's current privacy policy, as described on Domain Funding's company website: www.domainfunding.ca.

12. ASSIGNMENT:

The Loan may be assigned by the Lender at which time the Lender shall be relieved by the Borrower(s) and Covenantor(s) of all liabilities and claims relating to the Loan hereunder. The Loan is neither assignable nor transferable by the Borrower(s) or Covenantor(s) without the written approval of the Lender. In addition, the Lender may appoint or engage another party to service and administer the Loan, including collection of payments under the Loan and the approval of Conditions Precedent to Funding the Loan, without prior notice to or consent of the Borrower(s) and/or Covenantor(s).

13. ADVERSE CHANGE:

It is a term and condition of the granting, approval and continuation of the Loan, both before and after the disbursement of funds, that, in the Lender's sole opinion, an adverse change relating to the Borrower(s), the Covenantor(s), the Project (if applicable), the Secured Property, the Loan Security or the risk associated with the Loan shall not have occurred, including that there are no actions, suits or pending proceedings involving the Borrower(s) or any Covenantor(s). In the event of an adverse change, the Lender may, in its sole discretion, declare or treat it as an event of default under the Loan, may cease or delay further funding, may terminate this Commitment Letter and may exercise any and all remedies available to it under this Commitment Letter and the Lender's Loan Security or at law or in equity.

14. COUNTERPARTS AND FACSIMILE/E-MAIL EXECUTION:

This Commitment Letter may be executed in one or more counterparts, each of which when so executed will constitute an original, and all of which will constitute one and the same Commitment Letter. Also, this Commitment Letter may be executed by the parties and transmitted by facsimile or by e-mail (with PDF attachment), and if so executed and transmitted this Commitment Letter shall be for all purposes as effective as if the parties had delivered an executed original copy of this Commitment Letter.

15. SEVERABILITY:

Each of the provisions in this Commitment Letter is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Commitment Letter. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Commitment Letter invalid or unenforceable in any respect.

16. GOVERNING LAWS:

The agreement constituted by the Borrower(s)' and Covenantor(s)' acceptance of this Commitment Letter shall be governed by the laws of the province of British Columbia.

17. BORROWER'S SOLICITOR:

The Lender shall have the right to approve the solicitor(s) for the Borrower(s) and the Lender may, in its sole discretion, require the Borrower to change its solicitors at any time.

18. DISCHARGE OF LOAN SECURITY:

Prior to the discharge of the Lender's mortgage security, the Borrower(s)/Covenantor(s) must provide the Lender, at the Lender's request, a CRA Clearance Certificate, satisfactory to the Lender, indicating that the Borrower(s)/Covenantor(s) are in good standing with the CRA with respect to tax filings and remittances and that no funds are owing to the CRA.

19. SURVIVAL:

The obligation and promise of the Borrower(s) and Covenantor(s) to pay the Loan Fee(s), interest on the Loan amount at the interest rate from the time the Loan amount was available for advance, up to and including the date the Loan is repaid or no longer available, including minimum interest, legal fees and disbursements, shall survive the lapse, termination or cancellation of this Commitment Letter.

The terms and conditions of this Commitment Letter shall, after acceptance by the Borrower(s) and Covenantor(s), survive the execution and registration of all security documentation and there shall be no merger of these provisions or conditions in the security provided that in the case of a conflict between the provisions hereof and of any of the security documents, the Lender shall be entitled to elect which provisions shall prevail.

20. TIME SHALL BE OF THE ESSENCE:

It is understood that, with reference to all terms and conditions of this Commitment Letter, time shall be of the essence.

SCHEDULE "B" – PROMISSORY NOTE

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FRIDAY JUNE 4, 2021)

Date of Promissory Note:	**June 4, 2021**
Principal Sum of Promissory Note:	**$149,000.00**
Interest Commencement Date of Promissory Note:	**June 30, 2021**
Maturity Date of Promissory Note:	**July 1, 2021**

FOR VALUE RECEIVED including TEN DOLLARS (the receipt and sufficiency of which is hereby acknowledged by the parties signing this Promissory Note) and other good and valuable consideration, we promise to pay on demand to Bankers Mortgage Corporation d/b/a Domain Funding at its office located at #1100 – 1040 West Georgia Street, Vancouver, British Columbia, the sum of ONE HUNDRED FORTY-NINE THOUSAND DOLLARS (hereinafter called the "Principal Sum") with interest thereon at the rate of 18.00% per annum, calculated monthly as well after as before maturity, default and judgment with overdue interest at the same rate as on the Principal Sum, on the maturity date of this Promissory Note.

We agree that, as security for payment of the PROMISSORY NOTE, we hereby mortgage and charge our right, title and interest in the real property located at:

Civic Address:	1250 West Hastings Street, Vancouver B.C. V6E 4H1
Legal Description:	Lot 18, Block 29, Plan VAP92, District Lot 185, New Westminster Land District, Exc That Pt of Canadian Pacific Railway Srw as Described in Absolute Fee Parcels Book, Volume 9, Folio 317, No. 1154c, & Exc S 7 Ft Now Rd
PIDs:	006-721-397

as and by way of an equitable mortgage, in favour of Bankers Mortgage Corporation d/b/a Domain Funding. The equitable mortgage created hereby shall remain in effect until the PROMISSORY NOTE is paid in full.

The undersigned hereby jointly and severally waive demand or presentment for payment, notice of dishonor, protest and notice of protest, and hereby agree to pay, upon the default of any payment hereof, all expenses related or incidental to the PROMISSORY NOTE including all costs for enforcement on a true indemnity, solicitor and own client costs basis.

Signed, sealed and delivered this 4th **day of** June **2021.**

BORROWER(S):	**COVENANTOR(S):**
Evergreen House Development Limited Partnership	**Port Capital Development Inc.**
PER: Authorized Signatory	PER: Authorized Signatory
Port Capital Development (EV) Inc. as the General Partner of Evergreen House Development Limited Partnership	**Mr. Macario Teodoro Reyes**
PER: Authorized Signatory	**Mr. Macario Teodoro Reyes**

SCHEDULE "C" – BORROWER(S)' INFORMATION

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FRIDAY JUNE 4, 2021)

1. **BORROWER(S):**

Name:	Evergreen House Development LP
Registered Records Office:	325 West 4th Ave. Vancouver, BC V5Y 1H3
Telephone:	(604) 805-6282
Fax:	
E-Mail:	tobi@porthiving.com

2. **BORROWER(S)' SOLICITOR:**

Name:	Robert Quon
Address:	20/F 250 Howe St. Vancouver, BC
Telephone:	(604) 622-5151
Fax:	
E-Mail:	robert.quon@dentons

3. **BORROWER(S)' INSURANCE AGENT:**

Name:	Chris McLean
Address:	1200 - 401 West Georgia St
Telephone:	(604) 443-2492
Fax:	(604) 682-4026
E-Mail:	chris.mclean@aon.ca

SCHEDULE "D" – PERMISSIBLE SUBSEQUENT ENCUMBRANCES

Copy of Title No. CA7287055

June 4, 2021

This is Exhibit " B " referred to in the affidavit of ..Macario....Reyes....... sworn before me at ..Vancouver...BC this ..4. day of ..June...,..2021.....
....
A Commissioner for taking Affidavits for British Columbia

Port Capital Development Inc.
328 West 2nd Avenue
Vancouver, BC
V5Y 1C8

1296371 B.C. Ltd.
328 West 2nd Avenue
Vancouver, BC
V5Y 1C8

Attention: Mr. Tobi Reyes

Dear Mr. Reyes,

Re:	**Deposit Protection Contract Facility ("DPI Facility")**
For:	**Evergreen House Development Limited Partnership by its general partner Port Capital Development (EV) Inc.**
Project:	**A 20-unit, nineteen-storey concrete & timber residential condominium building above an underground parkade, located at 1250 Hastings Street, Vancouver, BC, and known as Terrace House (Hereinafter referred to as the "Project")**

We make reference to the commitment letter dated October 17th, 2017 between, among others, Aviva Insurance Company of Canada ("**Aviva**") and Evergreen House Development Limited Partnership (the "**Principal**") by its general partner Port Capital Development (EV) Inc. (the "**General Partner**"), as amended from time to time (the "**Commitment Letter**").

The Principal has asked for Aviva's support of the offer made by 1296371 B.C. Ltd. ("**Junior Lender**") to redeem and/or take an assignment of the mortgages and other security interests held by Desjardins Financial Security Life Assurance Company and CMLS Financial Ltd., and to seek an extension of the *Companies' Creditors Arrangement Act,* No. VLC-S-S205095 proceedings (the "**CCAA Proceedings**").

Aviva is prepared to provide its support for the Offer (the "**Aviva Support**") on the basis of the conditions and covenants set forth in this letter agreement.

1. Each of the Principal, and Port Capital Development Inc. and Macario (Tobi) C. Reyes (together, the "**Indemnitors**") hereby acknowledges that no further deposits for the Project shall be insured under the DPI Facility unless approved by Aviva, in its sole discretion.

2. The Aviva Support is subject to the following conditions precedent being satisfied:

   a. Aviva, Junior Lender, Domain Mortgage Corp. ("**Domain**") and 1260780 B.C. Ltd. ("**1260780**") entered into an intercreditor agreement which will set out the following priorities for the mortgages and other security over the Project:

      i. Domain to rank first up to a maximum of $14,700,000;
      ii. Junior Lender (as to 65%) and Aviva (as to 35%) on a pari passu basis (as to their noted proportionate share) to rank second up to a maximum of $8,005,201 in the aggregate;
      iii. Aviva to rank third for the entirety of its claim;
      iv. 1260780 to rank fourth to a maximum of $2,150,000; and
      v. Junior Lender to rank fifth for the balance of its claim.

      (the "**Priorities**")

   b. The draft order to be submitted by the Junior Lender to the B.C Supreme Court under the CCAA Proceedings sets out the Priorities.

3. The Principal hereby covenants not to exit from the CCAA Proceedings or file any Plan of Arrangement or otherwise seek court sanction of any restructuring or similar unless and until:
   a. The Principal has paid to either Aviva or Aviva's lawyers in trust the sum of $500,000 (the "**Initial Reserve Monies**"). Aviva is hereby authorized to use the Initial Reserve Monies from time to time to pay (or reimburse Aviva for) any then existing or future claims made under insured deposits, and Aviva's premiums and expenses relating to the DPI Facility and the CCAA Proceedings, including Aviva's legal fees;
   b. The Principal has obtained and delivered to Aviva confirmations from each of the existing pre-sale purchasers insured by Aviva that the presale contracts remain in full force and effect, or deposited with Aviva or Aviva's lawyers in trust cash collateral in the sum of any potential claims that may be made under insured deposits (the "**Cash Collateral**"); and
   c. The Principal has obtained and delivered to Aviva re-affirmations from Luz Consuelo C. Reyes as to Units 302 and 303, and Paula Thomson as to Unit 301 and other pre-sale purchases in respect of the acknowledgements or releases previously signed and delivered by each of them to Aviva.

4. The Principal, Indemnitors and Junior Lender hereby acknowledge that Aviva's written consent, acting reasonably so long as the Principal and Indemnitors have complied with the terms of this letter agreement otherwise in Aviva's sole discretion, will be required for any future construction financing for the Project (the "**Construction Financing**"). Unless waived by Aviva in its sole discretion upon its review of the terms of the Construction Financing, at minimum, proceeds of the Construction Loan shall pay to Aviva or its lawyers in trust the sum of $2,800,000 (the "**Additional Reserve Monies**") less any Cash Collateral previously paid to Aviva. Aviva is authorized to use the

Additional Reserve Monies from time to time to pay (or reimburse Aviva for) any then existing or future claims made under insured deposits, and Aviva's premiums and expenses relating the DPI Facility and the CCAA Proceedings, including Aviva's legal fees

5. Each of the Principal and Indemnitors agree to deliver no later than June 4, 2021 updated personal net worth statement for Mr. Macario (Tobi) C. Reyes.

6. The Principal shall deliver copies to Aviva of any financial statements for Port Capital Developments Inc that it delivers to Domain or any future lender providing construction financing.

7. Each of the Principal and Indemnitors hereby acknowledges and agrees that each of the following agreements (collectively, the "**Existing Security**") remains in full force and effect and continues to be valid and binding upon and enforceable against the Principal and Indemnitors party thereto in accordance with its terms:

    a. Indemnity agreement in favour of Aviva dated October 13, 2017 executed by the Principal and the Indemnitors;
    b. $32,000,000 Form B mortgage and assignment of rents granted by the General Partner in favour of Aviva charging the lands and premises located at 1250 West Hastings Street, Vancouver, B.C. and legally described as PID: 006-721-397, Lot 18 Except that part of Canadian Pacific Railway Right of Way as described in Absolute Fee Parcels Book, Volume 9, Folio 317, No. 1154C, & Except the South 7 Feet Now Road, Block 29 District Lot 185 Plan 92;
    c. Equitable mortgage and estoppel agreement dated October 24, 2017, executed by the General Partner and the Principal in favour of Aviva;
    d. Developer agreement dated October 24, 2017 executed by the Principal and the General Partner in favour of Aviva; and
    e. Location specific security agreement dated October 24, 2017 executed by the Principal and the General Partner in favour of Aviva,

    notwithstanding the CCAA Proceedings or any steps or actions that have occurred or will occur under such proceedings.

8. Each of the Principal and Indemnitors acknowledges and agrees that:

    a. the Aviva Support is expressly limited to the Offer, as described herein, and that the foregoing support shall not obligate or be construed to require Aviva to grant any consents, modifications, or waivers of any provision of the Commitment Letter or the Existing Security. Except as explicitly set forth herein, all other terms and conditions of the Commitment Letter shall remain in full force and effect.

    b. Aviva has not waived, and does not intend to waive, any default or any right, entitlement, privilege, benefit or remedy which Aviva may have now or at any time in the future as a result of or in connection with any such default and nothing contained herein or the transactions contemplated thereby shall be deemed to constitute such waiver;

c. no waiver will be inferred from or implied by the Aviva Support, Aviva providing this letter agreement, or any failure to act or delay in acting by Aviva in respect of any default, breach or non-observance or by anything done or omitted to be done by the Principal or any Indemnitor.

d. Aviva expressly reserves its rights at any time to exercise any rights, remedies, power and privileges afforded by law or under the Commitment Letter and the Existing Security. Without limiting the foregoing, Aviva expressly reserves its rights to pursue claims against the Principal and the Indemnitors for any losses sustained and costs and expenses incurred including losses arising from claims made by presale purchasers and unpaid premiums.

9. This letter agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. The parties acknowledge and agree that facsimile or PDF copies hereof or any part hereof shall be treated as originals, fully binding and with full legal force and effect, and hereby waive any rights they may have to object to said treatment.

All the above terms and conditions are strictly confidential and neither the Principal nor any Indemnitor shall disclose the contents hereof without the prior written or verbal consent of Aviva. Failure to observe this condition may result in either Aviva withdrawing or altering this consent.

If the above terms and conditions are satisfactory, kindly signify your acceptance by executing a copy of this letter and returning on or before 5:00 p.m. on June 4, 2021.

Aviva Insurance Company of Canada

DocuSigned by:
Michael Sloniowski
____
Name: Michael Sloniowski
Title:

____
Name:
Title:

I/We have the authority to bind the Corporation

Accepted this 4th day of June ~~, 2019.~~ 2021

Per: Port Capital Development Inc.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

Per: Evergreen House Development Limited Partnership by its general partner Port Capital Development (EV) Inc.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

Macario (Tobi) C. Reyes

Port Capital Development (EV) Inc.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

1296371 B.C. Ltd.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

This is Exhibit " C " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds, including the Deposit, back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender, including the undersigned, being credited with a deposit against a unit in the Terrance House Project (the "**Transaction**").

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan, ~~and (4) the consent of the undersigned to release the Deposit after undersigned's counsel has reviewed the definitive documents required to effect the Transaction~~. SA. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

SA.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1192706 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $1,155,000.00
Unit: 1001

Dated this 18th day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED REMOTELY BY VIDEO CONFERENCE AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

Nicholas J. Carlson
Printed Name of Witness

900 - 885 West Georgia St., Vancouver, BC
Witness Address

Lawyer
Witness Occupation

1192706 B.C. LTD.

Authorized Signatory

Seal

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5A

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds, including the Deposit, back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender, including the undersigned, being credited with a deposit against a unit in the Terrance House Project (the "**Transaction**").

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan~~, and (4) the consent of the undersigned to release the Deposit after undersigned's counsel has reviewed the definitive documents required to effect the Transaction.~~ S.A. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

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S.A.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1208596 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $417,057.00 and $558,144.00
Unit: CRU#1 and CRU#2

Dated this 18th. day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED REMOTELY BY VIDEO CONFERENCE AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

Nicholas J. Carlson
Printed Name of Witness

900 - 885 West Georgia St., Vancouver, BC
Witness Address

Lawyer
Witness Occupation

1208596 B.C. LTD.

Authorized Signatory

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S.M.

This is Exhibit " D " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia

From: Lucy A. Consunji <luzcon@daconcorp.com>
Sent: Friday, June 4, 2021 11:11:05 AM
To: Tobi Reyes <tobi@portliving.com>
Subject: Re: Amended loan

Tobi, this is to certify that 1260780 BC Ltd agrees to increase the loan to C$2.150m.
Thabk you.

Funds in			
	Domain		$14,700,000.00
	NumberCo		$2,150,000.00
	Deposits		$8,005,201.00
	Pre-Payments to Domain		$105,000.00
TOTAL			$24,960,201.00
Funds out			
	Admin Charge		$507,627.17
	DIP		$1,308,662.72
	CMLS		$21,350,358.48
	Domain Fees		
		Commitment Letter Fee	$25,000.00
		Loan Servicing Fee	$18,125.00
		Broker Fee	$290,000.00
		Fund Raising Fee	$145,000.00
	Holdbacks		
		Lender Reporting Consult (Est)	$60,000.00
		Legal Fees (Est)	$50,000.00
		Interest Reserve	$851,250.00
		Monitor Fee Reserve	$100,000.00
	Break Fees		
		Landa	$200,000.00
		Solterra	$50,000.00
TOTAL			$24,956,023.37
RESIDUAL (SHORTFALL)			$4,177.63

This is Exhibit " E " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia