NO. VLC-S-S205095
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

NINTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

February 11, 2022

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INTRODUCTION

Background and Origin of this CCAA Proceeding

1. Port Capital Development (EV) Inc. (the "**General Partner**") and Evergreen House Development Limited Partnership ("**Evergreen LP**"), (each a "**Petitioner**", and collectively, the "**Petitioners**") own a real estate development project called the "**Terrace House Project**".

2. The Terrace House Project is a high-rise luxury residential strata development located at 1250 West Hastings St. (Coal Harbour area), Vancouver, BC. It is a 19-storey mixed-use development, providing a total of 20 residential units and 2 commercial retail units ("**CRU**"), above a 3-level underground parkade. The Terrace House Property is unique in that its primary structural material is timber.

3. The General Partner is the Bare Trustee that holds title to the real property owned by the Petitioners with a legal description as follows:

   PID: 006-721-397; 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

4. The Petitioners are subsidiaries of the "**Port Capital Group**", which is in the business of real estate development and management primarily in British Columbia, but also Toronto, Ontario.

5. The Petitioners initially sought and obtained creditor protection under the CCAA pursuant to an Order (the "**Initial Order**") which also, *inter alia*:

   a) appointed Ernst & Young Inc. ("**EY**") as monitor of the Petitioners (the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**"); and

   b) granted the Monitor "**Enhanced Powers**" to execute control over the Petitioners and to explore restructuring opportunities for the Terrace House Project and administer a “dual-track” sale and investment solicitation process (the “**SISP**”) to obtain an equity investment, a refinancing or alternatively a sale of the Terrace House.

6. At the onset of the within proceedings, CMLS Financial Ltd (“**CMLS**”) was the Terrace House Project’s construction lender pursuant to a commitment letter dated July 4, 2019 (the “**Construction Loan**”). The Construction Loan was secured by, among other things, a first ranking mortgage against the Terrace House Project.

7. Desjardins Financial Security Life Assurance Company (the “**Original DIP Lender**”) provided the Petitioners access to a debtor-in-possession financing facility (the “**Original DIP Facility**”) to finance the within proceedings.

8. The Eighth Report summarizes the conduct of the SISP and a series of events and court proceedings that ultimately resulted in an Order of the British Columbia Court of Appeal (the “**BCCA**”) made September 22, 2021 to approve an offer (the “**129 Offer**”) submitted by 1296371 B.C. Ltd. (“**129**”) to purchase and take assignment of the loan and security held by CMLS and to repay the Original DIP Lender.

9. 129 is a related party to the Petitioners. The 129 Offer completed on October 28, 2021.

10. The Monitor has previously filed nine (9) reports in these CCAA proceedings: the “**Proposed Monitor’s Report**”, the “**First Report**”, the “**Second Report**”, the “**Third Report**”, the “**Fourth Report**”, the “**Fifth Report**”, the “**Sixth Report**”, the “**Seventh Confidential Report**” and the “**Eighth Report**”. These reports, with the exception of the Seventh Confidential Report, are posted on the Monitor’s website at www.ey.com/ca/terracehouse.

11. The purpose of this “**Ninth Report**” is to provide information to this Honourable Court with respect to the following:

a) the Commitment Letter accompanying the proposed increase of $1,800,000 to the Petitioners' borrowings with Domain Mortgage Corp. ("**Domain**");

b) the release of monies comprising interest generated by deposits on pre-sale purchase and sale agreements and currently held by Dentons Canada LLP ("**Dentons**"); and

c) the Monitor's conclusions and recommendation.

12. This Ninth Report should be read in conjunction with the Petitioners' Notice of Application filed on February 10, 2022.

TERMS OF REFERENCE

13. In preparing this Ninth Report and making the comments herein, the Monitor has been provided with and has herein relied upon, unaudited financial information, books, records and financial information prepared by the Petitioners, discussions with management of the Petitioners ("**Management**"), and information from other third party sources (collectively, the "**Information**"). Except as described in this Ninth Report in respect of the Cash Flow Forecast:

a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

b) some of the information referred to in this Ninth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.

14. Future oriented financial information referred to in this Ninth Report was prepared based on Management's and the Monitor's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.

15. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Ninth Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

16. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Proposed Monitor's Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Confidential Report, the Eighth Report and the Amended and Restated Initial Order.

17. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

THE COMMITMENT LETTER FROM DOMAIN

18. On December 10, 2021, the Petitioners filed a notice of application requesting the approval of an additional loan facility provided by Domain.

19. The Eighth Report described a loan retainer agreement dated December 1, 2021 between the Petitioners and Domain that formed the basis for the Petitioners' notice of application filed on December 10, 2021.

20. The application was originally scheduled for December 14, 2021, was adjourned over to December 15, 2021 and was then adjourned generally. Since the adjournment, the Petitioners and Domain revised the terms of the loan retainer agreement. On January 24, 2022, the Petitioners and Domain entered into a revised loan retainer agreement (the "**Revised Loan Retainer Agreement**"). The Revised Loan Retainer Agreement is a preliminary document forming the basis of what would ultimately become a binding commitment letter.

21. On February 7, 2022 Domain issued a loan commitment letter to the Petitioners with a loan face amount of $1,800,000 (the "**Commitment Letter**"). The loan contemplated in the Commitment Letter is considered as an additional segment to the Initial Domain Loan (the "**Revised Second Domain Loan**"). If funded and approved by this Honourable Court, the Petitioners secured borrowing with Domain would increase from $14,700,000 to $16,500,000. A copy of the Revised Loan Retainer Agreement and the Commitment Letter are attached hereto as **Appendix "A"** and **Appendix "B"** respectively.

22. Key financial terms of the Commitment Letter include the following:

    a) a term loan of with a face amount of $1,800,000 (the "**Loan Face Amount**") but resulting in funds available for use by the Petitioners of $777,625 as described in the Commitment Letter after the deduction of various fees, reserves and a payment to Aviva Insurance Company of Canada ("**Aviva**");

    b) a maturity date of July 1, 2022 resulting in a maximum 4 month loan from funding - if funding were to occur by February 28, 2022;

    c) a stated interest rate of 24% per annum (not including those fees described below);

d) a loan servicing fee of 0.25% per annum;

e) a mortgage broker fee of 2% on the Loan Face Amount (or $36,000);

f) a fund raising fee of 1% on the Loan Face Amount (or $18,000); and

g) a fund raising fee of 1% on the Initial Domain Loan that remains unpaid (or $147,000).

23. The Commitment Letter contains the following reserves:

a) a monthly payment reserve of $145,500 representing four months of interest and loan servicing fees; and

b) a collateral reserve of $294,875 representing two months of interest and fees on the Initial Domain Loan.

24. As noted briefly above, the Commitment Letter includes a payment of $366,000 in favor of Aviva as security for their claim against the Petitioners. The Monitor understands that this payment was a necessary condition to ensure Aviva's support of the Revised Second Domain Loan.

25. As noted above, the funds available for use by the Petitioners resulting from the Second Domain Loan are $777,625. The four largest deductions from the $1,800,000 Loan Face Amount are as follows:

a) $366,000 payment in favor of Aviva mentioned above;

b) $294,875 representing a two month capital reserve on the interest and fees of the Initial Domain Loan;

c) $147,000 on account of a fund raising fee payable to Domain from the Initial Domain Loan that remains unpaid; and

d) $145,000 representing a four month capital reserve on the interest and fees of the Second Domain Loan.

26. Through the Revised Second Domain Loan, the Petitioners are seeking an increase in the priority charge held by Domain. The Petitioners propose increasing Domain's priority charge by $1,800,000 to a total of $16,500,000.

27. Funding under the Commitment Letter is conditional on a number of conditions set out in Articles 14 and 17 of the Commitment Letter, including but not limited to, this Honourable Court's approval and certain consent rights of Aviva.

The Monitor's Observations

<u>Use of the Second Domain Loan</u>

28. The Petitioners are not currently seeking an extension to the Stay of Proceedings beyond the Current Stay Period which is set to expire on April 30, 2022. However, Management with the assistance of the Monitor, has developed an updated cash flow forecast (the "**Cash Flow Forecast**") for the nine week period ending April 4, 2022. The Cash Flow Forecast has been reviewed and approved by Domain and Aviva to provide clarity on the use of the proceeds from the Second Domain Loan.

29. A copy of the Cash Flow Forecast together with assumptions is attached hereto as **Appendix "C"** and is summarized below.

	To April 4, 2022
Beginning Cash	**0**
Receipts	**9,599**
Disbursements	**(761,297)**
Insurance	(36,696)
Site preservation	(17,132)
Glass storage	(31,185)
Consultants – city requirements	(23,580)
Crane lease	(40,425)
Formwork rentals	(59,449)
Permit costs	(163)
General, admin & misc	(16)
Showroom Rental	(37,780)
Property Tax	(75,000)
Development fees	-
REDMA legal fees	(20,000)
Pre-sale marketing	(20,000)
Legal fees	(33,029)
Construction loan fees	(110,000)
Construction loan conditions	(45,000)
Project accounting	(10,000)
Restructuring costs	(246,247)
Total Cash before Second Domain Loan	**(751,698)**
Second Domain Loan (net of fees)	777,625
Ending Cash after Second Domain Loan	**25,927**

30. The Cash Flow Forecast projects that the Petitioners will utilize the funds available under the Second Domain Loan to maintain and preserve the Terrace House Project site and secure a construction loan.

31. In addition, the Monitor notes the following with respect to the Cash Flow Forecast:

a) site preservation costs are anticipated to continue as they have been throughout the within CCAA proceedings;

b) the Petitioners anticipate using some of the funds available under the Second Domain Loan to obtain construction financing to advance the construction of the Terrace House Project; and

c) the Cash Flow Forecast outlines the use of the Second Domain Loan only.

Commentary on the Second Domain Loan

32. The Eighth Report described the financial terms of December 1, 2021 loan retainer agreement as onerous with the impact being borne by the Petitioners and Aviva. The amendments to the Second Domain Loan from the December 1, 2021 loan retainer agreement continue to be onerous on the Petitioners.

33. The Revised Second Domain Loan continues to have a financial impact on Aviva, in their position as fulcrum creditor. However, as mentioned, the Revised Second Domain Loan includes a payment of $366,000 as security for Aviva's potential claim against the Petitioners which helps lessen the burden on them by improving their security position relative to 129, a related party to the Petitioners . The Monitor understands that the Revised Second Domain Loan is supported by Aviva who is an arms length creditor.

34. Domain is seeking an order confirming that the Second Domain Loan does not offend the criminal interest rate provisions of S. 347 of the *Criminal Code of Canada* (the "**Interest Rate Order**")*.* Domain provided the Petitioners, Aviva and the Monitor with its interest rate calculation under two separate scenarios with different stated assumptions. The effective annual interest rates are 39.34% and 50.43% based on the assumptions/scenarios presented by Domain. The Monitor reviewed the arithmetic presented by Domain and confirmed there were no errors in their calculations. The Monitor did not perform a review of (a) Domain's assumptions; or (b) the inclusion or exclusion of the amounts in Domain's interest rate calculation. The Monitor understands that counsel for Domain will be addressing the court with respect to the relief sought in respect of the interest calculation.

35. The Petitioners continue to have an immediate need to pay certain post-filing vendors and continued expenses going forward. The Revised Second Domain Loan will provide certain liquidity to assist in making payment on account of accrued vendor payables. The Revised

Second Domain Loan is also expected to provide the Petitioners with liquidity to assist paying for services going forward as they advance their restructuring initiatives.

36. The Revised Second Domain Loan appears to be the only option for financing available to the Petitioners. The Monitor notes the onerous loan terms. However, the Monitor also notes the support for the Petitioner's application by both Domain and Aviva. In the circumstances, the Monitor supports the approval of the Revised Second Domain Loan as it may assist the Petitioners in working towards completing the Terrace House Project or otherwise restructuring.

PRESALE PURCHASER DEPOSIT INTEREST IN TRUST ACCOUNT AT DENTONS

37. The Petitioners are seeking an order approving the release of interest generated on account of deposits made by certain pre-sale purchasers towards presale purchase and sale agreements ("**PSA**") for units in the Terrace House Project. The interest is currently in a trust account at Dentons.

38. The standard form PSA between the Petitioners and purchasers contains a provision stating that interest generated by deposits accrues for the benefit of the Vendor (the Petitioners) except as otherwise provided therein.

39. Under the terms of the standard form PSA, the Vendor is not entitled to interest generated by the deposit if the completion of the purchased unit has not occurred before the Outside Date specified in the PSA. A redacted example of a standard form PSA is attached hereto as **Appendix "D"**.

40. Based on Monitor's initial review, it would appear that the outside date has lapsed in respect of eight of the nineteen PSAs. The table below outlines the outside date on each PSA.

Strata Lot	Unit	Outside Date	Maximum Outside Date with Permitted Extension
1	CRU 1	August 28, 2021	August 23, 2022
2	CRU 2	August 28, 2021	August 23, 2022
3	302	April 30, 2021	April 25, 2022
4	303	April 30, 2021	April 25, 2022
5	301	December 31, 2020	December 26, 2021
6	402	December 31, 2020	December 26, 2021
7	403	August 28, 2021	August 23, 2022
8	401	August 28, 2021	August 23, 2022
9	502	December 31, 2020	December 26, 2021
10	503	August 28, 2021	August 23, 2022
11	501	December 31, 2020	December 26, 2021
13	603	December 31, 2020	December 26, 2021
14	601	December 31, 2020	December 26, 2021
15	801	August 28, 2021	August 23, 2022
16	901	August 28, 2021	August 23, 2022
17	1001	August 28, 2021	August 23, 2022
19	1201	December 31, 2020	December 26, 2021
20	1301	December 31, 2020	December 26, 2021
21	1401	April 30, 2021	April 25, 2022

41. The PSA for Strata Lot 20 is different in that it provides that interest generated on the deposit is to accrue for the benefit of the purchaser (the "**Varied PSA**"). The Monitor understands that the interest generated by the deposit on the Varied PSA was held in a separate trust account at Dentons.

42. Excluding the interest generated on the deposit of the Varied PSA, as at November 30, 2021 there was approximately $250,214.32 of interest (the "**PSA Interest**") that has accrued in respect of nineteen PSAs and which is being held in trust at Dentons. The PSA Interest may be slightly higher as a result of further compounded interest.

CONCLUSIONS AND RECOMMENDATIONS

43. For the reasons stated herein, the Monitor respectfully recommends that this Honourable Court grant an order approving the Second Domain Loan.

All of which is respectfully submitted this 11th day of February, 2022.

ERNST & YOUNG INC.
in its capacity as Monitor
of Port Capital Development (EV) Inc. and
Evergreen House Development Limited Partnership
and not in its personal or corporate capacity

Per:

Michael Bell, CPA, CA, CIRP LIT
Senior Vice President

Philippe Mendelson, CPA, CIRP, LIT
Vice President

Appendix A

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

BY E-MAIL

Tuesday, January 18, 2022

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(s)/Madams(s):

LOAN RETAINER AGREEMENT
2021-BC011A

RE:

Mortgage Financing:	**$10,500,000 (the "First Loan Segment" – funded)** **$ 4,200,000 (the "Second Loan Segment" – funded)** **<u>$ 1,800,000</u> (the "Third Loan Segment" – to be funded)** **$16,500,000** **Together, the First Loan Segment, the Second Loan Segment, and the Third Loan Segment are referred to herein as the "Loan"**
Secured Property:	**±8,258 sq. ft. mixed-use development site located at 1250 West Hastings Street, Vancouver, B.C. and as further described in the Appraisal Report prepared by Ryan ULC with an effective date of April 14, 2021 (referred to herein as the "Secured Property")**

Bankers Mortgage Corporation, doing business as Domain Funding (referred to herein as "Domain Funding"), is the exclusive mortgage broker of Domain Mortgage Corp.

You have previously retained Domain Funding to obtain financing over the Secured Property from Domain Mortgage Corp. pursuant to the Loan Retainer Agreement dated April 29, 2021. The First Loan Segment and the Second Loan Segment in aggregate of $14,700,000 were funded on or about October 26, 2021.

This Loan Retainer Agreement is to reflect your application for a $1,800,000 Third Loan Segment to be added to the Loan and to be funded as a second advance of the Loan.

The following terms and conditions are proposed:

1.0 SUMMARY OF LOAN TERMS:

1.1 LENDER/MORTGAGEE:

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

1.2 BORROWER(S)/MORTGAGOR(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 General Partner of Evergreen House Development Limited Partnership
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

1.3 COVENATOR(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.

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

1.4 LOAN TYPE AND PURPOSE:

The Borrower(s) are seeking additional funds for the exclusive purpose of the Terrace House Condominium Project located at the Secured Property which has stalled due to the Covid-19 pandemic, a CCAA proceeding involving the Borrower(s), and a series of liens registered on title to the Secured Property. Uses of funds are expected to include consultants' expenses, property care and maintenance expenses, finance expenses, etc.

The First Loan Segment and the Second Loan Segment of the Loan in the aggregate amount of $14,700,000 were funded on or about October 26, 2021, and were secured by a super-priority court ordered charge over all assets, undertakings and property of the Borrower(s) including the following Mortgage, Assignment of Rents, and Modification:

Nature:	MORTGAGE
Registration Number:	CA7337616
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	DOMAIN MORTGAGE CORP. INCORPORATION NO. BC1140295
Transfer Number:	CA9459739
Remarks:	MODIFIED BY CA9459782

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7337617
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	DOMAIN MORTGAGE CORP. INCORPORATION NO. BC1140295
Transfer Number:	CA9459740

Nature:	MODIFICATION
Registration Number:	CA9459782
Registration Date and Time:	2021-10-26 15:59
Remarks:	MODIFICATION OF CA7337616

1296371 B.C. Ltd. along with 1260780 B.C. Ltd. are Junior-ranking participants in the current ownership of the Existing Security by way of a Participation and Standstill Agreement with Domain Mortgage Corp. dated on or about Oct. 26, 2021 (the "Participation Agreement").

It will be a condition of the Third Loan Segment that the Participation Agreement be amended and executed by the parties to the agreement.

1.5 LOAN DETAILS:

Loan Amount:	**$10,500,000 (the "First Loan Segment" – funded)** **$ 4,200,000 (the "Second Loan Segment" – funded)** **$ 1,800,000 (the "Third Loan Segment" – to be funded)** **$16,500,000**
Loan Term:	**6 months from the Interest Adjustment Date of the First Loan Segment and the Second Loan Segment to mature May 1, 2022.**
Early Repayment Terms:	**The Loan may be repaid in full without penalty provided the Lender receives minimum interest of $72,000 (the "Minimum Interest").**
Amortization:	**Interest Only**
Interest Rate:	**Third Loan Segment:** **24.00% per annum, compounded monthly**
Loan Servicing Fee:	**Third Loan Segment:** **0.25% per annum, calculated and paid monthly**
Monthly Payments:	**Third Loan Segment:** **$ 36,000.00 interest payment** **$ 375.00 Loan Servicing Fee (0.25% of Third Loan Segment)** **$ 36,375.00 subtotal**
Loan Funding Date:	**Third Loan Segment:** **Estimated to be during the month of February 2022. Exact date to be specified by the Lender.**
Loan Fee(s):	**Third Loan Segment:** **2.00% of Third Loan Segment = Domain Funding Mortgage Broker Fee** **1.00% of Third Loan Segment = Domain Securities Corp. Fund Raising Fee** **NOTE *1: See Schedule "A" for more information on the Loan Fees.***

1.6 LOAN FUNDING FORMULA (Third Loan Segment):

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

Uses of Funds

Monthly Payment Reserve (2 months - Third Loan Segment)	$	72,750.00
Collateral Reserve (2 months - Third Loan Segment)	$	72,750.00
Collateral Reserve (2 months - First Loan Segment & Second Loan Segment)	$	294,875.00
Domain Funding Mortgage Broker Fee (2.0% of Third Loan Segment)	$	36,000.00
Domain Securities Corp Fund Raising Fee (1.0% of Third Loan Segment)	$	18,000.00
Domain Securities Corp Fund Raising Fee (Previously owing)	$	147,000.00
Lender's legal fees, title insurance, misc., etc. (estimate)	$	15,000.00
Pay amount owed to Aviva Insurance Company of Canada	$	366,000.00
Funds available to the Borrower related to the Terrace House Project	$	777,625.00
Total Uses of Funds	**$**	**1,800,000.00**

Sources of Funds

Domain Mortgage Corp. Mortgage Loan Amount (Third Loan Segment)	$	1,800,000.00
Total Sources of Funds	**$**	**1,800,000.00**

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.

1.7 LOAN RESERVE(S):

The Lender requires the Borrower(s) to assign the following Monthly Payment Reserve and Collateral Reserve to the Lender from the proceeds of the Third Loan Segment (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.

1.7.1 MONTHLY PAYMENT RESERVE:

Third Loan Segment:

The Borrower(s) will assign $72,750.00 to the Lender from the proceeds of the Third Loan Segment which will be added to the existing Monthly Payment Reserve to be used to make the monthly interest payments and Loan Servicing Fee during the remaining Term of the Loan. Thereafter, 100% of the monthly payments will be made from the Borrower(s) and Covenantor(s) other financial resources.

1.7.2 COLLATERAL RESERVE:

First Loan Segment & Second Loan Segment:

The Borrower(s) will assign $294,875.00 to the Lender from the proceeds of the Third Loan Segment representing a Collateral Reserve, upon the occurrence of an event of default of the Loan, may be used by the Lender, at its sole discretion, to maintain monthly interest payment, 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.

Third Loan Segment:

The Borrower(s) will assign $72,750.00 to the Lender from the proceeds of the Third Loan Segment representing a Collateral Reserve, upon the occurrence of an event of default of the Loan, may be used by the Lender, at its sole discretion, to maintain monthly interest payment, 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.

1.8 PERMISSIBLE PRIOR ENCUMBRANCES:

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

None.

1.9 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”

Unless otherwise consented to by the Lender in writing, all subsequent financial charge(s) are to execute Priority Agreement(s) in favour of Domain Mortgage Corp., satisfactory to the Lender and/or the Lender’s solicitor.

1.10 SPECIAL TERMS AND CONDITIONS:

A. Court approval of the proposed Third Loan Segment outlined in this Loan Retainer Agreement.

B. Consent of Aviva Insurance Company of Canada of the proposed Third Loan Segment and modification of the priority agreement as outlined in this Loan Retainer Agreement.

C. Borrower(s) and Covenantor(s) to execute the Loan Retainer Agreement issued by Domain Funding dated May 12, 2021 (which according to our records has not been executed).

D. Other Special Terms and Conditions that may be recommended by the Lender's solicitor.

1.11 LOAN SECURITY:

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

At time of $1,800,000 Third Loan Segment:

a) All of the Loan Security in effect at the time of the $14,700,000 initial advance of the Loan.

b) Assignment of $72,750 Monthly Payment Reserve to the Lender to be added to the existing Monthly Payment Reserve.

c) Assignment of $72,750 Collateral Reserve to the Lender, in connection with the Third Loan Segment.

d) Assignment of $294,875 Collateral Reserve to the Lender, in connection with the First Loan Segment and the Second Loan Segment.

e) Modification of FCT Loan Policy in favour of the Lender to recognise the $1,800,000 Third Loan Segment as outlined herein.

f) Modification of the Participation Agreement, signed by the Junior Lender, to give effect to the priority of $1,800,000 Third Loan Segment as outlined herein.

g) Modification of the Aviva Priority Agreement in favour of the Lender, to give effect to the priority of $1,800,000 Third Loan Segment as outlined herein.

h) Court approval of the $1,800,000 Third Loan Segment as outlined herein.

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

2.0 LOAN APPROVAL

In order to proceed, Domain Funding requires the following material all of which must be found to be acceptable to Domain Funding and the Lender:

$1,800,000 Third Loan Segment:

a) Executed copy of this Loan Retainer Agreement.

b) Confirmation of no default under the Loan.

c) Confirmation of fully paid property tax.

d) Satisfactory review by the Lender of the Certificate of Title for the Secured Property including all registered charges.

e) Satisfactory inspection of the Secured Property by the Lender.

f) Satisfactory credit review of the Borrower(s) and Covenantor(s).

a) Appraisal Report(s) and Transmittal Letter(s) from a Lender-approved appraisal firm demonstrating:

- $26,000,000 minimum "as is" land value for the Secured Property

g) Budget of proposed use of net proceeds from the Third Loan Segment.

h) Such other and further information and material that may be requested by Domain Funding or the Lender.

3.0 LOAN FEE(S), DISCLOSURE, AUTHORIZATION, AND ACCEPTANCE:

3.1 LOAN FEE(S):

Before accepting this Loan Retainer Agreement, you must read, understand, and agree with the Loan Fee(s) outlined in Schedule “A”.

3.2 DOMAIN FUNDING NOTICE AND DISCLOSURE:

Before accepting this Loan Retainer Agreement, you must read, understand, and agree with Domain Funding’s Notice and Disclosure outlined in Schedule “B”.

3.3 BCFSA CONFLICT OF INTEREST AND DISCLOSURE

Before accepting this Loan Retainer Agreement, you must read, understand, and agree with the BC Financial Services Authority (BCFSA) Form 10 Conflict of Interest Disclosure Statement outlined in Schedule “C”.

3.4 BORROWER(S) DISCLOSURE:

The Borrower(s) disclose to Domain Funding that the purpose of the Loan is primarily for business, investment or commercial purposes and is not primarily for personal, family or household purposes.

3.5 CREDIT AUTHORIZATION & IDENTITY VERIFICATION:

The Borrower(s) and Covenantor(s) agree to grant permission to Domain Funding to conduct a complete credit and identity verification investigation upon acceptance of this Loan Retainer Agreement.

3.6 ACCEPTANCE:

The Borrower(s) and Covenantor(s) should indicate their acceptance of this Loan Retainer Agreement by signing where indicated below, and by initialing Schedule “A”, Schedule “B”, Schedule “C”, and Schedule “D” attached, and returning to Domain Funding on or before **5:00 PM on Monday, January 24, 2022.**

This is not a commitment to provide Financing.

Yours truly,

DOMAIN FUNDING

____

PER: Alexander Hayne

ACCEPTANCE OF LOAN RETAINER AGREEMENT

We hereby accept and agree to the terms and conditions outlined in this Loan Retainer Agreement and retain Domain Funding as our mortgage broker to arrange the Loan from Domain Mortgage Corp. as outlined herein.

We hereby agree to pay to Domain Funding the Loan Fee(s) outlined in Schedule "A", attached.

We hereby confirm that we have read, understood, and agreed with Schedule "B", attached.

We hereby confirm that we have read, understood, and agreed with Schedule "C", attached.

Dated this___________day of January 2022.

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 "A" – LOAN FEE(S)

The Borrower(s) and Covenantor(s) agree to pay Domain Funding the following Loan Fee(s) in connection with the Third Loan Segment:

1.0 MORTGAGE BROKER FEE:

$ 36,000.00 = 2.00% of Third Loan Segment arranged by Domain Funding (the "Mortgage Broker Fee")

The Mortgage Broker Fee will be earned by Domain Funding upon Domain Funding providing the Borrower(s) with a Loan Commitment Letter(s) containing terms substantially similar to those outlined herein or otherwise acceptable to the Borrower(s).

The Mortgage Broker Fee is due and payable to Domain Funding as follows:

$ 36,000.00 - Upon the earlier of: (a) the funding of the Third Loan Segment; or (b) the Third Loan Segment Funding Date specified in the Loan Commitment Letter(s); or (c) the cancellation of this Loan Retainer Agreement by the Borrower(s). The $36,000.00 balance of the 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).

2.0 FUND RAISING FEE:

$ 18,000.00 = 1.00% of Third Loan Segment arranged by Domain Funding (the "Fund Raising Fee")

The Fund Raising Fee will be due and payable to Domain Securities Corp. as follows:

$ 18,000.00 - Upon the earlier of: (a) the funding of the Third Loan Segment; or (b) the Third Loan Segment Funding Date specified in the Loan Commitment Letter(s); or (c) the cancellation of this Loan Retainer Agreement by the Borrower(s).

Fund Raising Fee in amount of $147,000.00 applicable to the initial advance of the $14,700,000 has not been paid by the Borrower(s). Pursuant to the Promissory Note dated October 25, 2021, payment towards the Fund Raising Fee for the initial advance of $14,700,000 will be paid to Domain Securities Corp. from the proceeds of the Third Loan Segment.

It is agreed that the Fund-Raising Fee is non-refundable and is to be applied on account of the reasonable costs of Domain Securities Corp.'s work and expenses in raising funds to fund the Loan outlined in this Commitment Letter. In the event the Loan Commitment Letter is cancelled, either by the Lender or by the Borrower, or in the event the Loan is not funded for any reason, the Fund Raising Fee shall be retained by the Lender as liquidated damages, and not as a penalty.

3.0 REFUNDABLE WORKING FEE:

Not Applicable

4.0 EXIT FEE:

$ 36,000.00 = 2.00% of Third Loan Segment arranged by Domain Funding (the "Exit Fee")

The Exit Fee is due and payable to Domain Funding by the Borrower(s) upon the full repayment of the Loan unless:

a) the Loan is repaid in full on or before the Loan Balance Due Date to be specified in the Loan Commitment Letter(s); or
b) the Loan is repaid in full on or before the Loan Balance Due Date as extended pursuant to a Loan renewal, which may be offered by the Lender at its sole discretion to the Borrower(s); or
c) the Loan is repaid from a separate loan arranged by Domain Funding.

SCHEDULE "B" – NOTICE AND DISCLOSURE

Domain Funding is not a financial advisor, legal advisor, real estate advisor, construction advisor or other kind of advisor except for a commercial mortgage advisor.

In its capacity as a commercial mortgage advisor, Domain Funding attempts to arrange loan financing secured by real estate on behalf of its clients. All activities performed by Domain Funding on behalf of its clients are solely with respect to its role as a commercial mortgage broker. All commercial mortgage broker activities are performed on a "commercially reasonable efforts" basis.

All costs associated with the efforts of Domain Funding to arrange loan financing are the responsibility of the clients on whose behalf Domain Funding is working. This may include appraisal, legal, consultants or other costs. All clients agree to indemnify Domain Funding for costs incurred on their behalf.

Prior to the funding of a loan pursuant to a loan approval or commitment to provide financing, there is never any assurance that Domain Funding will be successful in its efforts to arrange financing. There is always a risk that Domain Funding will be unsuccessful in its efforts to arrange financing.

From time to time, Domain Funding may express its opinions and beliefs to its clients or others about the likelihood of arranging financing. Also, Domain Funding may communicate information received from potential lenders or others regarding the likelihood of arranging financing. Notwithstanding the expression of its opinions or beliefs or the communication of information received from others, there is never any assurance that a financing will be successful until it is actually funded pursuant to a loan approval or commitment.

The ability of Domain Funding to successfully arrange mortgage financing is dependent on several factors, including but not limited to the following:

a) The ability of Domain Funding to receive timely and accurate information and material regarding the Borrower(s), the Covenantor(s), the Property to be financed, and other matters related to the financing.
b) The market value of the Property as determined by a qualified real estate appraiser, by Domain Funding, and/ or by a potential lender.
c) The characteristics of the Property to be financed including property type, property condition, historical and future property income, property location, etc.
d) The creditworthiness of the Borrower(s) and the Covenantor(s) as determined by Domain Funding and/or by a potential lender.
e) The real estate market conditions and mortgage lending standards that exist at the time of a loan application. NOTE: real estate market conditions and mortgage lending standards are subject to change.

In most matters related to commercial mortgage broker activities, time is of the essence. Failure by clients to meet deadlines or to act expeditiously may affect the ability of Domain Funding to arrange mortgage financing.

Any loan approval should be evidenced in writing and signed by an authorized signatory of the lender. No client should rely on a verbal loan approval or commitment to provide financing. This Loan Retainer Agreement constitutes the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions. This Agreement may not be modified in any respect except in writing which states the modification and is signed by both parties hereto.

SCHEDULE "C"

Conflict of Interest Disclosure Statement Form 10

INSTRUCTIONS

1. Please type or print clearly
2. If additional information is required, reference and attach a schedule to this form

Neither the Registrar of Mortgage Brokers nor any other authority of the government of the Province of British Columbia has in any way passed on the merits of the matters dealt with in this disclosure statement. This information statement has not been filed with the Registrar of Mortgage Brokers and the Registrar has not determined whether or not it complies with Part 2 of the *Mortgage Brokers Act*.

PART 1 – INFORMATION

FULL NAME OF MORTGAGE BROKER	TELEPHONE NUMBER
Bankers Mortgage Corporation dba Domain Funding	604 681 3000

ADDRESS (complete address including postal code)
#1100 - 1040 West Georgia Street, Vancouver, B.C. V6E 4H1

ADDRESS OF PROPERTY TO BE MORTGAGED (complete address including postal code)
1250 West Hastings Street, Vancouver B.C., V6E 2M4

LEGAL DESCRIPTION OF PROPERTY TO BE MORTGAGED
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
PID: 006-721-397

Describe any direct or indirect interest the mortgage broker has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

1. The Mortgage Broker represents (a) Domain Mortgage Corp. and/or (b) syndicate mortgage lenders, and/or (c) Domain First Mortgage Investment Corporation, and/or (d) Domain High-Yield Mortgage Investment Corporation.
2. Domain Mortgage Corp., Domain First Mortgage Investment Corporation, Domain High-Yield Mortgage Investment Corporation, and Domain Securities Corp. have the following common officers/directors as the Mortgage Broker: Alexander Hayne and Shamir Alibhai.
3. The Mortgage Broker will be compensated for this mortgage transaction with a 2.0% Mortgage Broker Fee based on the Loan Amount, payable by the Borrower.
4. The Mortgage Broker or the Lender may be compensated in the future for this mortgage transaction with Administration Fee(s), Renewal Fee(s), Asset Monitor Fee(s), Exit Fee(s), and Servicing Fee(s), payable by the Borrower.
5. Domain Mortgage Corp. will be compensated with a Mortgage Administration Fee of 1.0% of the Loan Amount per year, payable by the investors in the mortgage investment.
6. Domain Securities Corp. Is a related party to the Mortgage Broker and acts as the registered securities dealer in the raising of investment capital used to fund the Mortgage for which this Form 10 is required. Domain Securities Corp. will be compensated for this mortgage transaction with a 1.0% Fund Raising Fee based on the Loan Amount, payable by the Borrower.

Describe any direct or indirect interest that a related party or associate of the mortgage broker, as defined in the *Mortgage Brokers Act Regulations* has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

Associates and/or related parties to the Mortgage Broker may acquire an interest in the mortgage investment.

PART 2 – CERTIFICATION

I certify that I am the mortgage broker or an authorized representative of the mortgage broker in this transaction and based on my knowledge, belief and information provided by third parties, this Disclosure Statement contains no untrue statement and does not omit to state a fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

FULL NAME OF MORTGAGE BROKER	ADDRESS (complete address including postal code)
Bankers Mortgage Corp. dba Domain Funding	#1100 - 1040 West Georgia Street, Vancouver B.C. V6E 4H1
SIGNATURE OF MORTGAGE BROKER OR AUTHORIZED REPRESENTATIVE	NAME OF AUTHORIZED REPRESENTATIVE OF MORTGAGE BROKER (PRINT NAME) John Kim DATE SIGNED (YYYY/MM/DD) 2022-01-18
ACKNOWLEDGEMENT OF RECEIPT SIGNATURE	PRINT NAME DATE SIGNED (YYYY/MM/DD)

SCHEDULE "D"

Copy of Title No. CA7287055

Appendix B

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

Monday, February 07, 2022 Loan #: 2021-BC011A

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:

COMMITMENT LETTER

On or about Oct, 26, 2021, Domain Mortgage Corp. funded $14,700,000 according to the terms and conditions of the Third Revised Commitment Letter dated July 30, 2021 (the "3RCL"). The $14,700,000 loan funded pursuant to the 3RCL is referred to herein as the "Initial Advance" of the Loan.

Domain Funding is pleased to present you with a Commitment Letter to provide an additional loan advance to the Initial Advance of the Loan. The additional loan advance described herein and on the attached Schedules is referred to as the "Third Loan Segment" of 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):

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

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:

The Borrower(s) are seeking additional funds for purposes exclusively related to the Terrace House Condominium Project located at the Secured Property (the “Project”) which has stalled due to the Covid-19 pandemic, a CCAA proceeding involving the Borrower(s), and a series of liens registered on title to the Secured Property. Uses of funds are expected to include consultants’ expenses, sales and marketing expenses, property care and maintenance expenses, finance expenses, etc.

The Initial Advance of the Loan in the aggregate amount of $14,700,000 was funded on or about October 26, 2021, and was secured by a super-priority court order charged over all assets, undertakings and property of the Borrower(s) including the following Mortgage, Assignment of Rents, and Modification (the “Existing Security”):

Nature:	MORTGAGE
Registration Number:	CA7337616
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	DOMAIN MORTGAGE CORP. INCORPORATION NO. BC1140295
Transfer Number:	CA9459739
Remarks:	MODIFIED BY CA9459782

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7337617
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	DOMAIN MORTGAGE CORP. INCORPORATION NO. BC1140295
Transfer Number:	CA9459740

Nature:	MODIFICATION
Registration Number:	CA9459782
Registration Date and Time:	2021-10-26 15:59
Remarks:	MODIFICATION OF CA7337616

1296371 B.C. Ltd. along with 1260780 B.C. Ltd. are Junior-ranking participants in the current ownership of the Existing Security by way of a Participation and Standstill Agreement with Domain Mortgage Corp. dated on or about Oct. 26, 2021 (the “Participation Agreement”).

It will be a condition of the Third Loan Segment that the Participation Agreement be amended and executed by the parties to the agreement.

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		
Monthly Payment Reserve (4 months - Third Loan Segment)	$	145,500.00
Collateral Reserve (2 months - Initial Advance)	$	294,875.00
Domain Funding Mortgage Broker Fee (2.0% of Third Loan Segment)	$	36,000.00
Domain Securities Corp Fund Raising Fee (1.0% of Third Loan Segment)	$	18,000.00
Domain Securities Corp Fund Raising Fee (Previously owing)	$	147,000.00
Lender's legal fees, title insurance, misc., etc. (estimate)	$	15,000.00
Pay amount owed to Aviva Insurance Company of Canada	$	366,000.00
Funds available to use by the Borrower related to the Terrace House Project	$	777,625.00
Total Uses of Funds	**$**	**1,800,000.00**

Sources of Funds		
Domain Mortgage Corp. Mortgage Loan Amount (Third Loan Segment)	$	1,800,000.00
Total Sources of Funds	**$**	**1,800,000.00**

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.

7. JUNIOR LENDER PARTICIPATION WITHIN THE EXISTING SECURITY:

1296371 B.C. Ltd. along with 1260780 B.C. Ltd are Junior-ranking participants in the ownership of the Existing Security subordinate in all respects to the $14,700,000 aggregate amount of the Initial Advance of the Loan, and has entered into a Participation Agreement with Domain Mortgage Corp.

It will be a condition of funding the Third Loan Segment that the Participation Agreement be amended to include and to give effect to the priority of the $1,800,000 Third Loan Segment as outlined herein.

The Participation and Standstill 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 administrator of the Loan will act solely in the capacity as a trustee for the Junior Lender and not as an agent or as a mortgage broker.

The standstill provisions of the amended Participation and Standstill 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:

Estimated to be during the month of February 2022. Exact date to be specified by 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:

Upon the funding of the Third Loan Segment, the Loan will be divided into the following (3) Loan Segments with (3) differing interest rates in recognition of differing risk profiles within the $16,500,000 composition of the Loan:

Loan Amount:	$10,500,000.00 (the "First Loan Segment")
	$ 4,200,000.00 (the "Second Loan Segment")
	$ 1,800,000.00 (the "Third Loan Segment")
	$16,500,000.00 (the "Loan")

Terms of $10,500,000 First Loan Segment

Unchanged form 3RCL.

Terms of $4,200,000 Second Loan Segment

Unchanged form 3RCL.

Terms of $1,800,000 Third Loan Segment

Term:	4 months from Interest Adjustment Date of the Third Loan Segment to mature July 1, 2022.
Amortization:	Interest Only
Interest Rate:	24.00% per annum
Interest Calculation Period:	Monthly
Payment Dates:	1st day of month during Loan Term
Interest Adjustment Date:	March 1, 2022
First Payment Date:	April 1, 2022

Periodic Payment Amounts:	$36,000.00	Interest payment
	$ 375,00	Loan Servicing Fee (0.25% of Third Loan Segment)
	$36,375,00	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: July 1, 2022

10. EARLY REPAYMENT TERMS:

The Loan may be repaid in full without penalty provided the Lender has first received payment of Interest and Loan Servicing Fee of not less than $72,750.00.

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, Collateral Reserve, and Terrace House Reserve to the Lender from the proceeds of the Third Loan Segment (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:

Third Loan Segment:

The Borrower(s) will assign $145,500.00 to the Lender from the proceeds of the Third Loan Segment to make the monthly interest payments and pay the Loan Servicing Fee during the term of the Third Loan Segment.

11.2 COLLATERAL RESERVE:

First Loan Segment & Second Loan Segment:

The Borrower(s) will assign $294,875.00 to the Lender from the proceeds of the Third Loan Segment representing a Collateral Reserve for the benefit of the First Loan Segment and the Second Loan Segment to the Loan. Upon the occurrence of an event of default of the Loan, the Collateral Reserve may be used by the Lender, at its sole discretion, to maintain monthly interest payment, 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.

11.3 TERRACE HOUSE RESERVE:

The Borrower(s) will assign $777,625.00 to the Lender from the proceeds of the Third Loan Segment, representing a Terrace House Reserve to be used to pay consultants’ expenses, property care and maintenance expenses, and other Lender-approved expenses in connection with the preservation of the Secured Property.

Draws from the Terrace House Reserve are subject to the following conditions:

a) No event of default has occurred under the Loan and any other loan funded by the Lender to the Borrower(s) and Covenantor(s).
b) Budget of the proposed uses of the $777,625 Terrace House Reserve to be reviewed and approved by the Lender and/or its appointed cost consultant.
c) Draws from the Terrace House Reserve are subject to a $500 draw fee payable to the Lender, per draw.
d) Draws will be made on a “work-in-place” basis as determined by the Lender.
e) At the option of the Lender, draws from the Terrace House Reserve will be controlled by the Lender and may pay directly to any trades and/or contractors.

12. PERMISSIBLE PRIOR ENCUMBRANCES:

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

None.

13. 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”

Unless otherwise consented to by the Lender in writing, all subsequent financial charge(s) are to execute Priority Agreement(s) in favour of Domain Mortgage Corp., satisfactory to the Lender and/or the Lender's solicitor.

14. 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. Court approval of the proposed Third Loan Segment outlined in this Commitment Letter.

B. Consent of Aviva Insurance Company of Canada to the amendment/supplement of the Existing Loan and the Existing Security as contemplated herein.

C. Borrower(s) and Covenantor(s) to execute the Loan Retainer Agreement issued by Domain Funding dated May 12, 2021 (which according to our records has not been executed).

D. Other Special Terms and Conditions that may be recommended by the Lender's solicitor.

15. LOAN SECURITY:

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

At time of $1,800,000 Third Loan Segment:

a) All of the Loan Security in effect at the time of the $14,700,000 Initial Advance under the Loan.

b) Assignment of $145,500 Monthly Payment Reserve to the Lender as specified herein.

c) Assignment of $294,875 Collateral Reserve to the Lender in connection with the First Loan Segment and Second Loan Segment.

d) Assignment of $777,625 Terrace House Reserve to the Lender.

e) Modification of FCT Loan Policy in favour of the Lender to acknowledge the $1,800,000 Third Loan Segment as outlined herein.

f) Modification of the Participation Agreement, signed by the Junior Lender, to give effect to the priority of $1,800,000 Third Loan Segment as outlined herein.

g) Modification of the Aviva Priority Agreement in favour of the Lender, to give effect to the priority of the $1,800,000 Third Loan Segment as outlined herein.

h) Court approval of the $1,800,000 Third Loan Segment as outlined herein.

i) 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:

17.1 Funding of the Third Loan Segment is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Friday, February 11, 2022**, all to be found satisfactory to the Lender and its solicitor:

$1,800,000 Third Loan Segment:

a) Executed copy of this Commitment Letter.

b) Confirmation of no default under the Initial Advance of the Loan.

c) Confirmation of fully paid municipal property taxes for Secured Property.

d) Satisfactory review by the Lender of the Certificate of Title for the Secured Property including all registered charges.

e) Satisfactory inspection of the Secured Property by the Lender.

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

g) Satisfactory credit review of the Borrower(s) and Covenantor(s).

h) 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.

i) 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).

j) 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.

k) Budget of proposed use of $777,625 Terrace House Reserve.

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

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

n) Geotechnical Report(s) and Transmittal Letter(s), acceptable to the Lender, confirming the Secured Property contains satisfactory soil conditions to permit development of the Secured Property.

o) Environmental Report(s) and Transmittal Letter(s), acceptable to the Lender, demonstrating that the Secured Property is environmentally clean.

p) Appraisal Report(s) and Transmittal Letter(s) from a Lender-approved appraisal firm demonstrating:
   - $26,000,000 minimum “as is” land value for the Secured Property

q) Satisfaction of the SPECIAL TERMS AND CONDITIONS outlined in Section 14., herein

r) Payout in full of $1,675,000 Domain Mortgage Corp. Loan #2021-009 (referred to by DMC as “Port Living – 583 East Broadway”) to Living Midtown Development Limited Partnership and Port Capital Development (MID) Inc. secured by First Mortgage and Assignment of Rents in favour of Domain Mortgage Corp.

s) Such other and further information and material that may be requested by Domain Funding or the Lender.

17.2 Funding of the Third Loan Segment is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Friday, February 18, 2022**, 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.

17.3 Funding of the Third Loan Segment is conditional upon the successful offering of the Third Loan Segment as a syndicated mortgage investment to private mortgage investors by Domain Securities Corp., a related-party to Domain Funding.

17.4 Upon satisfaction of all Conditions Precedent to Funding, as determined by the Lender and its solicitor at their sole discretion, the entire Third Loan Segment 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 Tuesday, January 18, 2022, the $36,000.00 Mortgage Broker Fee will be secured by the Promissory Note in the form as attached as Schedule "B" to this Commitment Letter, to be executed by the Borrower(s) and Covenantor(s) along with this Commitment Letter.

In addition, pursuant to Schedule "A" of the Loan Retainer Agreement dated Tuesday, January 18, 2022, the Fund Raising Fee in the amount of $18,000.00 will be due and payable to Domain Securities Corp. upon the earlier of: (a) the funding of the Third Loan Segment; or (b) the Third Loan Segment Funding Date specified in the Loan Commitment Letter(s); or (c) the cancellation of the Loan Retainer Agreement by the Borrower(s).

The following further amounts are due as follows:

$147,000.00 Unpaid Fund Raising Fee payable to Domain Securities Corp., previously due and payable, to be paid upon the funding of the Third Loan Segment.

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 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:	$ 36,000.00 (payable to Domain Funding)
Fund Raising Fee:	$ 18,000.00 (payable to Domain Securities Corp.)
Previously owing Fund Raising Fee:	$ 147,000.00 (payable to Domain Securities Corp.)
Collateral Reserve:	$ 294,875.00 (payable to Domain Mortgage Corp.)
Monthly Payment Reserve:	$ 145,500.00 (payable to Domain Mortgage Corp.)
Terrace House Reserve:	$ 777,625.00 (payable to Domain Mortgage Corp.)
Lender's Legal Fees:	$ 15,000.00 (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 Third Loan Segment 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 **Monday, February 28, 2022**, then, the Lender's obligation to fund the Third Loan Segment 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 on or before **5:00 PM on Wednesday, February 9, 2022.** If this Commitment Letter is not accepted by the Borrower(s) and covenantor(s) by this date, then the Lender's obligation to fund the Third Loan Segment will become null and void.

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 _____ day of February, 2022

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 "A" – STANDARD CLAUSES

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FEBRUARY 7, 2022)

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 FEBRUARY 7, 2022)

Date of Promissory Note:	**February 9, 2022**
Principal Sum of Promissory Note:	**$36,000.00**
Interest Commencement Date of Promissory Note:	**February 28, 2022**
Maturity Date of Promissory Note:	**March 1, 2022**

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 THIRTY SIX THOUSAND DOLLARS (hereinafter called the "Principal Sum") with interest thereon at the rate of 24.00% 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 _____ day of February 2022.

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 "C" – BORROWER(S)' INFORMATION

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FEBRUARY 7, 2022)

1. BORROWER(S):

Name: ______________________________

Registered Records Office: ______________________________

____

Telephone: ______________________________

Fax: ______________________________

E-Mail: ______________________________

2. BORROWER(S)' SOLICITOR:

Name: ______________________________

Address: ______________________________

____

Telephone: ______________________________

Fax: ______________________________

E-Mail: ______________________________

3. BORROWER(S)' INSURANCE AGENT:

Name: ______________________________

Address: ______________________________

____

Telephone: ______________________________

Fax: ______________________________

E-Mail: ______________________________

SCHEDULE "D" – PERMISSIBLE SUBSEQUENT ENCUMBRANCES

Copy of Title No. CA7287055

Appendix C

In the matter of the CCAA of Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership
Weekly Cash Flow Projection for the Period of February 14, 2022 to April 4, 2022
$CAD

	Week	1	2	3	4	5	6	7	8	
	Ending	14-Feb-22 Forecast	21-Feb-22 Forecast	28-Feb-22 Forecast	7-Mar-22 Forecast	14-Mar-22 Forecast	21-Mar-22 Forecast	28-Mar-22 Forecast	4-Apr-22 Forecast	Total
Receipts	**Notes**									
GST Refund	1	-	-	-	-	-	9,599	-	-	**9,599**
		-	**-**	**-**	**-**	**-**	**9,599**	**-**	**-**	**9,599**
Site maintenance disbursements (inc GST)										
Insurance	2	(36,696)	-	-	-	-	-	-	-	**(36,696)**
Site preservation	3	(13,706)	-	-	(3,426)	-	-	-	-	**(17,132)**
Glass storage costs	4	(24,948)	-	-	(6,237)	-	-	-	-	**(31,185)**
Consultants - city requirements	5	(19,144)	-	-	(4,437)	-	-	-	-	**(23,580)**
Crane lease	6	(32,340)	-	-	(8,085)	-	-	-	-	**(40,425)**
Formwork rentals	7	(44,343)	-	-	(15,106)	-	-	-	-	**(59,449)**
Permit costs	8	(163)	-	-	-	-	-	-	-	**(163)**
Showroom Rental	9	(30,224)	-	-	(7,556)	-	-	-	-	**(37,780)**
General, admin & miscellaneous expenses	10	(16)	-	-	-	-	-	-	-	**(16)**
Contingency	11	-	-	-	-	-	-	-	-	**-**
		(201,580)	**-**	**-**	**(44,847)**	**-**	**-**	**-**	**-**	**(246,427)**
Restructuring Disbursements (exc GST)										
Restructuring costs	12	(166,841)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	**(201,841)**
		(166,841)	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(201,841)**
Pre-construction disbursements (exc GST)										
Property Tax	13	-	(75,000)	-	-	-	-	-	-	**(75,000)**
Crane swing and easement rights	14	-	-	-	-	-	-	-	-	**-**
Development Fees (Admin charges)	15	-	-	-	-	-	-	-	-	**-**
Legal fees (new disclosure statement per REDMA)	16	-	(20,000)	-	-	-	-	-	-	**(20,000)**
Pre-sale marketing materials	17	-	-	-	(20,000)	-	-	-	-	**(20,000)**
Other Legal Fees	18	-	-	-	-	-	-	-	(33,029)	**(33,029)**
Construction loan fee	19	-	-	-	-	-	-	-	(110,000)	**(110,000)**
Construction loan conditions (QS, appraisal, etc)	20	-	-	-	-	-	-	-	(45,000)	**(45,000)**
Project accounting	21	(6,000)	-	-	(2,000)	-	-	-	(2,000)	**(10,000)**
		(6,000)	**(95,000)**	**-**	**(22,000)**	**-**	**-**	**-**	**(190,029)**	**(313,029)**
Net Cash Flow		**(374,421)**	**(100,000)**	**(5,000)**	**(71,847)**	**(5,000)**	**4,599**	**(5,000)**	**(195,029)**	**(751,698)**
Cash Balance										
Opening Available Cash Balance		-	403,204	303,204	298,204	226,357	221,357	225,956	220,956	**-**
Net Cash Flow		(374,421)	(100,000)	(5,000)	(71,847)	(5,000)	4,599	(5,000)	(195,029)	**(751,698)**
Domain Funds	22	777,625	-	-	-	-	-	-	-	**777,625**
Closing Available Cash Balance		**403,204**	**303,204**	**298,204**	**226,357**	**221,357**	**225,956**	**220,956**	**25,927**	**25,927**

In the Matter of CCAA of the Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership (the "Petitioners")

Notes to the Unaudited Cash Flow Forecast of the Petitioners

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Petitioners have relied upon unaudited financial information and the Petitioners have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Petitioners and additional assumptions discussed below with respect to the requirements and impact of a Companies' Creditor Arrangement Act ("**CCAA**") filing. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Cash Flow Forecast includes the receipts and disbursements of all the Petitioners during the Cash Flow Forecast Period covering the period from February 14, 2022 to April 4, 2022 (the "**Period**"). The Petitioners, with the assistance of Ernst & Young Inc., in its capacity as the Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the CCAA proceedings and the ongoing construction project (Terrace House).

1. Receipts (GST Refund): Represents receipts for GST input tax credits paid and refunded during the Period.

2. Insurance: Represents the monthly premium payable on the current insurance policy.

3. Site Preservation: includes site security, scaffolding and fence rental, formworks rental and other items related to site preservation.

4. Glass Storage Costs: includes rental costs for the on-site office and costs associated with the storage of acquired glass and related materials.

5. Consultants – City Requirements: Represents management's estimates of required cash outlay to meet basic city requirements.

6. Crane Lease: Represents lease payments for the crane on site at the Terrace House site.

7. Formwork Rentals: Represents payment for formwork currently on site at the Terrace House site.

8. Permit Costs: Relates to costs to the City of Vancouver for permits, including street use permits.

9. Showroom rental: Represents payment to the landlord of the showroom.

10. General, Admin & Miscellaneous Expenses: Includes equipment repairs & maintenance, office expenses and other miscellaneous items.

11. Contingency: There is no contingency included in the Cash Flow Forecast for the Period.

12. Restructuring Costs: Represents professional fee payments to counsel to the Petitioners, the Monitor and the Monitor's counsel.

13. Property Tax: Represents the initial instalment for 2022 property taxes.

14: Crane Swing and Easement Rights: There are no payment towards crane swing and easement rights anticipated in the Period.

15: Development Fees: There are no development fees anticipated in the Period.

16: Legal Fees (REDMA): Represents legal fees associated with drafting a new disclosure statement that is in accordance with the *Real Estate Development Marketing Act* ("**REDMA**").

17: Pre-Sale Marketing Materials: Represents fees associated with marketing material to assist in the pre-sale campaign.

18: Other Legal Fees: Represents fees and Costs to begin preparation for exiting CCAA protection.

19: Construction Loan Fees: Represents fees and costs associated with securing construction financing.

20: Construction Loan Consultants: Represents fees and costs of various consultants that are anticipated as requirements to construction financing. These consultants include appraisers and quantity surveyors.

21: Project Accounting: Represents fees associated with on going book keeping services for the Terrace House Project.

22. Domain Fuds: Represents the net advance on the Second Domain Loan.

Appendix D

TERRACE HOUSE
COAL HARBOUR

CONTRACT OF PURCHASE AND SALE – RESIDENTIAL STRATA LOT

"Vendor" Evergreen House Development Limited Partnership
325 West 4th Avenue
Vancouver, BC V5Y 1H3

"Purchaser"	(1) Name: [redacted]	Tel 1: ________
	Address:	Tel 2: ________
		Email: ________
	(2) Name: ________	Tel 1: ________
	Address: ________	Tel 2: ________
	________	Email: ________

The Purchaser is a Resident of Canada: Yes / No		
If **No**, Country of Residency: ________		
If **Yes**, Social Insurance Number(s):	(1) ___/___/___	(2) ___/___/___

Proposed Strata Lot [redacted] (Unit No. [redacted]) (the "**Strata Lot**") in the development known as "Terrace House" (the "**Development**") to be constructed at 1250 West Hastings Street, Vancouver, B.C. on lands currently legally described as Parcel Identifier: 006-721-397, 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.

"**Purchase Price**" $ [redacted] exclusive of all applicable taxes, GST, PST, and Property Transfer Tax and any other provincial or federal sales, service, harmonized, value added or other tax and exclusive of any applicable new housing rebates.

1. **Offer**. The Purchaser hereby offers to purchase from the Vendor the Strata Lot for the Purchase Price and upon the terms set forth herein subject to the encumbrances (the "**Permitted Encumbrances**") referred to in the Disclosure Statement (as hereinafter defined). The Purchaser acknowledges that he or she is purchasing a strata lot which is to be constructed or is presently under construction.

2. **Deposit**. The Purchaser will pay the following deposits (collectively, the "**Deposit**") in lawful money of Canada either by personal cheque, bank draft or certified cheque to "Dentons Canada LLP In Trust" (Dentons Canada LLP, the "**Vendor's Solicitors**") in trust as stakeholder and the Deposit will be held in accordance with the *Real Estate Development Marketing Act* (British Columbia) and the *Real Estate Services Act* (British Columbia) as follows:

[redacted] P

(a)	as to 10% of the Purchase Price (the "**Initial Deposit**"), forthwith upon the acceptance of this offer by both the Purchaser and the Vendor. If the Purchaser delivers written notice to the Vendor cancelling this Agreement by 11:59 p.m. on the 7th day following the date of acceptance of this offer by both parties then this Initial Deposit will be returned to the Purchaser and this Agreement shall thereafter be null and void; and	$ [redacted]
(b)	a further deposit equal to 10% of the Purchase Price (the "**Second Deposit**"), payable within 120 days from the execution of this Contract by both the Purchaser and the Vendor (the "**Second Deposit Due Date**"); and	$ [redacted]
(c)	a further deposit equal to 5% of the Purchase Price (the "**Third Deposit**"), payable within 120 days after the Second Deposit Due Date.	$ [redacted]

3. **Included Fixtures**. The Purchase Price includes the following items unless otherwise noted in the Disclosure Statement:

[a] one dishwasher, [b] one gas cooktop, [c] one oven, [d] one refrigerator, [e] one garburator, [f] one hood fan, [g] one washer and one dryer, [h] window coverings - vertical blinds, and [i] one microwave.

Fixtures and features as represented in the Disclosure Statement shall also be included, provided that the Vendor may substitute materials of reasonably equivalent or better quality. Presentation Centre/Display Suite decorator features, fixtures, wall treatments, finishings, fittings, dining light fixtures and furnishings, are not included in the Purchase Price.

4. **Parking**. The Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor, the exclusive use of 2 parking stall(s) in the Development for a price of $ 0 (plus GST) in a location designated by the Vendor and such additional amount will be added to the statement of adjustments and will be payable to the Vendor on the Completion Date. The Purchaser acknowledges and accepts that the parking stall assigned to the Purchaser is subject to the restrictions and limitations set out in the Disclosure Statement (as defined herein).

5. **Storage Lockers/Bicycle Spaces**. The Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor, the exclusive use of 1 storage locker(s) and 1 bicycle rack space(s) in the Development for a price of $ 0 (plus GST) for the storage locker(s) and $ 0 (plus GST) for the bicycle rack space(s) in a location designated by the Vendor and such additional amount will be added to the statement of adjustments and will be payable to the Vendor on the Completion Date. The Purchaser acknowledges and accepts that the storage locker(s) and/or bicycle space(s) assigned to the Purchaser is subject to the restrictions and limitations set out in the Disclosure Statement (as defined herein).

6. **Completion, Possession and Adjustment Dates**. See Addendum "A" attached hereto.

7. **Receipt of Disclosure Statement.** The Purchaser acknowledges having received a copy of the disclosure statement for the Development including all amendments thereto, if any, filed up to the date hereof (collectively, the "**Disclosure Statement**") and has been given a reasonable opportunity to read the Disclosure Statement. The Purchaser further acknowledges that the Disclosure Statement relates to a development property that is not yet completed, that this information has been drawn to the Purchaser's attention and that the Purchaser has been referred to Section 7.2 of the Disclosure Statement in respect of information concerning this Agreement. The Disclosure Statement contains provisions explaining the obligations of the owner for the Strata Lot to pay monthly contributions to the common expenses of the strata corporation (strata fees).

[redacted]

[redacted]

8. **Electronic Delivery of Disclosure Statement and Amendments**. The Purchaser consents and agrees that the Vendor may deliver any notice or document including the Disclosure Statement and any other amendments to the Disclosure Statement, to the Purchaser by electronic means, including by e-mail, to the e-mail address set out above, and the Purchaser confirms that he or she is capable of retrieving and processing any such notice or document in electronic form.

P [redacted]

9. **Execution**. This offer and the contract that will result from its acceptance ("**Agreement**" or "**Contract**") and any addendum or amendment thereto may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same Contract and, for greater certainty, a signed fax, photocopy or electronic copy (including Portable Document Format) shall be effectual and valid proof of execution.

10. **Acceptance**. This offer will be open for acceptance on presentation up to three days from the date of this offer. Upon acceptance of this offer by both parties evidenced by the Purchaser and the Vendor signing a copy of this offer, there will be a binding agreement of sale and purchase in respect of the Strata Lot for the Purchase Price, on the terms and subject to the conditions set out herein.

The Purchaser hereby confirms that he/she/they has/have read this Agreement including Addendum "A" and further confirms that other than the representations and warranties and terms and conditions contained in writing therein and in the Disclosure Statement. NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT SHALL BE BINDING UPON THE VENDOR UNLESS EXPRESSLY CONTAINED HEREIN OR IN THE DISCLOSURE STATEMENT.

THE TERMS AND CONDITIONS ATTACHED HERETO AS ADDENDUM "A" ARE PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

THE PURCHASER HAS EXECUTED THIS AGREEMENT THIS 19 DAY OF October, 2018.

[redacted]

WITNESS: ______________________ PURCHASER(s): [redacted]

Print Name:
(as to all signatures)

PURCHASER(s): ______________________

The Purchaser's offer to purchase contained herein is accepted by the Vendor at 5:00 a.m. / p.m. this 19 day of October, 2018.

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

Per: [redacted]

[redacted]

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ADDENDUM "A"

1. **Completion Date**. The Purchaser will deliver the balance of the Purchase Price, at the Purchaser's expense by way of a solicitor's CERTIFIED CHEQUE or BANK DRAFT, to the Vendor's Solicitors "in trust" by NO LATER THAN 2:00 p.m. on the Completion Date. The completion date (the "**Completion Date**") will be no less than 10 days after the Vendor or the Vendor's Solicitors notifies the Purchaser or the Purchaser's solicitors/notary (the "**Purchaser's Solicitors**") in writing that the Strata Lot is ready to be occupied (the "**Completion Notice**"). Whether the Strata Lot is ready to be occupied refers to the Strata Lot and not any other strata lot or common property within the Development and the Strata Lot will be deemed to be ready to be occupied on the Completion Date if the City of Vancouver has provided permission to occupy the Strata Lot, whether such permission is temporary, conditional or final and in the Vendor's reasonable opinion the Strata Lot is ready to be occupied. If the Completion Date is a Saturday, Sunday, holiday or a day upon which the applicable Land Title Office is not open for business, the Completion Date shall be the immediate following business day. The notice of the Completion Date delivered from the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's Solicitors may be based on the Vendor's estimate as to when the Strata Lot will be ready to be occupied. If the Strata Lot is not ready to be occupied on the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's Solicitors. If the Completion Date has not occurred by August 28, 2021 (the "**Outside Date**"), then at the Vendor's option this Contract will be terminated, the Deposit and any accrued interest will be returned to the Purchaser and the parties will be released from all of their obligations hereunder, provided that:

   (a) if the Vendor is delayed from completing construction of the Strata Lot as a result of earthquake, act of terrorism or sabotage, flood or other act of God, fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, climactic condition, interference of the Purchaser, or any other event of any nature whatsoever beyond the reasonable control of the Vendor, then the Outside Date will be extended for a period equivalent to such period of delay; and

   (b) the Vendor may, at its option, exercisable by notice to the Purchaser, in addition to any extension pursuant to subsection 1(a) and whether or not any delay described in subsection 1(a) has occurred, elect to extend the Outside Date for a maximum of three consecutive periods of up to 120 days each.

   The Vendor confirms that it currently estimates that the Completion Date will occur on or about November 1, 2020 to January 31, 2021 (the "**Estimated Date**"). The Purchaser acknowledges that there are many factors that impact the length of time required to construct a project of this scale and the Estimated Date has been provided by the Vendor as a matter of convenience only, is not meant to be legally binding upon the Vendor and that the actual Completion Date will be established in the manner set out in section 1 of this Addendum which may be earlier or later than the Estimated Date. The Purchaser agrees to complete the purchase of the Strata Lot on the Completion Date as established according to this section 1 regardless of the amount of time between the actual Completion Date and the Estimated Date. The Purchaser acknowledges and agrees that its decision to enter into and to perform the terms of this Contract is not based upon whether the actual Completion Date occurs before, upon or after the Estimated Date.

2. **Conveyance**. A vendor's statement of adjustments and a freehold transfer for the Strata Lot and, if required by the Vendor, a certificate as to the GST registered status of the Purchaser of a non-residential strata lot, as well as any other documents required by the Vendor's Solicitors are to be delivered at the Purchaser's expense to the office of the Vendor's Solicitors located at 20th Floor, 250 Howe Street, Vancouver, BC, V6C 3R8 by the Purchaser's Solicitors at least **three full business days** prior to the Completion Date. The Purchaser will be responsible for obtaining all other documents required to complete the transfer of the Strata Lot to the Purchaser, including a Form F and a Form B Information Certificate as such forms are described under the *Strata Property Act* (British Columbia). The Vendor will not be required to execute or deliver any other agreements, transfer documents, resolutions, certificates, statutory declarations, or assurances whatsoever to the Purchaser.

[redacted]

The Vendor will execute and deliver such statement of adjustments, registrable freehold transfer and certificate as to the GST registered status of the Purchaser of a non-residential strata lot (if required) to the Purchaser's Solicitors prior to the Completion Date on the undertakings that, forthwith upon the Purchaser's Solicitors obtaining a post-registration index search from the applicable Land Title Office indicating that, in the ordinary course of Land Title Office procedure, the Purchaser will become the registered owner of the freehold interest in the Strata Lot (subject only to the Permitted Encumbrances and charges granted by the Purchaser), the Purchaser will cause payment of the balance of the Purchase Price due on the Completion Date by way of **solicitor's certified cheque or bank draft** to be made by the Purchaser's Solicitors to the Vendor's Solicitors. The transfer of the Strata Lot will also be subject to the Vendor's financing arranged in connection with the Development or any builders' lien claims provided that the Vendor's Solicitors undertake to pay out and make arrangements to clear title to the Strata Lot of all encumbrances related to such financing and such builders' liens claims within a reasonable period of time after receiving the balance of the Purchase Price due on the Completion Date. The Purchaser acknowledges that the Vendor's financing may remain as a charge against the common property of the Development and against the Vendor in the Personal Property Registry until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such financing will be discharged entirely. The parties acknowledge and agree that the foregoing undertakings regarding the discharge of the Vendor's financing from title to the Strata Lot will be the only undertakings with respect thereto.

If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Vendor until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Purchaser has: (a) deposited with the Purchaser's Solicitors that portion of the Purchase Price not secured by the new mortgage; and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and (c) made available to the Vendor or the Vendor's Solicitors a solicitor's or notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. **Deposit and Limitation of Vendor's Liability**. The Deposit shall be dealt with by the Vendor's Solicitors as follows:

(a) The Vendor may wait to forward the Initial Deposit to the Vendor's Solicitors until the seven-day rescission period following the Contract Date has passed pursuant to the *Real Estate Development Marking Act* (British Columbia) and the Purchaser has not rescinded this Agreement by such time;

(b) The Deposit, or any portion thereof, received under the terms of this Agreement will be, within 21 business days of receipt of the Deposit by the Vendor's Solicitors, deposited in an interest-bearing trust account with a Canadian chartered bank, trust company or credit union with interest to accrue to the benefit of the Vendor except as otherwise expressly provided herein;

(c) If the Purchaser completes the purchase of the Strata Lot on the terms and conditions contained herein, then the Deposit shall be applied to the Purchase Price and be paid to the Vendor;

(d) If the Purchaser fails to complete the purchase of the Strata Lot on the terms and conditions contained herein, then the Deposit will be absolutely forfeited to the Vendor and the Vendor will be at liberty to pursue additional remedies including its damages for breach of this Agreement; and

(e) If, for whatever reason, the Vendor fails to complete the sale of the Strata Lot on the terms and conditions contained herein or if the Vendor terminates this Contract in accordance with Section 1 of this Addendum, then the Purchaser's sole and exclusive remedy against the Vendor will be the return of the Deposit to the Purchaser (or that portion of the Deposit paid by the Purchaser under the terms of this Agreement) (less the Vendor's Solicitors reasonable administrative fees not to exceed $125) and the Vendor shall have no additional liabilities or obligations to the Purchaser.

Notwithstanding the above, the Purchaser acknowledges and agrees that the Vendor's Solicitors will be permitted to charge and deduct and retain a deposit administration fee from the Deposit of not more than $125 plus applicable taxes

[redacted]

to be paid by the Purchaser, and that if any payment made by the Purchaser that is returned for non-sufficient funds will be subject to a service charge of $50 each.

The payment of any funds to the Vendor pursuant to Section 3(d) or 8 hereof shall not be deemed to be all inclusive liquidated damages and shall not preclude any further claims or remedies by the Vendor against the Purchaser arising pursuant thereto.

The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract with an approved insurer pursuant to which the deposits paid by purchasers of land which is proposed to be subdivided or strata titled may be released to the developer. As a result, the Vendor, at its sole option, may enter into a deposit protection contract as required by such legislation with respect to the Deposit (or any portion thereof) and the Strata Lot. The Deposit (or such portion thereof) shall be released to the Vendor in accordance with such insurance contract or security agreement and the provisions of paragraphs 3 and 9 shall be deemed to have been amended accordingly.

4. **Possession, Risk and Adjustment**. The Purchaser will assume all taxes, rates, local improvement assessments, water rates and scavenging rates, assessments of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot will be made as of the date the balance of the Purchase Price is due. The Purchaser hereby acknowledges and agrees that there may not be individual municipal property tax notices issued in respect of the Strata Lot prior to the Completion Date and in such instance, the Purchaser agrees that the municipal property taxes will be adjusted on the basis of the unit entitlement of the Strata Lot as a percentage of the aggregate unit entitlement of all strata lots shown in the Final Strata Plan (as defined herein). The Strata Lot is to be at the risk of the Vendor to and including the day preceding the Completion Date, and thereafter at the risk of the Purchaser. So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have possession of the Strata Lot on the day following the Completion Date (the "**Possession Date**"). The Purchaser acknowledges that the Vendor may not appear on title as the registered owner of the Strata Lot and agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (or successor statutes), to accept a registrable assignment of the Strata Lot and other closing documents executed by a party other than the Vendor.

The Purchaser is responsible for all utility charges as of the Possession Date and must ensure they notify the necessary utility companies to have the utilities transferred into their name on the Possession Date. In the event the Purchaser does not transfer the utilities into their name as of the Possession Date, any charges to the Vendor that should be the Purchaser's responsibility will be paid to the Vendor in full within five business days of notification. If said amount is not paid within the five business days a $50 charge will be applied to the outstanding amount for each week that the Purchaser fails to transfer the utilities into their name and fails to pay any charges to the Vendor resulting from such failure. The Purchaser is responsible for the monthly strata corporation fee and acknowledges that the monthly strata corporation fee shown in the Disclosure Statement is only an estimate of such fee.

5. **Vendor's Termination Condition**. The Purchaser acknowledges and agrees that:

(a) If by June 30, 2018, the Vendor has not satisfied the preconditions of its construction lender or if the full building permit has not been issued, the Vendor will have the right to terminate this Agreement by giving written notice to the Purchaser or the Purchaser's agent, at any time up until the Vendor has satisfied the preconditions of its construction lender or the full building permit has been issued; and

(b) If by the Outside Date, as extended from time to time, the Vendor has not deposited the Final Strata Plan (as defined herein) in respect of the Development in the applicable Land Title Office or if the City of Vancouver has not issued the occupancy permit applicable to the Strata Lot, the Vendor will have the right to terminate this Agreement by giving written notice to the Purchaser or the Purchaser's Agent, at any time until the later of: (i) the date that the Final Strata Plan is deposited in the Land Title Office; and (ii) the date the City of Vancouver issues the occupancy permit applicable to the Strata Lot.

[redacted]

If the Vendor exercises its right to terminate this Agreement, this Agreement will terminate and be null and void as of the day the Vendor delivers the notice of termination to the Purchaser and that portion of the Deposit that has been paid shall be refunded to the Purchaser and neither party will have further obligations to the other. The Purchaser acknowledges that it is signing this Contract under seal and the Purchaser has no right to revoke his or her offer herein while this Agreement remains subject to the foregoing termination rights in favour of the Vendor. The Purchaser acknowledges and agrees that the Vendor will not be liable to the Purchaser for any damages or costs whatsoever incurred by the Purchaser resulting from the Vendor terminating this Agreement in accordance with this Section, including, without limitation, relocation costs, professional fees and disbursements, opportunity costs, loss of bargain, damages and/or costs resulting from hardship or any other damages or costs incurred, directly or indirectly, and this provision will constitute a complete defence to any claim that may be made against the Vendor by the Purchaser in respect of the Vendor's termination of this Agreement and any matter associated therewith. This condition is for the sole benefit of the Vendor and may be waived by the Vendor unilaterally.

6. **Builders' Lien Holdback**. That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "**Lien Holdback**") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held in trust for the Purchaser pursuant to the *Strata Property Act* (British Columbia) and *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered in the applicable Land Title Office in connection with work done at the behest of the Vendor. The Vendor's Solicitors are authorized to invest the Lien Holdback in an interest-bearing trust account and to pay to the Vendor (or as directed by the Vendor), on the earlier of (i) the date on which the time for filing a claim of lien under the *Builders Lien Act* expires; and (ii) the date which is 56 days after the date that the balance of the Purchase Price becomes due as aforesaid, the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claim filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitors notify the Vendor's Solicitors in writing by 1:00 p.m. on that day.

7. [INTENTIONALLY DELETED]

8. **Time of Essence**. Time will be of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable hereunder are paid when due, then the Vendor may, at its option:

   (a) terminate this Agreement by written notice to the Purchaser and, in such event, the Deposit and all accrued interest thereon, if any, will be absolutely forfeited to the Vendor without prejudice to the Vendor's other remedies and the Vendor's Solicitors are hereby irrevocably authorized and directed by the Purchaser to pay the amount held by them and such interest as may have accrued thereon to the Vendor upon written demand therefor by the Vendor; or

   (b) elect to extend the Completion Date to a certain date determined by the Vendor, time to remain of the essence hereof and subject to the Vendor's right in its sole discretion, to grant further extensions to a certain date each time, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 2% per month (24% per annum), calculated daily and compounded monthly not in advance, from and including the date upon which such portion and amounts were due to and including the date upon which such portion and amounts are paid.

The Vendor, in its sole discretion, may cancel this Agreement pursuant to subsection 8(a) at any time after extending the Completion Date pursuant to subsection 8(b) if the Purchaser fails to complete on or before such extended date or may permit one or more further extensions pursuant to subsection 8(b).

Should any extension of the Completion Date pursuant to subsection 8(b) above result in the Completion Date extending beyond the Outside Date, as discussed in Section 1 of this Addendum, the Outside Date shall be deemed to be extended to the same date as the Completion Date, and shall not give the Purchaser any rights to terminate this Agreement.

[redacted]

9. **Entire Agreement/Representations**. The Purchaser acknowledges and agrees that this Agreement constitutes the entire agreement between the parties with respect to the sale and purchase of the Strata Lot and supersedes any prior agreements, negotiations or discussions, whether oral or written, of the Vendor and the Purchaser, and that there are no representations, warranties, conditions or collateral contracts, expressed or implied, statutory or otherwise, or applicable hereto, made by the Vendor, its agents or employees, or any other person on behalf of the Vendor, other than those contained herein and in the Disclosure Statement, including, without limitation, arising out of any sales brochures, models, websites, representative view sets, showroom displays, photographs, illustrations or renderings or other marketing materials provided to the Purchaser or made available for his or her viewing. In particular, the Purchaser acknowledges and agrees that the materials, specifications, details, dimensions and floor plans set out in any materials viewed by the Purchaser are approximate and subject to change without notice in order to comply with building site conditions and municipal, structural and Vendor and/or architectural requirements.

10. **Construction**. The Purchaser is aware area measurements are approximate and based on architectural drawings and measurements. Final floor plans and surveyed areas may vary. The Strata Lot is as shown on the preliminary strata plan (the "**Preliminary Plan**") forming part of the Disclosure Statement. The Vendor may make alterations to the features and layout of the Strata Lot which are desirable in the discretion of the Vendor. The Vendor reserves the right to alter the common property of the Development or the limited common property of any strata lots in the Development at any time and from time to time if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or aesthetics. The proposed dimensions, lot lines and location of the strata lots, the common property and the limited common property in the Development are set out in the Preliminary Plan. The actual size, dimensions and/or configuration of the strata lots, decks (if any) and/or other limited common property as set forth in the final strata plan (the "**Final Strata Plan**") for the Development may vary from what is depicted on the Preliminary Plan. The areas and dimensions of the strata lots in the Development set out In the Development marketing materials are approximate and are provided for information purposes only and are not represented as being the actual final areas and dimensions of the Lands and strata lots (including the Strata Lot) in the Development. In the event of any discrepancy between the area, size, dimensions, location and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property in the Preliminary Plan and/or any architectural plans relating to the Development and/or any marketing materials and the Final Strata Plan, the Final Strata Plan will prevail.

11. **Measurement of Strata Lot**. The Purchaser acknowledges and agrees with the Vendor that if the area of the Strata Lot shown on the Final Strata Plan varies by more than 3% from the area shown on the Preliminary Plan as at the date of this Agreement, the Purchase Price shall be amended by multiplying the Purchase Price by the area of the Strata Lot shown on the Final Strata Plan and dividing the product by the area of the Strata Lot shown on the Preliminary Plan. In the event that the actual area of the Strata Lot shown on the Final Strata Plan varies by 3% or less from the area shown on the Preliminary Plan, there shall be no adjustment to the Purchase Price. The Purchaser acknowledges and agrees that the Purchaser will have no claim against the Vendor as a result of a change in area of the Strata Lot other than for the adjustment to the Purchase Price as aforesaid.

12. **Finishes - Natural Variations**. Due to the natural variation of colour and texture in the wood, stone, laminate and dye lots of the tile, carpet and other components of the Strata Lot, and the fact that the colour of natural products (especially wood) will change over time, the finishes of the wood, stone, tile, carpet and other components of the Strata Lot may differ from the colour and textures shown in any display unit or any samples provided to or viewed by the Purchaser. In addition, even within the Strata Lot, the textures, colours and finishes may vary for the same reasons. These variations are inherent characteristics which cannot be fully controlled, and the Vendor does not guarantee an exact match.

13. **Inspection**. The Vendor warrants that on the Completion Date the Strata Lot will be registered under a third party insurance provider. The Purchaser or his/her representative and a representative of the Vendor will inspect the Strata Lot at a reasonable time designated by the Vendor by written notice, by telephone or by e-mail prior to the Completion Date. The Purchaser may at his option forfeit this inspection or not accept the opportunity for inspection and will be

[redacted]

deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) on the Completion Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies in any interior renovation and interior finishing work performed by the Vendor in the Strata Lot (the "**Deficiencies**") will be prepared which are to be rectified by the Vendor within a reasonable period of time after the Completion Date. If there is any dispute as to the Deficiencies, the parties agree that the Vendor's project architect will conclusively settle the matter in dispute. The parties will sign the list and the Purchaser will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) subject only to the Deficiencies. The Purchaser covenants and agrees to complete the purchase of the Strata Lot on the Completion Date on the terms and conditions herein contained notwithstanding that the Deficiencies may be rectified subsequent to the Completion Date. The Vendor will remedy the Deficiencies noted on the list or as settled by the project architect within a reasonable period of time after the Completion Date to the satisfaction of the project architect, and the parties agree that notwithstanding the existence of any defects or deficiencies, including the Deficiencies, on the Completion Date, such will not permit the Purchaser to elect not to complete the purchase of the Strata Lot and there will be no deficiency holdback in respect of any defects or deficiencies, including the Deficiencies which may exist on the Completion Date. The Purchaser will not be permitted access to the Strata Lot prior to the Possession Date except for this inspection. The Purchaser acknowledges and agrees that the Vendor and its representatives will be permitted access to the Strata Lot following the Completion Date during normal working hours and on reasonable notice in order to carry out the work necessary to rectify any Deficiencies. The Purchaser will be deemed to have forfeited the right to an inspection and deemed to be satisfied with and to have accepted the physical condition of the Strata Lot if the Vendor is unable to reach the Purchaser or to schedule the inspection with the Purchaser, after reasonable attempts to do the same.

14. **Costs, Taxes and Rebates**. The Purchaser will pay costs and taxes in connection with the sale and purchase of the Strata Lot (including GST, PST, property transfer tax and any other provincial or federal sales, service, harmonized, value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included with the Strata Lot), other than the costs of the Vendor incurred in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that the Purchase Price does not include GST, PST or any applicable B.C. sales tax and that the Purchaser will remit, if and to the extent required under Part IX of the *Excise Tax Act* (Canada) or other applicable tax legislation or regulations, the Purchaser will remit to the Vendor on the Completion Date any GST or applicable B.C. sales tax that may be payable in respect of the transaction contemplated herein, and the Vendor agrees that it will remit such funds or, if permitted, otherwise account for such funds to Canada Revenue Agency ("**CRA**") in accordance with its obligations under Part IX of the *Excise Tax Act* (Canada) and to the British Columbia Minister of Finance, as applicable Notwithstanding the foregoing, if the Purchaser of a non-residential strata lot is a corporation which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser containing the Purchaser's GST registration number and an indemnity from the Purchaser in favour of the Vendor with respect to payment of GST by the Purchaser, the Purchaser will not be required to pay the GST for the non-residential strata lot to the Vendor but will be entitled to self-assess the GST and account for the same directly to CRA. In respect of new housing rebates, the Vendor will NOT be providing any credit to the Purchaser in the amount of any new housing rebate, whether GST, PST or B.C. new housing rebate, which the Purchaser may be entitled to claim.

15. **Assignment**.

(a) The Purchaser may NOT assign its interest in the Strata Lot or this Agreement or direct the transfer of the Strata Lot to any other or additional party (a "**Transfer**") without the written consent of the Vendor, such consent to be in the Vendor's sole discretion and may be arbitrarily withheld and unless the Vendor so consents, the Vendor will not be required to Transfer the Vendor's interest in Strata Lot to anyone other than the Purchaser named herein. The Vendor may at its option charge an administration fee of up to 5% of the Purchase Price (plus GST) as consideration for agreeing to a Transfer and for any associated legal and administrative costs. The assignment fee will be reduced to a fixed charge of $1000.00 if the assignee is the

[redacted]

Purchaser's spouse, parent, child, grandparent or grandchild. The Purchaser will provide such supporting documentation as requested by the Vendor. Following any Transfer, the assignor will not be relieved of his obligations hereunder but will continue to remain liable to perform all obligations of the Purchaser under this Agreement. Upon a request for consent to an assignment to a person other than a spouse, parent, child, grandparent or grandchild, the Vendor may, within two (2) business days of receipt of the request for consent, deliver written notice to the Purchaser that the Vendor elects to terminate this Agreement provided that the Vendor will pay to the Purchaser the amount of any consideration (the "**Assignment Consideration**") proposed to be paid by the assignee to the Purchaser for the Transfer. If the Vendor so elects, this Agreement will terminate and be null and void as of the day the Vendor delivers the notice of termination to the Purchaser and that portion of the Deposit that has been paid shall be refunded to the Purchaser along with the payment by the Vendor of the Assignment Consideration and neither party will have further obligations to the other.

(b) Without limiting the Vendor's discretion to approve or condition any assignment, the Vendor's consent to an assignment of the Purchaser's interest in this Agreement under this Section 15 is subject to the Purchaser satisfying the following conditions by no later than sixty (60) days before the Estimated Date of Completion:

(i) the Purchaser has provided to the Vendor the applicable administrative fee payable in accordance with Section 15(a) of this Addendum "A" in respect of such assignment;

(ii) the Purchaser has provided the Vendor with all information in respect of both the Purchaser and the assignee necessary in order for the Vendor to consider the request, as determined by the Vendor, including the information necessary or desirable to enable the Vendor to fully comply with all requirements of all applicable laws, including the provisions under the *Real Estate Development Marketing Act*;

(iii) the Purchaser has delivered or caused to be delivered to the Vendor any additional documents it may require from the assignor, the assignee and/or any other party in connection with its consent to the assignment; and

(iv) the Purchaser and assignee have executed and provided to the Vendor, an assignment agreement satisfactory to the Vendor in form and content.

(c) The Purchaser agrees to provide, or cause to be provided, to the Vendor all information and documentation necessary or requested by the Vendor to permit the Vendor to consider any requested assignment and to comply with all applicable laws.

(d) The Purchaser will not advertise or solicit offers from the public or use, directly or indirectly, the Multiple Listing Service® (MLS) with respect to the assignment or resale of the Strata Lot by the Purchaser before the Completion Date without the express prior written consent of the Vendor, which consent may be withheld in the Vendor's sole discretion. Regardless of whether or not the Vendor consents in writing to an assignment of the Purchaser's interest in this Agreement in accordance with this Section 15, the Purchaser will not, under any circumstances, assign the Purchaser's interest in this Contract in a manner that qualifies as an "avoidance transaction" as such term is defined under Section 2.04 of the *Property Transfer Tax Act* (British Columbia) (the "**PTTA**"). The Purchaser shall indemnify the Vendor and the Vendor's directors, officers, agents, employees and representatives (collectively, the "**Released Parties**") against any damages, losses, duties, levies, fees, penalties, costs and expenses that the Released Parties may suffer or incur under the PTTA or any regulation thereunder in connection with an assignment of the Purchaser's interest in this Agreement or otherwise in connection with the transaction contemplated herein and this indemnity will not merge on, and will survive, the completion of the transaction contemplated in this Agreement.

16. **Successors and Assigns**. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, permitted assigns, heirs, administrators and executors.

[redacted]

17. **Marketing Program**. The Purchaser agrees that the Vendor may continue to carry out construction work on the Development after the completion of the purchase of the Strata Lot by the Purchaser. The Purchaser acknowledges and accepts that such work may cause inconvenience to the use and enjoyment of the Strata Lot. The Purchaser will not impede or interfere with the Vendor's completion of construction of other strata lots, the common property or the Development. The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administrative offices and/or display suites for marketing purposes or otherwise. The Purchaser agrees that for so long as the Vendor is the owner of any strata lots in the Development, the Vendor may carry out marketing, promotional and sales activities within the common property (including parking stalls and amenity room) of the Development or strata lots owned or leased by the Developer, including, without limitation, maintaining display suites, other display areas, parking areas and signage (including signage on the exterior of the Development) and permitting public access to same for the purpose of marketing any unsold strata lots. In addition, the Developer may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with the marketing and sales activities.

18. **Governing Law**. This offer and the agreement which will result from its acceptance shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the parties agree to attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

19. **Contractual Rights**. This offer and the agreement which results from its acceptance create contractual rights only and not any interest in land. The Purchaser will acquire an interest in land upon completion of the purchase and sale contemplated herein.

20. **No Waiver**. No failure or delay on the part of any party in exercising any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right.

21. **No Merger**. The terms, representations, consents and covenants of this Agreement will survive the completion of the transaction contemplated herein and will not be merged in any document delivered pursuant to this Agreement.

22. **Amendments**. This Agreement may not be altered or amended except by written agreement signed by the parties hereto. Any addendum to this Agreement, if signed by the parties, forms part of and is subject to this Agreement.

23. **Joint and Several Obligations**. All obligations of the Purchaser in this Agreement are joint and several obligations of each party comprising the Purchaser.

24. **Personal Information**. The Purchaser and the Vendor hereby consent to the collection, use and disclosure by the Agents and salespersons described in the Agency Disclosure Addendum that forms a part of this Contract, the real estate boards of which those Agents and salespersons are members and, if the Strata Lot is listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Purchaser and the Vendor:

    (a) for all purposes consistent with the transaction contemplated herein including:

        (i) to complete the transaction contemplated by this Agreement;

        (ii) to facilitate the completion and management of the Development including the transfer of management of the Development to a property manager;

        (iii) to market, sell, provide and inform the Purchaser of products and services of the Vendor and its affiliates and partners, including information about future projects; and

        (iv) to disclose such personal information to the Vendor's affiliates, assignees, business partners, bankers, lawyers, accountants and other advisors and consultants in furtherance of any of the foregoing purposes;

[redacted]

(b) if the Strata Lot is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;

(c) for enforcing codes of professional conduct and ethics for members of real estate boards; and

(d) for the purpose (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled Working with A Real Estate Agent.

25. **Notice and Tender**. Any notice or communication (the "**Notice**") required under or made in respect of this Agreement, including the Completion Notice must be in writing and delivered to the party at the address (or email address) set out above or to such other address as the Vendor or the Purchaser may advise the other party in accordance with this paragraph. Such Notice may be delivered or sent by facsimile transmission, email or other means of electronic communication capable of producing a printed copy or sent by prepaid registered mail or regular mail posted in Canada. Any notice delivered or sent by electronic facsimile transmission, email or other means of electronic communication capable of producing a printed copy on a business day will be deemed conclusively to have been effectively given on the day the notice was delivered, or the transmission was sent successfully to the number set out on page 1 of this Agreement, as the case may be. Any notice sent by prepaid registered mail or regular mail will be deemed conclusively to have been effectively given on the third business day after posting; but if at the time of posting or between the time of posting and the third business day thereafter there is a strike, lockout, or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered. The Vendor will have no obligation to locate the Purchaser or search for the Purchaser's new contact address if the Purchaser changes address and fails to provide the Vendor with the Purchaser's new address and, in such circumstances, notice delivered by the Vendor to the last address provided in writing by the Purchaser to the Seller will be valid and effective. If the Purchaser is comprised of more than one party, the Vendor may give notice in the manner set out in this Section to any one of the parties comprising the Purchaser and such notice will be deemed conclusively to have been received by all of the parties comprising the Purchaser. Any delivery of documents, notices or funds to the Vendor or the Purchaser may be validly delivered by delivery to the Purchaser's Solicitors or the Vendor's Solicitors, as applicable. Any payment of funds to the Vendor must be paid by way of bank draft or certified cheque.

26. **Construction Noise**. The Purchaser is hereby advised and acknowledges that as and when other residential units in or around the Development and the commercial parcels are being completed and/or moved into, excessive levels of construction noise, vibration, dust and/or debris are possible, and accordingly same may temporarily cause noise and inconvenience to the occupants of the Development. The Purchaser hereby irrevocably and unconditionally waives any claim the Purchaser has or may have against the Vendor or other entities or persons related to or in any way associated with the Vendor in respect of the matters set out in this Section 26. The provisions set out in this Section 26 will survive the Completion Date, registration of the transfer of the Strata Lot, and payment of the Purchase Price to the Vendor.

27. **Further Assurances**. The parties hereto will do such further acts and execute and deliver such documents that may be necessary or desirable to carry out the terms of this Contract of Purchase and Sale.

28. **Municipal Address and Strata Lot Number**. The municipal address of the Development and the strata lot number of the Strata Lot may be subject to change. The Purchaser will be notified by the Vendor of any such change and hereby acknowledges that upon receiving such notice from the Vendor that this Contract will be deemed to be amended accordingly and will remain in full force and effect.

END OF DOCUMENT

[redacted]

ACKNOWLEDGEMENT OF RECEIPT
OF
DISCLOSURE STATEMENT

TERRACE HOUSE

1250 West Hastings Street, Vancouver, British Columbia

[redacted] [*insert Purchaser's name*] (the "**Purchaser**"), hereby acknowledges and confirms that, prior to entering into a purchase agreement with Evergreen House Development Limited Partnership by its general partner Port Capital Development (EV) Inc. (together, the "**Developer**") in respect of a development unit in the development (the "**Development**") to be located at 1250 West Hastings Street, Vancouver, British Columbia:

1. the Purchaser has received a copy of the Disclosure Statement dated June 14, 2017 (the "**Disclosure Statement**"), the First Amendment to Disclosure Statement dated October 26, 2017 (the "**First Amendment**"), and the Second Amendment to Disclosure Statement dated June 13, 2018 prepared in respect of the Development in which the Purchaser's development unit is located;

2. the Purchaser has been afforded a reasonable opportunity to read the Disclosure Statement and the First Amendment;

3. the Disclosure Statement, as amended by the First Amendment relates to a development property that is not yet completed and that this information has been drawn to the Purchaser's attention; and

4. the Purchaser has been referred to Section 7.2 of the Disclosure Statement, as amended by the First Amendment, in respect of information on the developer's purchase agreement.

DATED at Vancouver [*city*], BC [*province*], this 19 day of October, 20 18.

[redacted]

Signature	Signature
Printed Name	Printed Name

TERRACE HOUSE
COAL HARBOUR

DISCLOSURE STATEMENT
***Real Estate Development Marketing Act* of British Columbia**

TERRACE HOUSE
1250 West Hastings Street, Vancouver, British Columbia

Developer:	Evergreen House Development Limited Partnership and its General Partner: Port Capital Development (EV) Inc.
Address for service:	20th Floor, 250 Howe Street Vancouver, BC V6C 3R8
Business address:	425 West 4th Avenue Vancouver, BC V5Y 1H3
Developer's Real Estate Agent:	The Developer intends to use its own sales staff to market the Strata Lots in the Development. Any employees of the Developer who market the Strata Lots on behalf of the Developer are not licensed under the *Real Estate Services Act* and are not acting on behalf of the purchasers.
Date of Disclosure Statement:	June 14, 2017

Disclaimer

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 for information on the purchase agreement. That information has been drawn to the attention of [redacted]______ [*insert purchaser's name*], who has confirmed that fact by initialling in the space provided here: ___[redacted].

TERRACE HOUSE

COAL HARBOUR

FIRST AMENDMENT TO DISCLOSURE STATEMENT
***Real Estate Development Marketing Act* of British Columbia**

TERRACE HOUSE
1250 West Hastings Street, Vancouver, British Columbia

Developer:	Evergreen House Development Limited Partnership and its General Partner: Port Capital Development (EV) Inc.
Address for service:	20th Floor, 250 Howe Street Vancouver, BC V6C 3R8
Business address:	325 West 4th Avenue Vancouver, BC V5Y 1H3
Developer's Real Estate Agent:	The Developer intends to use its own sales staff to market the Strata Lots in the Development. Any employees of the Developer who market the Strata Lots on behalf of the Developer are not licensed under the *Real Estate Services Act* and are not acting on behalf of the purchasers.
Date of Disclosure Statement:	June 14, 2017
Date of First Amendment:	October 26, 2017

Disclaimer

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 for information on the purchase agreement. That information has been drawn to the attention of [redacted] [*insert purchaser's name*], who has confirmed that fact by i[redacted] _[redacted]

TERRACE HOUSE
COAL HARBOUR

SECOND AMENDMENT TO DISCLOSURE STATEMENT
***Real Estate Development Marketing Act* of British Columbia**

TERRACE HOUSE
1250 West Hastings Street, Vancouver, British Columbia

Developer:	Evergreen House Development Limited Partnership and its General Partner: Port Capital Development (EV) Inc.
Address for service:	20th Floor, 250 Howe Street Vancouver, BC V6C 3R8
Business address:	325 West 4th Avenue Vancouver, BC V5Y 1H3
Developer's Real Estate Agent:	The Developer intends to use its own sales staff to market the Strata Lots in the Development. Any employees of the Developer who market the Strata Lots on behalf of the Developer are not licensed under the *Real Estate Services Act* and are not acting on behalf of the purchasers.
Date of Disclosure Statement:	June 14, 2017
Date of First Amendment:	October 26, 2017
Date of Second Amendment	June 13, 2018

Disclaimer

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 for information on the purchase agreement. That information has been drawn to the attention of [redacted] [*insert purchaser's name*], who has confirmed that fact by initialling in the space provided here: [redacted].