Form 109 (Rule 22-2(2) and (7))

This is the first affidavit of Danielle Hendry
in this case and was made on
May 11, 2022

VANCOUVER
MAY 11 2022 C
REGISTRY

No. S-205095
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

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

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

AFFIDAVIT

[Rule 22-2 applies to affidavits and Rule 22-3 applies to all forms.]

I, Danielle Hendry, legal assistant at Bennett Jones LLP, Suite 2500 – 666 Burrard Street, Vancouver, British Columbia, AFFIRM THAT:

1. I am a legal assistant at Bennett Jones LLP, counsel for SHP Capital, LLC, the Petitioner in this action, and as such have personal knowledge of the matters and facts deposed to this affidavit except where stated to be made on information and belief and where so stated I verily believe them to be true.

2. Attached hereto and marked as **Exhibit "A"** is a true copy of a commitment letter from Mandate Management Corporation dated May 11, 2022.

AFFIRMED BEFORE ME at Vancouver, British Columbia, on May 11, 2022.

A Commissioner for taking affidavits for British Columbia

Danielle Hendry

KIERA STEL
A Commissioner for Taking Affidavits
for the Province of British Columbia
Articled Student,
Expires August 31, 2022

This is Exhibit "A" referred to in the affidavit of Danielle Hendry affirmed before me at Vancouver, British Columbia this 11th day of May, 2022.

A Commissioner for taking Affidavits within British Columbia

KIERA STEL
A Commissioner for Taking Affidavits
for the Province of British Columbia
Articled Student,
Expires August 31, 2022

MANDATE MANAGEMENT CORPORATION

505 - 1195 West Broadway, Vancouver, B.C. V6H 3X5
Telephone: (604) 731-2899 Fax (604) 734-5546 e-mail: mandate@telus.net

May 11, 2022 Expiry Date: May 11, 2022

Port Capital Development (EV) Inc.
c/o Vanterre Capital Corp.
2-2888 Birch St,
Vancouver, BC V6H 2T6

Attn: Craig Pretto Via Email: craig@vanterre.com

Dear Sirs:

Your application for a 1st mortgage in the amount of $20,000,000.00 is being processed based on the following terms and conditions subject to final Credit Committee and their solicitor's approval:

BORROWERS:	Port Capital Development (EV) Inc. Evergreen House Development Limited Partnership
COVENANTORS:	Port Capital Development Inc. Enso Holdings Ltd. Enso Developments Inc. Macario Teodoro Reyes Philip Shih-Han Chou Hilbert Ng Joint and Several
MORTGAGE AMOUNT:	$20,000,000.00
INTEREST RATE:	RBC Prime + 6.30%; minimum 9.50% for the first eleven (11) months; RBC Prime + 8.80%; Minimum 12.0% thereafter
FEES:	$420,000.00 (See Terms & Conditions #1)
TERM:	Twelve (12) months; Open after five (5) months
PAYMENTS:	$158,333.33 per month; interest only; compounded monthly for the first eleven (11) months; $200,000.00 per month thereafter; $950,000.00 to be deducted from funding to service the loan for six (6) months;
PURPOSE:	To refinance the existing first mortgage, interest reserve, fees, closing costs, and working capital.
PREPAYMENT:	This loan may be paid back at any time without notice, bonus or penalty after the Lender has earned the greater of five (5) months interest or $791,666.67

RENEWAL OPTION: Provided the Loan is not in default the Lender remains satisfied with the security, the Lender may offer to renew this loan for a further term of six (6) months upon receipt of a renewal fee of 1.0% of the principal balance payable as follows: 50% to the Lender and 50% to Mandate Management Corporation (See Terms & Conditions #7)

SECURITY

1) A valid and registered 1st Mortgage and Assignment of Rents charge against the following property:

CIVIC: 1250 W Hastings Street, Vancouver, BC

LEGAL: Lot 18 Block 29 Plan VAP92 District Lot 185 Land District 36 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
PID: 006-721-397

2) Title Insurance;

3) General Security Agreement;

4) Assignment of Plans and Permits;

And such other security as the Lender's Lawyers deem necessary.

TERMS AND CONDITIONS

1) Fees totaling $420,000.00 will be deducted from funding and payable as follows: $120,000.00 Broker Fee to Vanterre Capital Corp., $200,000.00 Broker/Application Fee to Mandate Management Corporation and $100,000.00 Exempt Market Dealer Fee to Mandate Mortgage Management Corporation. All fees will be earned at such time the mortgage has been instructed for funding;

2) Prior to Solicitor Instruction, the Borrower will pay a $25,000.00 Good Faith Deposit to Redpoint Law LLP in Trust. This deposit will be used to cover any fees that have been incurred whether the loan funds or not. If the loan funds, the deposit will be credited towards Legal Fees and Mandate Management Corporation's Broker Fee **REC'D**

3) No funds will be advanced until all documentation requested is provided and is satisfactory to the Lender's Credit Committee and to the Lender's Lawyers;

4) The Borrower will not encumber the property offered as security with any further charges without the express written consent of the Lender, not to be unreasonably withheld;

5) Upon approval, the mortgage commitment will be non-assignable;

6) Time is of the essence;

7) An Offer to Renew will be issued to the Borrower prior to the date of maturity at the sole discretion of the Lender. If the Borrower does not either accept the offer or repay the loan by 5:00 PM on the maturity date, then the loan will automatically renew for an additional term and the renewal fee stated above on the Commitment Letter will be due and capitalized to the principal balance;

8) All shareholders' loans to be postponed and subordinated to the Lender until this loan is repaid in full;

9) Lender to erect a financing sign at the Lender's expense until this loan is repaid in full;

10) Enso Holdings Ltd. shall have a right of first refusal to buy this loanand/or purchase the subject property for an amount equal to fully discharge this loan whichever the Lenders legal counsel recommends to their satisfaction;

11) Any and all proceeds of this loan in excess of repaying Domain Lending, interest reserve, fees, and closing costs to be held in the Lender's Lawyer's trust and advanced based on costs in place at the sole discretion of the Lender.

FUNDING CONDITIONS

1) Inspection of the subject property and interview Macario Teodoro Reyes, Philip Shih-Han Chou, and Hilbert Ng (the "Applicants"); **DONE**

2) Current Credit Bureau Reports for the Applicants; **REC'D**

3) Applicants to complete Lender's Net Worth Statement as attached; **REC"D**

4) Proof of Income from all sources including Notice of Assessments for 2019 & 2020 for the Applicants with confirmation of no income tax owing;

5) Current Market Value Appraisals by appraisal firm approved by the Lender stating an AS IS market value of no less than $40,000,000 together with a Letter of Transmittal addressed to the Lender for first mortgage financing purposes; **REC'D**

6) Current Financial Statements for all companies with confirmation of no GST or Payroll Tax owing; **REC'D**

7) Organizational Chart; **REC'D**

8) Copy of Environmental Phase 1 Report and Geotechnical Report;**REC'D**

9) Current Quantity Surveyor Report; **REC'D**

10) Copy of current Disclosure Statement for the sale of strata lots and all Presale Contracts with confirmation they are all valid; **REC'D**

11) Copy of Limited & General Partnership Agreements;**REC'D**

12) Executed Joint Venture Agreement between Enso Developments Inc. & Port Capital Developments Inc.; **REC'D**

13) Detailed Business Plan and Timeline to exit CCAA; **REC'D**

14) Copy of Agreement with BakerWest Real Estate for the sale of strata lots, if Applicable

15) Copy of Agreement with Urban One Builders & all relevant consultants and trades;

16) Copy of current working drawings and all relevant Permits inclusive of Building Permit; **BUILDING PERMIT REC'D**

17) Detailed status of all current litigation between Macario Teodora Reyes and related parties per Schedule "A" attached; **TO FOLLOW**

18) Satisfactory review of all CCAA documents and status by the Lender's Lawyer to specifically confirm that no charges of any kind can rank in priority to this mortgage

19) Confirmation that the Administration Charge to the Receiver will have a maximum amount of $100,000.00 which will be deducted from the proceeds of this loan and held in the Lender's Lawyer's Trust; and

20) The Lender and their lawyer being satisfied with the final syndication & Co-Lenders documents.

ANTI-MONEY LAUNDERING

The Borrowers consent and agree to provide the Lender and or its solicitor with such documentation and information, including identification, as the Lender or its solicitor may require to ensure compliance with the "Proceeds of Crime (money laundering)" and "Terrorist Financing Act (Canada) regulations and that provision of such documentation shall be a pre-condition to funding.

INSURANCE

A Fire insurance policy in an amount equal to the replacement value of the building(s) showing the Lender as **FIRST LOSS PAYEE AND SUBJECT TO THE STANDARD MORTGAGE CLAUSE** will be required for the full term of the loan. Additionally, Liability coverage in the amount of **$2,000,000.** will be required for the full term of the loan on all properties. **No coinsurance coverage will be acceptable to the Lender.** Earthquake coverage is required on all properties. Our Insurance Agent, **HUB International TOS Limited** is available for your insurance needs. HUB International is located at 3875 Henning Drive, Burnaby, B.C. Telephone # (604) 293-1481, Fax #(604) 293-1493

Yours truly,

MANDATE MANAGEMENT CORPORATION

"Alan Long"

Alan E. R. Long
President

I/WE HEREBY AGREE TO ACCEPT THE PROPOSED TERMS AND CONDITIONS AS SET OUT HEREIN. WE AGREE TO PAY ALL COSTS INCURRED BY THE LENDER INCLUDING LEGAL AND APPRAISAL FEES WHETHER OR NOT THE LOAN IS MADE.

DATED AT _______________ THIS ____ DAY OF ______________, 2022

____

(BORROWER) Port Capital Development (EV) Inc. by its authorized signatory

____

(BORROWER) Evergreen House Development Limited Partnership by its authorized signatory

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(COVENANTOR) Port Capital Development Inc. by its authorized signatory

____

(COVENANTOR) Enso Holdings Ltd. by its authorized signatory

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(COVENANTOR) Enso Developments Inc. by its authorized signatory

____

(COVENANTOR) Macario Teodoro Reyes

____

(COVENANTOR) Philip Shih-Han Chou

____

(COVENANTOR) Hilbert Ng

The aforementioned hereby irrevocably authorizes the Lender to withhold from the first advance under this Mortgage the balance of fees and costs due to the Lender/Brokers as described above. Whether or not the Principal amount is Disbursed and notwithstanding retention of the Commitment Fee by the Lender, all of the Lender's costs and expenses, including without limitation all legal fees and disbursements including any third-party daylight loan arrangement fees and legal fees associated therewith and the cost of all reports, appraisals, inspections and investigations incurred by the Lender in relation to the loan and / or this Mortgages shall be paid by the Borrower(s). The Borrower(s) shall also be responsible for any commission or brokers/finder's fee payable in connection with this Mortgage. All such amounts are payable forthwith, on demand by the Lender, and may be added to the principal balance of the Mortgage and shall bear interest the Interest Rate. The Lender may, at its sole discretion, register a caveat or other instrument against the land and/or property and/or any personal property to protect its interest therein.

Acceptance: Please indicate your acceptance of the terms of this Commitment Letter by signing and returning to us the original copy, together with applicable fees, on or before the expiry date specified herein, at which time this commitment will expire and be of no further effect unless extended in writing at the option of the Lender.

Authorization: The applicant hereby authorized 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.

Confidentiality: The applicant acknowledges and agrees the terms and conditions of this letter are confidential between the applicant and the Lender. The applicant agrees not to disclose the information contained herein to a third party without the consent of the Lender.

Syndication: The applicant acknowledges that the lender must syndicate this loan with individual co-lenders or investors and as a result any or all information contained in the loan application including but not limited to corporate and personal financial information may be disclosed to these individual co-lenders or investors. The syndication must be completed prior to the first advance of funds.

Marketing: From time to time, the Lender published advertisements of completed transactions. The advertisements include, but are not limited to, email, social media, magazine prints, and website, and brochures. The Borrower(s) and Covenantor(s) consent to the publication of an advertisement of the transaction contemplated by this commitment letter, which may include photos of the subject property and basic details of the transaction.

Privacy Policy: This will confirm that you have consented to provide certain confidential information with respect to the above described loan. This information will be governed by the terms of the Mandate National Mortgage Corporation Privacy Policy, a copy of which is available at our offices.

Non-Merger and Conflict between Letter of Intent and any Documents: It is understood and agreed that the execution, delivery and registration of the Security shall in no way merge or extinguish this Letter or the terms and conditions hereof, which shall survive and continue in full force and effect. However, in case of any inconsistency or conflict with the provisions of this Letter and the Security, the Lender shall determine which of the provisions shall prevail.

Section 28 Notice: Pursuant to Section 28 of the Property Law Act, prior to registration the Lender will require a signed written acknowledgement of a Section 28 Notice from any and all mortgage charge holders which rank in priority of this mortgage over all related properties.

Fees and Costs: The Borrower will pay all costs including legal fees and disbursements, survey and appraisal costs incurred by the Lender in connection with this loan, and preparation of the loan security. In addition, the Borrower will pay the following fees to the Lender:

$150.00 for any interest payments not received by the first of each month.
$150.00 service fee on all monthly payments that are not honoured by the Borrower's bank.
$250.00 per occurrence for each time Lender's signature is required
$250.00 to discharge a commercial security during the term of the mortgage
$75.00 to discharge a residential security during the term of the mortgage

Lenders Lawyers:	**Redpoint Law LLP** Barristers & Solicitors #660 - 335 Burrard Street Vancouver, BC, V6C 2G8 Attn: Timothy Lack Email: tlack@redpointlaw.ca 604-307-8655

THIS LETTER IS NOT VALID UNLESS SIGNED BY THE LENDER