



Affidavit of Svetlana Gorina #2
Sworn: February 26, 2025

No. S241456
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF

**MAHINDRA JEWELLERS LTD., SURREY GOLD JEWELLERS LTD.,
786SD ESTATE LTD., MG 786 ENTERPRISES LTD., 1237647 B.C. LTD.,
1257271 B.C. LTD., HEERA JEWELLERS INC., P. SONA JEWELLERS INC.,
and RCJ JEWELLERS INC.**

AFFIDAVIT

I, **SVETLANA GORINA**, of 400 Burrard Street, 6th Floor, Vancouver, British Columbia
V6C 3A6 SWEAR THAT:

1. I am a Senior Manager at Canadian Imperial Bank of Commerce (the "**Petitioner**"), and as such, I have personal knowledge of the facts and matters herein deposed to, save and except where such knowledge is stated to be on information and belief, and where so stated I verily believe the same to be true.
2. I am authorized to make this Affidavit on behalf of the Petitioner.
3. This is my second affidavit sworn in these proceedings. Additional facts are set out in the previous affidavits sworn in this proceeding, in particular:
 - (a) my first Affidavit sworn on February 28, 2024;
 - (b) the Affidavit of Manan Parikh ("**Mr. Parikh**") #1 sworn on March 26, 2024 ("**Mr. Parikh's First Affidavit**");
 - (c) the Affidavit of Mr. Parikh #2 sworn on May 1, 2024;

- (d) the Affidavit of Mr. Parikh #3 sworn on June 14, 2024;
- (e) the Affidavit of Mr. Parikh #4 sworn on July 10, 2024;
- (f) the Affidavit of Mr. Parikh #5 sworn on September 10, 2024; and
- (g) the Affidavit of Mr. Parikh #6 sworn on October 15, 2024 (**Mr. Parikh's Sixth Affidavit**).

4. As noted in Mr. Parikh's First Affidavit, this matter was originally set down for a hearing on Thursday, March 7, 2024. On March 6, 2024 the Petitioner and the Respondents, among others, entered into a third forbearance agreement (the "**Third Forbearance Agreement**") in order to avert the hearing. A copy of the Third Forbearance Agreement is attached as Exhibit A to Mr. Parikh's First Affidavit.

5. As noted in Mr. Parikh's Sixth Affidavit, on September 30, 2024 the Petitioner and the Respondents, among others, entered into a fourth forbearance agreement (the "**Fourth Forbearance Agreement**") in order to provide time for the Credit Parties to, among other things, (a) complete a partial refinancing of the indebtedness on or before October 4, 2024, and (b) repay the balance of the indebtedness to CIBC in full prior to January 3, 2025. A copy of the Fourth Forbearance Agreement is attached as Exhibit A to Mr. Parikh's Sixth Affidavit.

6. Capitalized terms used in the remainder of this affidavit and not otherwise defined are used as defined in the Fourth Forbearance Agreement.

7. Pursuant to the Fourth Forbearance Agreement, the Credit Parties agreed, among other things, to pay to CIBC the following amounts on the corresponding dates as set out below:

- (a) October 4, 2024 - \$7,800,000;
- (b) October 31, 2024 - \$100,000;
- (c) November 28, 2024 - \$100,000;
- (d) December 30, 2024 - \$100,000;

(e) January 3, 2024 – indebtedness repaid in full

(collectively, as amended from time to time, the “**Payment Schedule**”)

8. On or around October 23, 2024, CIBC, LFC Hickory24 Limited Partnership by its general partner, Lanyard Investments Inc. (“**Lanyard**”), and the Credit Parties, among others, entered into an intercreditor agreement (the “**Intercreditor Agreement**”). The Intercreditor Agreement sets out the respective priorities of the CIBC Security and the newly-granted Lanyard Security (as such terms are defined in the Intercreditor Agreement). Attached hereto and marked as **Exhibit “A”** is a copy of the executed Intercreditor Agreement.
9. Attached hereto as **Exhibit “B”** is a copy of Lanyard’s facility letter to certain of the Credit Parties dated September 5, 2025 referred to in the Intercreditor Agreement as the “Lanyard Credit Agreement”.
10. By various e-mail agreements entered into between October 24, 2024 and November 21, 2024 CIBC and the Credit Parties agreed to numerous amendments to the Payment Schedule. Attached hereto as **Exhibit “C”** is a copy of a lengthy e-mail string among counsel setting out the various amendments.
11. On or around October 25, 2024, CIBC received a payment of \$7,201,561.57 as part of a partial refinancing of the Credit Parties’ indebtedness to CIBC.
12. On or around November 16, 2024, CIBC received a payment of \$200,000 from the Credit Parties.
13. On or around November 22, 2024, CIBC received a payment of \$100,000 from the Credit Parties.
14. On or around December 2, 2024, CIBC received a payment of \$180,000 from the Credit Parties.
15. By various e-mail agreements entered into between about December 11, 2024 and January 2, 2025 CIBC and the Credit Parties agreed to certain further amendments to the Payment Schedule. Attached hereto as **Exhibit “D”** is a copy of the e-mail string among counsel setting out the various amendments.

16. On or around December 12, 2024, CIBC received a payment of \$70,000 from the Credit Parties.

17. On or around January 2, 2025, CIBC received two separate payments of \$50,000, for a total of \$100,000 from the Credit Parties.

18. On or around January 31, 2025, at the Credit Parties' request, CIBC agreed to further amend the Payment Schedule. Attached hereto as **Exhibit "E"** is a copy of the e-mail string among counsel setting out that amendment. As further amended, the Credit Parties agreed to pay to CIBC the following amounts on the following dates:

- (a) February 13, 2025 - \$250,000;
- (b) February 28, 2025 - \$250,000; and
- (c) March 14, 2025 – All indebtedness paid.

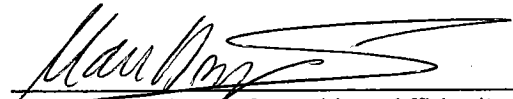
19. The Credit Parties also agreed that on or before February 13, 2025 they must enter into an agreement of purchase and sale for the property with a civic address of 2548 Clearbrook Road, Abbotsford (the "**Clearbrook Property**") on terms satisfactory to CIBC.

20. On February 12, 2025 the Credit Parties' former counsel, Mr. Kim advised CIBC's counsel that he was no longer acting for the Credit Parties.

21. As at the making of this affidavit, the payment of \$250,000 due on February 13, 2025 has not been made and CIBC has not been provided with a copy of an executed agreement for sale of the Clearbrook Property. The indebtedness, which is in excess of \$9,700,000, remains outstanding and CIBC's collateral remains at risk.

22. I make this affidavit in support of making of the Consent Order appointing BDO as Receiver without security, of certain assets, undertaking and property of the Credit Parties pursuant to CIBC's security, the terms of the Fourth Forbearance Agreement and the Intercreditor Agreement.

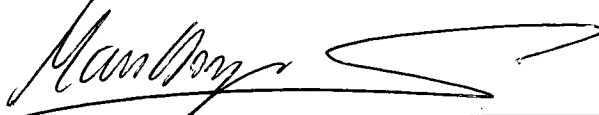
SWORN BEFORE ME at Vancouver, BC,)
this 26 day of February, 2025.)


_____)
A Commissioner for taking Affidavits within)
British Columbia)


_____)
SVETLANA GORINA)

MANUEL DOMINGUEZ
GOWLING WLG (CANADA) LLP
BARRISTER & SOLICITOR
550 BURRARD STREET - SUITE 2300
BENTALL 5 - VANCOUVER, B.C. V6C 2B5
TELEPHONE: (604) 891-2772

This is Exhibit "A" referred to in the Affidavit of **SVETLANA GORINA**, sworn before me at Vancouver, BC, this 26 day of February, 2025.



A Commissioner for taking Affidavits in British Columbia

INTERCREDITOR AGREEMENT

THIS AGREEMENT dated as of the 23rd day of October, 2024

AMONG:

CANADIAN IMPERIAL BANK OF COMMERCE (hereinafter referred to as "**CIBC**")

AND:

LFC HICKORY24 LIMITED PARTNERSHIP, by its general partner, **LANYARD INVESTMENTS INC.**
(hereinafter collectively referred to as "**Lanyard**")

AND:

**MAHINDRA JEWELLERS LTD.,
SURREY GOLD JEWELLERS LTD.,
786SD ESTATE LTD.,
MG 786 ENTERPRISES LTD.,
1237647 B.C. LTD.,
1257271 B.C. LTD.,
HEERA JEWELLERS INC.,
P. SONA JEWELLERS INC.,
RCJ JEWELLERS INC.,
MOTI JEWELLERS LTD.,
SINGAPORE JEWELLERS INC.,
PAWANDEEP DHUNNA, and
SONIA DHUNNA**
(hereinafter collectively referred to as the "**Obligors**" and each individually as an "**Obligor**")

WHEREAS:

- A. Reference is made to the credit agreement dated as of April 28, 2022 (as amended by amendment no. 1 to credit agreement dated August 19, 2022 and as further amended, restated, renewed, replaced, extended, supplemented or otherwise modified from time to time, the "**CIBC Credit Agreement**") by and among CIBC and certain Obligors, pursuant to which CIBC agreed to extend credit to Mahindra Jewellers Ltd., Surrey Gold Jewellers Ltd., 786SD Estate Ltd., MG 786 Enterprises Ltd., 1237647 B.C. Ltd., 1257271 B.C. Ltd., Heera Jewellers Inc., P. Sona Jewellers Inc. and RCJ Jewellers Inc. on the terms and subject to the conditions specified in the CIBC Credit Agreement.
- B. Reference is made to the facility letter dated September 5, 2024 (as amended, restated, renewed, replaced, extended, supplemented or otherwise modified from time to time, the "**Lanyard Credit Agreement**") by and among Lanyard, and the Obligors, pursuant to which Lanyard agreed to extend credit to 786SD Estate Ltd., MG 786 Enterprises Ltd., 1237647 B.C. Ltd. and 1257271 B.C. Ltd. on the terms and subject to the conditions specified in the Lanyard Credit Agreement.
- C. The CIBC Obligors have granted to CIBC mortgages and assignments of rents in respect of each of the Primary Units and the Collateral Units, and security interests in all the CIBC

Obligors' present and after-acquired personal property to secure the performance or payment of all present and future debts and obligations owing by the CIBC Obligors to CIBC.

- D. The Obligors have granted to or have agreed to grant to Lanyard mortgages and assignments of rents in respect of each of the Primary Units and the Collateral Units and security interests in all the Obligors' present and after-acquired property to secure the performance or payment of all present and future debts and obligations owing by the Obligors to Lanyard.
- E. Contemporaneously with the advance under the Lanyard Credit Agreement CIBC has discharged the CIBC Security with respect to the Primary Units.
- F. The parties hereto have agreed to enter into this intercreditor agreement in order to set out the respective priorities of the CIBC Security and the Lanyard Security (each as defined herein).

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

Article 1 INTERPRETATION

- 1.1 The recitals hereto form an integral part of this Agreement.
- 1.2 In this Agreement, the following terms shall have the following meanings:
 - (a) **"Accounts Receivable"** means all debts, accounts, claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by any Obligor, together with all books, records, documents, papers and electronically recorded data and any other documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts, accounts, claims, demands, monies and choses in action, and all Proceeds of any of the foregoing, including, without limitation, insurance Proceeds.
 - (b) **"Agreement"** means this intercreditor agreement, as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.
 - (c) **"CIBC Credit Documents"** means the CIBC Credit Agreement, the CIBC Forbearance Agreement and all other documents entered into from time to time by any Obligor or between any Obligor and CIBC in connection with the CIBC Credit Agreement.
 - (d) **"CIBC Forbearance Agreement"** means the forbearance agreement between CIBC and the Obligors dated on or about the date hereof as it may be amended, restated, renewed, replaced, extended, supplemented or otherwise modified from time to time.
 - (e) **"CIBC Obligations"** means all present and future indebtedness, liabilities and obligations of the Obligors to CIBC pursuant to or arising from the CIBC Credit Agreement and the other CIBC Credit Documents, together with (a) any

amendments, modifications, renewals or extensions thereof in accordance with the terms of this Agreement, and (b) any interest, fees and other charges accruing thereon or due or to become due with respect thereto.

- (f) **"CIBC Obligors"** means, collectively, Mahindra Jewellers Ltd., Surrey Gold Jewellers Ltd., 786SD Estate Ltd., MG 786 Enterprises Ltd., 1237647 B.C. Ltd., 1257271 B.C. Ltd., Heera Jewellers Inc., P. Sona Jewellers Inc., RCJ Jewellers Inc., Pawandeep Dhunna and Sonia Dhunna and **"CIBC Obligors"** means any one of them as the context requires.
- (g) **"CIBC Priority Collateral"** means all of the Collateral, other than the Lanyard Priority Collateral, for greater certainty, including, without limitation (to the extent it does not constitute Lanyard Priority Collateral), (a) all Accounts Receivable (other than accounts that are the identifiable Proceeds of the sale, lease, license, assignment or other disposition of Lanyard Priority Collateral); (b) all Equipment (other than Equipment forming part of the Primary Units) and Inventory; (c) all Realty (other than Realty forming part of the Primary Units), and (d) all Other Property, and (e) to the extent not otherwise included, all products and Proceeds of any and all of the foregoing and all documents, instruments, intangibles, chattel paper, and supporting obligations given by any Person with respect to the foregoing. Terms used in the foregoing definition which are defined in the PPSA and not otherwise defined in this Agreement have the meanings specified in the PPSA.
- (h) **"CIBC Security"** means all security interests now or hereafter held by CIBC in any or all of the Collateral to secure present and future debts and obligations of the Obligors to CIBC.
- (i) **"Collateral"** means all present and future assets, properties and undertakings of the Obligors and all Proceeds thereof.
- (j) **"Collateral Units"** has the meaning given to such term in the Lanyard Credit Agreement, and for greater certainty includes any Obligor's interest in all buildings, erections, leasehold improvements, Equipment and fixtures, in each case, now or hereafter constructed, affixed or placed thereon and all accessions and appurtenances thereto.
- (k) **"Credit Documents"** means, collectively, the CIBC Credit Documents and the Lanyard Loan Documents.
- (l) **"Creditors"** means, collectively, CIBC and Lanyard, and **"Creditor"** means any one of them as the context requires.
- (m) **"Distribution"** means, with respect to any indebtedness, obligation or security (a) any payment or distribution by any Person of cash, securities or other property, by set-off or otherwise, on account of such indebtedness, obligation or security, or (b) any redemption, purchase or other acquisition of such indebtedness, obligation or security by any Person.
- (n) **"Encumbrance"** means any security interest, mortgage, debenture, pledge, hypothec, assignment (as security), deposit arrangement, lien (statutory or otherwise), charge, title retention, consignment, lease or other security agreement

or trust, right of set-off or other arrangement having the effect of security for the payment of any debt, liability or obligation.

- (o) **"Enforcement Action"** means, with respect to either the CIBC Obligations or the Lanyard Obligations, the exercise of any rights or remedies with respect to any Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights or remedies under, as applicable, the CIBC Security or the Lanyard Security, or applicable law, including, without limitation, the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the PPSA, the *Mortgages Act* (Ontario) or any other similar laws of any jurisdiction in respect of the Obligor or any of the assets, properties or undertakings of any Obligor.
- (p) **"Equipment"** means all "equipment", as such term is defined in the PPSA, now owned or hereafter acquired by any Obligor, including, without limitation, all machinery, processing equipment, conveyors, machine tools, computer equipment, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of any real property, all whether now owned or hereafter acquired, and wherever situated, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, and all products and Proceeds thereof and insurance Proceeds with respect thereto.
- (q) **"Insolvency Proceeding"** means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, arrangement, restructuring, reorganization, liquidation, dissolution or any similar proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada), Bankruptcy Code of the United States or any other similar laws of any jurisdiction in respect of the Obligor or any of the assets, properties or undertakings of any Obligor.
- (r) **"Inventory"** means all "inventory", as such term is defined in the PPSA, now owned or hereafter acquired by any Obligor, including, without limitation, all property of any Obligor held for sale or lease, and all packaging materials relating thereto.
- (s) **"Lanyard"** has the meaning given to such term in the recitals to this Agreement.
- (t) **"Lanyard Credit Agreement"** has the meaning given to such term in the recitals to this Agreement.
- (u) **"Lanyard Loan Documents"** means the Lanyard Credit Agreement and all other Security Documents (as such term is defined in the Lanyard Credit Agreement).
- (v) **"Lanyard Obligations"** means all present and future indebtedness, liabilities and obligations of the Obligor to Lanyard pursuant to or arising from the Lanyard Credit Agreement and the other Lanyard Loan Documents, together with (a) any amendments, modifications, renewals or extensions thereof, and (b) any interest, fees and other charges accruing thereon or due or to become due with respect thereto.

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- (w) **"Lanyard Priority Collateral"** means the Primary Units, all present and after-acquired personal property of 786SD Estate Ltd. and MG 786 Enterprises Ltd., and all Proceeds thereof. For greater certainty, Lanyard and each of the Obligors acknowledges and agrees that all Inventory located on, related to, or situate at the Primary Units is not Inventory of the 786SD Estate Ltd. and MG 786 Enterprises Ltd. and shall therefore not constitute Lanyard Priority Collateral.
 - (x) **"Lanyard Security"** means all security interests now or hereafter held by Lanyard in any or all of the Collateral to secure the Lanyard Obligations.
 - (y) **"Obligor"** has the meaning given to such term in the recitals to this Agreement.
 - (z) **"Other Property"** means all personal property, tangible and intangible, now or hereafter owned by the Obligors, excluding Equipment, fixtures, Accounts Receivable, Inventory, Realty and any Proceeds thereof.
 - (aa) **"Paid in Full"** means that, with respect to the CIBC Obligations or Lanyard Obligations: (a) all of the CIBC Obligations or Lanyard Obligations, as applicable, have been indefeasibly paid, performed or discharged in full in immediately available funds; and (b) with respect to the Lanyard Obligations, no Obligor has any further right to obtain any loans or other extensions of credit under the Lanyard Loan Documents.
 - (bb) **"Person"** means any individual, sole proprietorship, corporation, company, partnership, joint venture, association, governmental authority, unincorporated organization, trust, or other entity.
 - (cc) **"Primary Units"** has the meaning given to such term in the Lanyard Credit Agreement, and for greater certainty includes any Obligor's interest in all buildings, erections, leasehold improvements, Equipment and fixtures, in each case, now or hereafter constructed, affixed or placed thereon and all accessions and appurtenances thereto.
 - (dd) **"Priority Collateral"** means: (a) in respect of CIBC, the CIBC Priority Collateral; and (b) in respect of Lanyard, the Lanyard Priority Collateral.
 - (ee) **"PPSA"** means the *Personal Property Security Act* (British Columbia), including the regulations thereto and related Minister's Orders, provided that if perfection or the effect of or non-perfection or the priority of any lien created hereunder or under any other Securities on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in any applicable jurisdiction in Canada, "PPSA" means the Personal Property Security Act or such other applicable legislation (including, the Civil Code of Quebec) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.
 - (ff) **"Proceeds"** means the identifiable or traceable personal property, in any form, derived directly or indirectly from any dealing with property or the proceeds from such property and includes rental income, any insurance payments or other payments representing indemnity or compensation for loss of or damage to the property or proceeds from such property.

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- (gg) **"Realty"** means all present and after acquired real property of the Obligors, including, without limitation, any Obligor's interest in all buildings, erections, leasehold improvements, Equipment and fixtures, in each case, now or hereafter constructed, affixed or placed thereon and all accessions and appurtenances thereto.
 - (hh) **"Secured Obligations"** means, collectively, the CIBC Obligations and the Lanyard Obligations.
 - (ii) **"Securities"** means, collectively, the CIBC Security and the Lanyard Security, and **"Security"** means either one of them as the context requires.

Article 2 CONSENT

- 2.1 CIBC hereby consents to the creation and issuance by the Obligors to Lanyard of the Lanyard Security and to all other security granted or to be granted by the Obligors to Lanyard in respect of the Lanyard Obligations and to the incurring by the Obligors of the Lanyard Obligations.
- 2.2 Lanyard hereby consents to the creation and issuance by the Obligors to CIBC of the CIBC Security and to all other security granted or to be granted by the Obligors to CIBC in respect of the CIBC Obligations and to the incurring by the Obligors of the CIBC Obligations.

Article 3 PRIORITIES

- 3.1 The parties hereby agree as follows:
 - (a) Until the CIBC Obligations have been Paid in Full, the Lanyard Security is hereby postponed and subordinated to the CIBC Security, subject to Section 3.1(c) below, solely with respect to the CIBC Priority Collateral. Subject to Section 3.1(c) below, the CIBC Security will have priority, to the full extent of the CIBC Obligations, over the Lanyard Security in respect of the CIBC Priority Collateral, in all respects and at all times, and Lanyard shall not interfere with or obstruct the sale or foreclosure of any of the CIBC Priority Collateral until the CIBC Obligations are Paid in Full.
 - (b) Until the Lanyard Obligations have been Paid in Full, the CIBC Security is hereby postponed and subordinated to the Lanyard Security solely with respect to the Lanyard Priority Collateral. The Lanyard Security will have priority, to the full extent of the Lanyard Obligations, over the CIBC Security in respect of the Lanyard Priority Collateral, in all respects and at all times, and CIBC shall not interfere with or obstruct the sale or foreclosure of any of the Lanyard Priority Collateral until the Lanyard Obligations are Paid in Full.
 - (c) The Priority of CIBC Security in the Collateral Units shall be limited to the principal amount of \$9,850,000 (as such amount is reduced from time to time by any principal payments received by CIBC after October 25, 2024, the **"Collateral Unit Priority Limit"**) plus accrued interest and fees as set out in the CIBC Credit Documents together with such protective disbursements, costs and fees incurred by CIBC or any private or court appointed receiver, receiver manager, consultant, monitor, liquidator or other like applicable Person (each, a **"Receiver"**) appointed by CIBC. CIBC agrees that the Lanyard Security shall have priority over the CIBC

Security in respect of the Collateral Units in respect of CIBC Obligations owing greater than the Collateral Unit Priority Limit.

- 3.2 The subordinations and postponements herein shall apply in all events and circumstances regardless of:
- (a) the validity, lack of validity, perfection, lack of perfection, enforceability or unenforceability of any Lanyard Loan Document or any CIBC Credit Document;
 - (b) the date of execution, attachment, registration or perfection of any security interest held by CIBC or any Lanyard Secured Party; or
 - (c) the date of any advance or advances made to or for the benefit of any Obligor by CIBC or any Lanyard Secured Party; or
 - (d) the date of default by any Obligor under any of the CIBC Credit Documents or the Lanyard Loan Documents or the dates of crystallization of any floating charges held by CIBC or any Lanyard Secured Party;
 - (e) any priority granted by any principle of law, in equity or any statute, including without limitation the PPSA, the *Land Title Act* (British Columbia) or any other similar laws of any jurisdiction; or
 - (f) any other matter or thing whatsoever.
- 3.3 Except as provided in Section 3.6 below, any Proceeds received by the Obligors, any Lanyard Secured Party or CIBC in respect of any Collateral, including but not limited to, any Proceeds from insurance, shall be dealt with according to the preceding provisions hereof as though paid or payable as Proceeds of realization of the Collateral for which they compensate and all Proceeds received by any Obligor shall be, and shall be deemed to be, held in trust for the benefit of CIBC and Lanyard, as the case may be, in accordance with the provisions hereof. Any Lanyard Priority Collateral, including any Proceeds of any Lanyard Priority Collateral, received by CIBC that it is not permitted to receive pursuant to the terms of this Agreement shall be segregated and held in trust for Lanyard and promptly turned over to Lanyard in the same form as received, with any necessary endorsements, and CIBC hereby authorizes Lanyard to make any such endorsements as agent for CIBC (which authorization, being coupled with an interest, is irrevocable). Any CIBC Priority Collateral, including any Proceeds of any CIBC Priority Collateral, received by Lanyard that they are not permitted to receive pursuant to the terms of this Agreement shall be segregated and held in trust and promptly turned over to CIBC in the same form as received, with any necessary endorsements, and Lanyard hereby authorizes CIBC to make any such endorsements as agent for Lanyard (which authorization, being coupled with an interest, is irrevocable).
- 3.4 Until the Lanyard Obligations have been Paid in Full, Lanyard will have the sole and exclusive right, subject to the rights of the Obligors under the applicable Lanyard Loan Documents: (i) to be named as first mortgagee, additional insured and first loss payee under any insurance policies maintained from time to time by any Obligor with respect to the Lanyard Priority Collateral, except that, if the applicable insurer permits and Lanyard consents, CIBC shall have the right to be named as a mortgagee, additional insured and loss payee so long as its second priority status is identified in a manner reasonably satisfactory to Lanyard; and (ii) to adjust or settle any insurance policy or claim covering the Lanyard Priority Collateral in the event of any loss thereunder.

- 3.5 Until the CIBC Obligations have been Paid in Full, CIBC will have the sole and exclusive right, subject to the rights of the Obligors under the applicable CIBC Credit Documents: (i) to be named as first mortgagee, additional insured and first loss payee under any insurance policies maintained from time to time by any Obligor with respect to CIBC Priority Collateral except that, if the applicable insurer permits and CIBC consents, Lanyard shall have the right to be named as a mortgagee, additional insured and loss payee so long as its second priority status is identified in a manner reasonably satisfactory to CIBC; and (ii) to adjust or settle any insurance policy or claim covering the CIBC Priority Collateral in the event of any loss thereunder.
- 3.6 Regardless if any of the CIBC Security or the Lanyard Security is claimed or found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, the foregoing provisions of this Article 3 shall continue to apply to such security so found to be unenforceable, invalid, unregistered or unperfected as between CIBC and Lanyard and the applicable party, as the case may be, shall hold, and shall be deemed to hold, any Proceeds which comes into its possession in respect of the other's Priority Collateral as set out in Section 3.1 hereof, separate and apart and in trust exclusively for such other party and shall promptly pay over any such Proceeds to the party entitled to such Proceeds pursuant to and subject to the provisions hereof. CIBC and Lanyard covenant and agree not to contest the other's Security, Secured Obligations, Credit Documents or Encumbrances.
- 3.7 Each of the parties hereto shall permit any of the other parties hereto, and their employees, agents and contractors, access at all reasonable times to any property and assets of the Obligors upon which a party has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Obligors at all reasonable times without interference, provided that such other party shall promptly repair (but not restore) any damage caused to the premises by the removal of any such property or assets taking the state of the premises into account and without any claim for any diminution in the value of the premises from any such removal of collateral.
- 3.8 CIBC and Lanyard agree to act in a prudent and commercially reasonable manner on the realization of the CIBC Security or the Lanyard Security with a view to maximizing the Proceeds of the realization in as expeditious a manner as is reasonably possible.
- 3.9 Any Creditor with physical possession of, or control over any Collateral shall not have any duty or liability to protect or preserve any rights pertaining to any of such Collateral and, except for gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction, each other Creditor hereby waives and releases each such Creditor from all claims and liabilities arising pursuant to such Creditor's role as gratuitous bailee with respect to such Collateral.
- 3.10 Lanyard hereby covenants, agrees and undertakes to and with CIBC or any Receiver appointed by CIBC to execute and deliver promptly to CIBC or the Receiver, as applicable, partial discharges and releases in respect of the Collateral Units that are sold in accordance with Subsections 10(b), (c) and (d) of the Lanyard Credit Agreement and for which CIBC or a Receiver has given its written consent. For greater certainty Lanyard shall not require compliance with subsections 10(a) or 10(e) of the Lanyard Credit Agreement if CIBC or a Receiver has given its written consent to such sale.

Article 4
COVENANTS OF THE DEBTORS

- 4.1 Each Obligor hereby confirms to and agrees with CIBC and Lanyard that so long as any of the indebtedness of the Obligors to CIBC and Lanyard remains outstanding, it shall stand possessed of its assets so charged for CIBC and for Lanyard in accordance with their respective interests and priorities as herein set out.
- 4.2 Each Obligor further covenants and agrees with CIBC and Lanyard that any event which constitutes a default under the CIBC Credit Documents shall also constitute a default under the Lanyard Loan Documents, and any event which constitutes a default under the Lanyard Loan Documents shall also constitute a default under the CIBC Credit Documents.
- 4.3 Each Obligor authorizes each Creditor to advise the other of the nature and extent of the indebtedness of each such Obligor to such Creditor at any time and from time to time.

Article 5
REALIZATION AND STANDSTILL

- 5.1 Prior to making any demand for payment on any of the Obligors or proceeding with any Enforcement Action in accordance with this Agreement, CIBC or Lanyard, as the case may be, shall provide to the other party (for greater certainty, excluding the Obligors), not less than twenty four (24) hours' prior written notice of such demand for payment or Enforcement Action (each a "**Relevant Notice**") provided that: (i) if either of CIBC or Lanyard determines in good faith that providing such Relevant Notice or that any delay in demanding payment or enforcing its security would be prejudicial to CIBC or Lanyard, as the case may be, or not in accordance with applicable law, such Relevant Notice may be given promptly after the time that demand for payment or enforcement is made; (ii) neither CIBC nor Lanyard shall be liable for any omission to provide Relevant Notice to the other party as required pursuant to this section; and (iii) if Relevant Notice is not provided by CIBC, the Occupation Period (as hereinafter defined) shall begin on the date such Relevant Notice is provided.
- 5.2 No Creditor shall be required to realize against any assets of the Obligors under its Securities for the benefit of any other Creditor.
- 5.3 CIBC hereby agrees that should the Obligors default under the terms of the Lanyard Loan Documents or the CIBC Credit Documents, Lanyard shall have the exclusive right to take and continue any Enforcement Action with respect to the Lanyard Priority Collateral without any consultation with or consent of CIBC. Upon the occurrence and during the continuance of a default or an event of default under the Lanyard Loan Documents, Lanyard may take and continue any Enforcement Action with respect to the Lanyard Obligations and the Lanyard Priority Collateral in such order and manner as Lanyard may determine in accordance with the terms and conditions of the Lanyard Loan Documents without any consultation with or consent of CIBC.
- 5.4 Lanyard hereby agrees that should the Obligors default under the terms of the Lanyard Loan Documents or the CIBC Credit Documents, CIBC shall have the exclusive right to take and continue any Enforcement Action with respect to the CIBC Priority Collateral without any consultation with or consent of Lanyard. Upon the occurrence and during the continuance of a default or an event of default under the CIBC Loan Documents, CIBC may take and continue any Enforcement Action with respect to the CIBC Obligations and the CIBC Priority Collateral in such order and manner as CIBC may determine in

accordance with the terms and conditions of the CIBC Loan Documents without any consultation with or consent of Lanyard.

5.5 Lanyard shall not take any Enforcement Action with respect to the CIBC Priority Collateral or to enforce the Lanyard Security against the CIBC Priority Collateral until the earlier of the following (the "**Lanyard Standstill Period**"):

- (a) the date on which CIBC has consented in writing to the enforcement of the Lanyard Obligations over the CIBC Priority Collateral;
- (b) the date on which the CIBC Obligations have been Paid in Full; and
- (c) the date which is one hundred and twenty (120) days after the earlier of:
 - (i) Lanyard has delivered to CIBC written notice of Lanyard's intention to commence an Enforcement Action, or
 - (ii) CIBC commences to enforce the CIBC Security against the CIBC Priority Collateral, regardless of whether or not CIBC continues with such enforcement,

provided that Lanyard shall be permitted to commence foreclosure proceedings in respect of the Collateral Units on the date that is ninety (90) days after the earlier of (i) Lanyard has delivered to CIBC written notice of Lanyard's intention to commence an Enforcement Action or (ii) CIBC commences to enforce the CIBC Security against the CIBC Priority Collateral, provided that the redemption period sought by Lanyard in the Order Nisi of Foreclosure shall not expire before the date that is one hundred and twenty (120) days after Lanyard has delivered to CIBC written notice of Lanyard's intention to commence an Enforcement Action.

5.6 Notwithstanding Section 5.4 or Section 5.5, CIBC and Lanyard hereby agree that should the Obligors default under the terms of either the CIBC Credit Documents or the Lanyard Loan Documents, either Creditor shall be entitled to: (i) demand or accelerate the time for payment of any CIBC Obligations or Lanyard Obligations, as applicable; (ii) give notice to the Obligors of Lanyard's or CIBC's, as applicable, intention to enforce the Lanyard Security or the CIBC Security, as applicable; (iii) give "Notice of Intent by Secured Creditor" under *The Farm Debt Mediation Act*, *The Saskatchewan Farm Security Act* or other analogous legislation; provided that such steps do not frustrate CIBC's access to the Realty (in accordance with Article 7); (iv) file and defend proofs of claim against the Obligors or attend and vote at any meeting of creditors in any Insolvency Proceeding involving any of the Obligors; (v) take action for non-payment of its Secured Obligations for the purposes of obtaining a monetary judgment in respect thereof, provided no action is taken to enforce such judgment; (vi) take action (not adverse to the other Creditor) that is required to preserve the validity, perfection, enforceability or priority of such Creditor's Secured Obligations; (vii) each Creditor shall be entitled to exercise any of its rights or remedies with respect to any of its Priority Collateral during, and after the termination of, the CIBC Standstill Period or the Lanyard Standstill Period, as applicable.

5.7 The provisions of this Article 5 shall enure to the benefit of the Creditors only, and shall not be enforceable by the Obligors against the Creditors.

5.8 Upon the occurrence of Event of Default under the CIBC Forbearance Agreement, Lanyard agrees that it shall not oppose or, if requested by CIBC, withhold its consent to the appointment by CIBC or on CIBC's application, at its discretion, of a Receiver in and

to or over any of the CIBC Priority Collateral pursuant to section 243 of the *Bankruptcy and Insolvency Act* (Canada). For greater certainty, this Section 5.8 shall not apply to any action taken or sought to be taken by CIBC against 786SD Estate Ltd. and MG 786 Enterprises Ltd.

Article 6 AMENDMENTS TO CREDIT DOCUMENTS

- 6.1 The Lanyard Loan Documents may be amended, restated, supplemented or otherwise modified in accordance with their terms, all without affecting the priorities set out in this Agreement.
- 6.2 The Credit Documents may be amended, restated, supplemented or otherwise modified in accordance with their terms, all without affecting the priorities set out in this Agreement; provided, however, that without the consent of the other Creditor, no such amendment, restatement, supplement or modification shall have the effect of:
- (a) increasing the principal amount of the CIBC Obligations then outstanding or permitted to be outstanding, to an amount that exceeds the aggregate amount of \$9,500,000.00; or
 - (b) increasing the rates of interest applicable to the CIBC Obligations to a rate more than those in effect on the date of this Agreement (other than those rates that are floating rates or that are adjusted as a result of any applicable margins or by reason of the occurrence of a default under the CIBC Credit Documents).

Article 7 ACCESS AND USE

- 7.1 Notwithstanding any other provision herein but subject to the provisions of this Section 7.1, each of the Obligors and Lanyard hereby grants to CIBC, its agents, employees and representatives (including any Receiver) the right and license to enter upon and use the Lanyard Priority Collateral for the purposes of: (i) collecting Accounts Receivable; (ii) selling and liquidating Inventory; (iii) generally operating the business of the Obligors; and (iv) otherwise dealing with the CIBC Priority Collateral, for a period not to exceed one hundred fifty (150) days or such further period as may be agreed to by Lanyard (the "**Occupation Period**") from the earlier of the date of commencement of an Enforcement Action by Lanyard or CIBC (subject to Section 5.1). The rights granted to CIBC above are subject to compliance with each of the following conditions:
- (a) within ten (10) days of the commencement of an Enforcement Action in respect of the CIBC Security, CIBC shall give written notice to Lanyard of its intention to exercise its rights under this Section 7.1;
 - (b) within ten (10) days of the receipt of notice from Lanyard of the commencement of an Enforcement Action in respect of the Lanyard Security, CIBC shall give written notice to Lanyard of its intention to exercise its rights under this Section 7.1;
 - (c) if CIBC or its Receiver occupies the Lanyard Priority Collateral for more than ten (10) days, CIBC shall pay or cause to be paid to Lanyard in respect of such Occupation Period an amount equal to the rent that would have been payable by Obligor that is tenant of such Primary Unit for the Occupation Period.

- (d) CIBC shall give Lanyard ten (10) days' prior written notice of its intention to vacate or cease using the Lanyard Priority Collateral; or
- (e) nothing herein shall prevent Lanyard from issuing demands and/or notices of sale in respect of the Lanyard Priority Collateral and taking steps to inspect and appraise the Lanyard Priority Collateral and otherwise preparing the Lanyard Priority Collateral for sale provided that Lanyard and its agents do not interfere with the use of the Lanyard Priority Collateral by CIBC or any Receiver during the Occupation Period.

7.2 If Lanyard intends to sell or otherwise dispose of any of the Lanyard Priority Collateral to a potential purchaser or transferee, Lanyard shall cause such purchaser or transferee to acknowledge and agree to be bound by the provisions relating to the Occupation Period.

Article 8 INSOLVENCY PROCEEDINGS

- 8.1 This Agreement shall be effective before, during and after the commencement of any Insolvency Proceeding. All references in this Agreement to any Obligor shall include any Receiver for such Obligor or over the Collateral in any Insolvency Proceeding.
- 8.2 Each of the Creditors shall not, in or in connection with any Insolvency Proceeding or otherwise, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case to challenge, contest or otherwise object to the scope, validity, enforceability, perfection or priority of any Encumbrances held by the other Creditor and each Creditor shall not support any other Person doing any of the foregoing. Each of the Creditors shall not file any motion, take any position in any proceeding, or take any other action in respect of the Collateral except as explicitly permitted under this Agreement.
- 8.3 If any Creditor is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of any Obligor, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, then such Secured Obligations shall be reinstated to the extent of such payment and deemed to be outstanding as if such payment had not occurred, and such Secured Obligations shall be deemed not to have been Paid in Full. If this Agreement shall have been terminated prior to the making of such payment, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Creditors agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any Distribution or allocation with respect to the Collateral made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.
- 8.4 Each of Lanyard and CIBC acknowledges and agrees that they will complete and file any proofs of claim in respect of the Lanyard Obligations and the CIBC Obligations, respectively, in connection with any Insolvency Proceeding in accordance with the terms of this Agreement and directing that all Distributions be paid in accordance with the terms of this Agreement.

- 8.5 Each of Lanyard and CIBC, acknowledges and agrees that they will not vote on a plan of arrangement, compromise, reorganization, proposal or similar arrangement in any Insolvency Proceeding that is inconsistent with the terms of this Agreement.
- 8.6 Each Creditor agrees that until the Secured Obligations have been Paid in Full, it will not: (a) seek relief from any stay in any Insolvency Proceeding or take any action in violation thereof, or support any other Person seeking such relief or taking such action, in each case in respect of the Priority Collateral of the other Creditor, without the prior written consent of such other Creditor; or (b) object to, contest, or support any other Person objecting to or contesting, any relief from the stay in any Insolvency Proceeding requested by such other Creditor.

**Article 9
GENERAL**

- 9.1 CIBC and Lanyard may, from time to time, exchange information as to the CIBC Obligations, the CIBC Credit Documents, the Lanyard Obligations, the Lanyard Loan Documents and such other information as either CIBC or Lanyard may require, and each Obligor consents to such exchange.
- 9.2 Neither CIBC nor Lanyard shall have any obligation to inquire into the source of any funds received by CIBC or Lanyard from any Obligor or any other Person nor will CIBC or Lanyard be considered a trustee or constructive trustee with respect to any Proceeds of any property of the Obligors and CIBC and Lanyard, as applicable, will be free to apply any funds it receives from the Obligors or any other Person against the CIBC Obligations or Lanyard Obligations, as applicable, unless:
 - (a) such funds received are deposited in any accounts designated as trust accounts by the Obligors for the benefit of CIBC;
 - (b) Lanyard or CIBC provides to CIBC or Lanyard, as applicable, prior notice in writing that such funds represent Proceeds of Lanyard Priority Collateral or CIBC Priority Collateral, as applicable, and CIBC or Lanyard, as applicable, has actual knowledge thereof.
- 9.3 CIBC shall have no obligation with respect to any money deposited in any account of the Obligors. In addition, without limiting any of its rights hereunder or at law and subject to Section 9.1, Lanyard and the Obligors acknowledge and agree that CIBC is irrevocably and unconditionally authorized (but not obligated) at any time, without notice to, or consent of, Lanyard or any of the Obligors to consolidate, set-off and apply any credit balance in any bank account relating to the Obligors against any of the CIBC Obligations.
- 9.4 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

for CIBC:

Canadian Imperial Bank of Commerce
81 Bay Street
30th Floor, CIBC Square
Toronto, ON M5J 0E7

Attention: Manan Parikh
Email: manan.parikh@cibc.com

with a copy to:

Gowling WLG (Canada) LLP
 Suite 1600, 1 First Canadian Place
 100 King Street West
 Toronto, ON M5X 1G5

Attention: Dom Glavota
 Email: dom.glavota@gowlingwlg.com

for Lanyard:

LFC Hickory24 Limited Partnership
 701-601 West Broadway
 Vancouver, BC V5Z 4C2

Attention: Brian Chelin
 Email: bchelin@lanyardgroup.com

with a copy to:

Borden Ladner Gervais LLP
 1200 Waterfront Centre
 200 Burrard St.
 P.O. Box 48600
 Vancouver, BC V7X 1T2

Attention: Kendall Andersen
 Email: kandersen@blg.com

for the Obligor:

c/o Mahindra Jewellers Ltd.
 8128 128th Street
 Surrey, BC V3W 1R1

Attention: Pawandeep Dhunna
 Email: pawandeep@mahindragroups.com

- 9.5 Each of the Obligor, CIBC and Lanyard shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by Lanyard and CIBC. No consent of any Obligor shall be necessary for any amendment of the terms hereof by CIBC and Lanyard unless the interests of the Obligor are directly affected thereby.
- 9.6 No waiver by any party of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the party so waiving. Such waiver or consent shall be effective only in the specific instance and for the time and purpose for which it is given. No waiver by any party will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement will

operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

- 9.7 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof. A handwritten or electronically signed counterpart of this Agreement delivered by email ("PDF" or "tif" format) or other electronic or digital transmission (including by transmission over an electronic signature platform such as DocuSign or the equivalent thereof) is deemed to have the same legal effect as delivery of a manually executed original signed counterpart of this Agreement. Electronic signature means a signature that consists of one or more letters, characters, numbers or other symbols in digital form incorporated in, attached to or associated with an electronic document that is sent or stored by means of any electronic or other digital transmission. The words "execution," "signed," "signature," and words of similar import in any agreement, instruction, document, information or other form of communication, shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based record keeping system, as the case may be, to the extent and as provided for under applicable law.
- 9.8 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. All references to any Obligor shall include any Obligor as debtor-in-possession and any receiver or trustee for such Obligor in any Insolvency Proceeding.
- 9.9 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 9.10 This Agreement constitutes the entire agreement among the parties hereto relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers as of the date first above written.

CANADIAN IMPERIAL BANK OF
COMMERCE

Per:



Name: Erin Simmons

Title: Senior Manager

Name:

Title:

I/We have authority to bind the Bank.

**LFC HICKORY24 LIMITED PARTNERSHIP,
by its general partner, LANYARD
INVESTMENTS INC.**

Per:



Name: Brian Chelin
Title: Director



Name: Sam Bogen
Title: VP

I/We have authority to bind the Limited Partnership and its General Partner.

MAHINDRA JEWELLERS LTD.

Per:



Name: Parandeep Dhane
Title: Director

I have authority to bind the Corporation.

SURREY GOLD JEWELLERS LTD.

Per:



Name: Parandeep Dhane
Title: Director

I have authority to bind the Corporation.

786SD ESTATE LTD.

Per:



Name: Parandeep Dhane
Title: Director

I have authority to bind the Corporation.

MG 786 ENTERPRISES LTD.

Per:




Name: Parandeep Dhane
Title: Director

I have authority to bind the Corporation.

1237647 B.C. LTD.

Per:




Name: Parvandeep Dharma
 Title: Director

I have authority to bind the Corporation.

1257271 B.C. LTD.

Per:




Name: Parvandeep Dharma
 Title: Director

I have authority to bind the Corporation.

HEERA JEWELLERS INC.

Per:




Name: Parvandeep Dharma
 Title: Director

I have authority to bind the Corporation.

P. SONA JEWELLERS INC.

Per:




Name: Parvandeep Dharma
 Title: Director

I have authority to bind the Corporation.

RCJ JEWELLERS INC.

Per:




 Name: Pawandeep Dhunna
 Title: Director

I have authority to bind the Corporation.

MOTI JEWELLERS LTD.

Per:




 Name: Pawandeep Dhunna
 Title: Director

I have authority to bind the Corporation.

SINGAPORE JEWELLERS INC.

Per:



 Name: Pawandeep Dhunna
 Title: Director

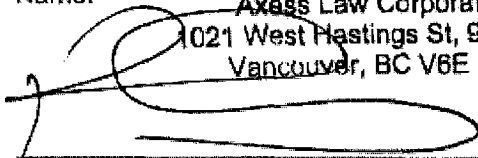
I have authority to bind the Corporation.



WITNESS
 Name: **ROCKY KIM**
 Lawyer
 Access Law Corporation
 1021 West Hastings St, 9th Floor
 Vancouver, BC V6E 0C3



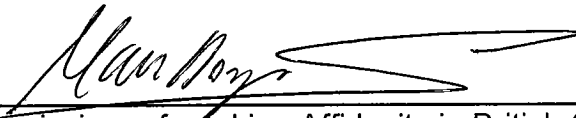
PAWANDEEP DHUNNA



WITNESS
 Name: **ROCKY KIM**
 Lawyer
 Access Law Corporation
 1021 West Hastings St, 9th Floor
 Vancouver, BC V6E 0C3

SONIA DHUNNA

This is Exhibit "B" referred to in the Affidavit of **SVETLANA GORINA**, sworn before me at Vancouver, BC, this 26 day of February, 2025.



A Commissioner for taking Affidavits in British Columbia



701 - 601 West Broadway
Vancouver, B.C. V5Z 4C2
Telephone: 604 · 688 · 5388
Web: www.lanyardgroup.com

September 5, 2024

Mahindra Jewellers Ltd.
c/o Kyron Jagpal
Integrum Mortgages Inc.
130 – 3700 North Fraser Way,
Burnaby, B.C. V5J 5H4

Dear Sirs/Mesdames:

Re: Financing Facility Letter v3 – Loan secured, inter alia, by:

i) first mortgage charge(s) over five retail strata units, having the following addresses:

- i. Unit 10 – 8388 128 Street, Surrey, British Columbia PID: 019-163-703 (“Unit 10”);
- ii. Unit 332 – 8128 128 Street, Surrey, British Columbia PID: 026-618-869 (“Unit 332”);
- iii. Unit 103 – 12885 80 Avenue, Surrey, British Columbia PID: 028-605-128 (“Unit 103”);
- iv. Unit 164 – 12899 80 Avenue, Surrey, British Columbia PID: 028-604-733 (“Unit 164”); and
- v. Unit 322 – 8128 128 Street, Surrey, British Columbia PID: 026-618-770 (“Unit 322” and together with Unit 10, Unit 332, Unit 103 and Unit 164, the “Primary Units”)

ii) second mortgage charge(s) over:

- i. a mixed-use property having an address of 2548 Clearbrook Road, Abbotsford, British Columbia PID: 005-237-211 (the “Clearbrook Unit”); and
- ii. a retail strata unit having an address of 116 – 32083 Hillcrest Avenue, Abbotsford, British Columbia PID: 029-346-720 (the “Hillcrest Unit” and together with the Clearbrook Unit, the “Collateral Units”)

The Primary Units and the Collateral Units together referred to herein as the “Property”

The LFC Hickory24 Limited Partnership (the “Lender”), which may act as a nominee for one or more Principal, has agreed to establish a non-revolving loan (the “Loan”) on the terms and conditions set out below.

Defined terms not given a meaning within the main body of this Facility Letter shall have the meaning given to them in the schedules hereto.

1. Borrower:

- a) 786SD Estate Ltd.;
- b) MG 786 Enterprises Ltd.
- c) 1237647 BC Ltd.; and
- d) 1257271 BC Ltd. (collectively, the “Borrower”).

The Borrower represents and warrants to the Lender that 786SD Estate Ltd is the sole registered and beneficial owner of Unit 10, Unit 332 and Unit 103.

The Borrower represents and warrants to the Lender that MG 786 Enterprises Ltd is the sole registered and beneficial owner of Unit 164 and Unit 322.

The Borrower represents and warrants to the Lender that 1237647 BC Ltd is the sole registered and beneficial owner of the Hillcrest Unit.

The Borrower represents and warrants to the Lender that 1257271 BC Ltd is the sole registered and beneficial owner of the Clearbrook Unit.



2. Guarantor:

Moti Jewellers Inc., Mahindra Jewellers Ltd., Surrey Gold Jewellers Ltd., Heeta Jewellers Inc., Singapore Jewellers Inc., Pawandeep Dhunna and Sonia Dhunna (collectively, the "Guarantor").

3. Loan Amount:

\$6,348,723.00 (the "Loan Amount").

4. Purpose:

To provide bridge financing with respect to the Property for the purpose, inter alia, of refinancing existing mortgage debt secured by the Property.

For purposes of Schedule "A", the Loan is categorized as a Commercial Loan.

5. Interest and Fees:

a) Interest on amounts due under the Loan Documents will be:

- i) Initially, floating at RBC Prime + 7.95%, subject to a minimum rate of 14.40% (per annum and compounded monthly); and
- ii) Effective September 1, 2025 (the "Rate Adjustment Date") and thereafter until the Loan is repaid in full, set at a fixed rate equal to that interest rate in place for the Loan on the first day of the month immediately preceding the Rate Adjustment Date + 7.00% (per annum and compounded monthly).

Interest calculated by the Lender to accrue from the Date of Advance to the first day of the following month (the "Interest Adjustment Date") shall be deducted from the proceeds of the Loan.

b) The Borrower shall pay to the Lender a set-up fee (the "Set-Up Fee") equal to 2.50% of the Loan Amount (which is acknowledged to have been fully earned), payable as follows:

- i) By application of the Borrower's previous payment of \$50,000 (which sum was delivered to Lanyard Financial Corporation, in trust (on behalf of the Lender) pursuant to the facility letter dated August 9, 2024);
- ii) \$31,743.62 as a deferred portion (with interest accruing thereon as provided in Schedule "A", Paragraph III), which may be paid at any time with accrued interest and which, in any event, must be paid with accrued interest at the earlier of: (i) the Lapse Date (as hereinafter defined); (ii) the Borrower making full payment of all amounts due under or in relation to the Loan Documents (or becoming obligated to do so); and (iii) the Maturity Date; and
- iii) The balance, to be paid on the earlier of: (i) the initial advance of the Loan; and (ii) the Lapse Date.

6. Payments:

All amounts outstanding under the Loan Documents shall be repaid on demand by the Lender following the occurrence of an Event of Default and, unless and until so demanded, the Borrower shall pay to the Lender on account of the Loan indebtedness:

- a) Monthly payments of:
 - i) on the first day of each month commencing in the month immediately following the Interest Adjustment Date to and including the Rate Adjustment Date, \$76,184.68; and
 - ii) on the first day of each month thereafter, \$113,218.89; and
- b) All amounts outstanding under, or in connection with, the Loan Documents and any related obligations on October 1, 2025 (the "Maturity Date").

7. Prepayment:

The Borrower shall have the right to prepay all (not part) amounts owing under the Loan Documents, provided, however, that in the event any prepayment occurs before March 1, 2025 (the "Minimum Interest Date"), the Borrower shall also concurrently remit



a prepayment fee in an amount equal to the interest that would have otherwise accrued on the prepayment amount, at the Loan interest rate then in effect, for the period from the date of receipt of the prepayment amount to the Minimum Interest Date.

8. Extension Option:

The Borrower shall have two consecutive option rights (referred to, respectively, as the “First Extension Option” and the “Second Extension Option”) to extend the Maturity Date and the Rate Adjustment Date by twelve months each, subject to the following conditions (the “Extension Conditions”) being satisfied or waived:

- a) For the First Extension Option:
 - i) There not having been an Event of Default or if there has been an Event of Default, the Lender having waived such Event of Default in writing;
 - ii) Borrower, by no later than 4:00 p.m. on August 15, 2025 (the “First Extension Option Deadline”), having provided written notice to the Lender (in the prescribed form available at <http://lanyardgroup.com/extensionnotice> or in such other form acceptable to the Lender) of its exercise of the First Extension Option (the “First Extension Option Notice”), whereupon a non-refundable extension fee equal to two percent of the Loan Amount (the “First Extension Fee”), without any further act or formality, will be deemed earned absolutely by the Lender effective the First Extension Option Deadline and payable as provided in this section below;
 - iii) The First Extension Option Notice shall not be capable of being given prior to 30 days before the First Extension Option Deadline; and
 - iv) Borrower, by no later than September 1, 2025, having provided to the Lender a series of post-dated cheques for Loan payments covering the period October 1, 2025 to and including October 1, 2026.

- b) For the Second Extension Option:
 - i) The First Extension Option has been properly exercised;
 - ii) There not having been an Event of Default or if there has been an Event of Default, the Lender having waived such Event of Default in writing;
 - iii) Borrower, by no later than 4:00 p.m. on August 15, 2026 (the “Second Extension Option Deadline”), having provided written notice to the Lender (in the prescribed form available at <http://lanyardgroup.com/extensionnotice> or in such other form acceptable to the Lender) of its exercise of the Second Extension Option (the “Second Extension Option Notice”), whereupon a further non-refundable extension fee equal to two percent of the Loan Amount (the “Second Extension Fee”), without any further act or formality, will be deemed earned absolutely by the Lender effective the Second Extension Option Deadline and payable as provided in this section below;
 - iv) The Second Extension Option Notice shall not be capable of being given prior to 30 days before the Second Extension Option Deadline; and
 - v) Borrower, by no later than September 1, 2026, having provided to the Lender a series of post-dated cheques for Loan payments covering the period October 1, 2026 to and including October 1, 2027.

Following the provision of the First Extension Option Notice or the Second Extension Option Notice, as the case may be, the Borrower will promptly satisfy, or cause to be satisfied, all of the relevant Extension Conditions pertaining to such notice. Should the Borrower deliver the First Extension Option Notice or the Second Extension Option Notice, as the case may be, but thereafter fail to satisfy, or cause to be satisfied, in a timely manner, any of the relevant Extension Conditions (which failure, for greater certainty, would include there being an Event of Default which is not waived by the Lender), then the Lender, at its option, shall be entitled to the immediate payment of any outstanding amount of the relevant extension fee, plus unpaid interest thereon, for its account absolutely, inter alia, as liquidated damages and compensation for efforts on treasury matters related to the proposed continued availability of funds for the Loan and other administrative and/or underwriting issues required to be dealt with in relation to the failed exercise of the relevant extension option. The Borrower agrees that the foregoing liquidated damage provision is a reasonable pre-estimate of damages that would be suffered by the Lender due to the Borrower’s failure to satisfy, or cause to be satisfied, the relevant Extension Conditions and, further and for greater certainty, that the Lender’s exercise of the liquidated damages provision shall not prejudice the Lender’s entitlement to all other amounts whatsoever owing to the Lender under the Loan Documents.

Interest will accrue on extension fees, as if principal, from the time they are deemed earned until it is paid. The Borrower may pay the extension fees and unpaid interest thereon at any time, provided, however, that any outstanding extension fees and unpaid interest thereon shall become immediately due at the earlier of: (i) demand being made by the Lender following an Event of Default; (ii) the



Borrower making full payment of all other amounts due under or in relation to the Loan Documents (or becoming obligated to do so); and (iii) the Maturity Date.

By giving the First Extension Option Notice or the Second Extension Option Notice, as the case may be, the Borrower will be deemed to represent and warrant to the Lender that the Security Documents are valid and enforceable and that neither the Borrower nor Guarantor have any claims or causes of action against the Lender of any kind.

9. Security Documents:

The present and future liability and indebtedness of the Borrower in connection with the Loan and this Facility Letter shall be evidenced, governed, insured, guaranteed or secured, as the case may be, by the following documents, instruments or security, and all amendments and replacements thereof from time to time (collectively, the "Security Documents") in form and content satisfactory to the Lender and its solicitors:

- a) \$6,634,416 first ranking demand mortgage(s) and first ranking assignment(s) of rents in favour of the Lender, creating, inter alia, a fixed financial charge over the entire legal and beneficial interest in the Primary Units and incorporating by reference filed Standard Mortgage Terms MT200001 and, unless otherwise specified by the Lender, incorporating a statement that the interests of the parties comprising the Lender are subject to the Interlender Agreement (*note: the difference between the Loan Amount and the mortgage face amount is intended to, inter alia, secure amounts due for any deferred portions of the Set-Up Fee and extension fees, as applicable*);
- b) \$6,634,416 second ranking demand mortgage(s) and second ranking assignment(s) of rents in favour of the Lender, creating, inter alia, a fixed financial charge over the entire legal and beneficial interest in the Collateral Units and incorporating by reference filed Standard Mortgage Terms MT200001 and, unless otherwise specified by the Lender, incorporating a statement that the interests of the parties comprising the Lender are subject to the Interlender Agreement, subject only to an existing first mortgage and first assignment of rents securing a face amount of not more than \$7,300,000 in favour of CIBC (such prior charges together, the "Prior Mortgage");
- c) Individual, first ranking general security agreements in favour of the Lender charging, inter alia, all present and after acquired personal property of 786SD Estate Ltd. And MG 786 Enterprises Ltd. (except consumer goods) pertaining to the Primary Units;
- d) Individual general security agreements in favour of the Lender charging, inter alia, all present and after acquired personal property of 1237647 BC Ltd. and 1257271 BC Ltd. (except consumer goods) pertaining to the Collateral Units, subject only to similar security, if any, granted with respect to the Prior Mortgage;
- e) Individual general security agreements in favour of the Lender charging, inter alia, all present and after acquired personal property of each party comprising the Guarantor (except consumer goods) (including all property, entitlements, and rights required to carry on the business of the Guarantor, subject only to similar security, if any, granted with respect to the Prior Mortgage;
- f) Priority Agreement (as defined in paragraph 12);
- g) First priority assignment of the Borrower's voting and ancillary rights in the Primary Units' strata/condominium corporation(s);
- h) Second priority assignment of the Borrower's voting and ancillary rights in the Collateral Units' strata/condominium corporation(s), subject only to similar security, if any, granted with respect to the Prior Mortgage;
- i) Individual, unlimited guarantees of the indebtedness of the Borrower to the Lender executed by each party comprising the Guarantor;
- j) Insurance policies and documentation complying with the Lender's current property and liability insurance requirements (the "Insurance Requirements") (a copy of which can be obtained at www.lanyardgroup.com/insurance) listing the Lender: (i) as first loss payee with respect to the Primary Units, and (ii) as senior loss payee, subject only to a similar interest (if any) granted with respect to the Prior Mortgage, with respect to the Collateral Units;
- k) Environmental Indemnity signed by the Borrower and Guarantor;
- l) Undertaking of the Borrower to maintain the improvements situate on the Property in the same or better condition as of the date of the Lender's inspection (to occur prior to funding) and, in any event, in a reasonable condition for the current use;
- m) \$76,185 cash collateral, and first charge supporting security agreement among the Borrower, the Lender and Lanyard Financial Corporation, as escrow agent, to be established from the proceeds of the Loan which will be held as security for the Loan and as a reserve to assist in the servicing of monthly Loan payments due on the Loan on the Rate Adjustment Date (such funds, the "Payment Cash Collateral"). To the extent that the Payment Cash Collateral has not been applied in its entirety in relation to the aforesaid purpose, the Lender shall be entitled to direct said escrow agent to retain the balance

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as security for the Loan as contemplated above and may, in its sole discretion, direct the escrow agent to apply any or all of such residual against the Loan indebtedness;

- n) Policy of loan title insurance in respect of the Property, to be obtained directly by the Lender's solicitor, issued in the name of the Lender by First Canadian Title Company Limited, with inclusion of an endorsement for super priority liens and with reference, whenever the circumstance permit, to the Lanyard Investments Inc. master policy. The Borrower acknowledges that the *Direction to Pay (Loan Proceeds)* from the Lender's solicitor may require the Borrower's solicitor to pay the Loan proceeds received by it to the Borrower, or upon approval by the title insurer (obtained by the Borrower's solicitor and provided to the Lender's solicitor), to such other parties as the Borrower may direct; and
- o) Such other security, resolutions, agreements, certificates and legal opinions from the Borrower's and Guarantor's counsel or otherwise as the Lender or its solicitors may at any time and from time to time require.

Notwithstanding that certain of the Security Documents may be expressed to be payable on demand, the Lender cannot make demand for repayment of the Loan under the relevant Security Documents unless and until an Event of Default has occurred and, notwithstanding anything contained in the relevant Security Documents to the contrary, the Lender cannot enforce the security constituted by the relevant Security Documents until such time as the Lender, following the occurrence of an Event of Default, has made a written demand for repayment of the Loan under the Security Documents.

10. Partial Discharges:

The Lender, on ten Business Days prior written notice from the Borrower, will partially discharge its mortgage charge against each of the properties comprising the Collateral Units provided that:

- a) there has not been an Event of Default;
- b) the Clearbrook Unit or the Hillcrest Unit (as the case may be) for which the partial discharge is requested has been: (i) sold to an arms length buyer, and (ii) at market value (both items confirmed by a statutory declaration of the Borrower to the Lender, in a form and content to the Lender's solicitor's satisfaction);
- c) the net proceeds of the relevant unit sale, which shall not be less than 95% of its gross sale price (exclusive of GST collected, if any), are paid directly and unconditionally to the holder of the Prior Mortgage to reduce the balance of the Prior Mortgage until same is fully repaid, and thereafter to the Lender (notwithstanding prohibitions herein, if any, against prepayments) for application, at its discretion, on account of the principal, interest, or other amounts owing under or in connection with the Loan. In this regard, "net proceeds" means the gross sale price less reasonable arm's length real estate agent commissions, conventional closing legal fees, and customary closing adjustments;
- d) the Borrower's solicitor has provided written confirmation to the Lender that all GST due in relation to the unit for which the partial discharge is requested has been remitted by the Borrower's solicitor to the Canada Revenue Agency on account of the Borrower's GST obligations; and
- e) if a partial discharge payment is paid to the Lender prior to the Minimum Interest Date, the Lender shall also have received a minimum interest compensation charge equal to the interest that would have otherwise accrued on such partial discharge payment amount, at the Loan interest rate then in effect, for the period between the date of receipt by the Lender of said payment and the Minimum Interest Date.

11. Conditions Precedent:

It shall be a condition precedent to the Lender's obligations hereunder that all conditions set out in Schedules "A" and "B" and elsewhere in this Facility Letter are either satisfied or, at the sole and unfettered discretion of the Lender, waived by it in writing. The Borrower agrees to immediately deliver to the Lender those documents referred to in Part One of Schedule "B" to permit the Lender's underwriting activities.

12. Subsequent Mortgage:

Notwithstanding anything herein to the contrary, no subsequent mortgage charges shall be registered against the Primary Units save and except for a second mortgage (the "Subsequent Mortgage") provided that:

- a) Subsequent Mortgage secures a face amount not exceeding \$4,100,000; and
- b) Subsequent Mortgage holder grants a priority agreement (in form and content satisfactory to the Lender) (the "Priority Agreement") in favour of the Lender providing for:
 - i) Subordination and postponement of the Subsequent Mortgage to the Loan and Security Documents; and
 - ii) Such other provisions as counsel for the Lender may reasonably require.

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13. Schedules:

The terms and conditions contained in the attached Schedules "A" and "B" are incorporated into and form part of this Facility Letter.

14. Lapse Date:


Without limiting any other rights or remedies available to the Lender (including, without limitation, those arising from any breach or misrepresentation by the Borrower or Guarantor hereunder), at the option of the Lender (the "Lapse Option"), its obligations in connection with the funding of the Loan shall terminate if, in its sole and unfettered opinion: (a) there has been a material adverse change in the financial condition of the Borrower or the Guarantor; or (b) any of the conditions precedent to funding contained in this Facility Letter have not been met by **September 30, 2024** or (c) an Event of Default has occurred. The date upon which the Lender exercises the Lapse Option is called the "Lapse Date".

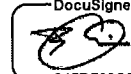
15. Acceptance:

Subject to the terms hereof, this Facility Letter may be accepted by the Borrower by returning to the Lender by 4:30 p.m. on September 6, 2024 (or such later deadline as the Lender, in writing, may agree to), a copy of this letter executed by the Borrower and Guarantor. The parties acknowledge that once this agreement has been duly executed and delivered by the parties hereto, the previous Facility Letter of August 9, 2024, shall be superseded and replaced for all purposes by this Facility Letter. If this Facility Letter is not so duly executed and delivered by all parties, then the previous Facility Letter of August 9, 2024

In witness whereof, this Facility Letter has been executed by the Lender as of the date and year first above written.

LFC HICKORY24 LIMITED PARTNERSHIP,
by its general partner, Lanyard Investments Inc.

DocuSigned by:
Per: 
Authorized Signatory

DocuSigned by:
Per: 
Authorized Signatory

For valuable consideration, the foregoing is agreed to and accepted.

BORROWER:

786SD ESTATE LTD.

DocuSigned by:
Per: PAWANDEEP DHUNA
Authorized Signatory

Pawan dhuna
Borrower's Solicitor: Name/ Firm Name

MG 786 ENTERPRISES LTD.

DocuSigned by:
Per: PAWANDEEP DHUNA
Authorized Signatory

Lanyard

1237647 B.C. LTD.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

1257271 B.C. LTD.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

GUARANTOR:

MOTI JEWELLERS INC.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

MAHINDRA JEWELLERS LTD.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

SURREY GOLD JEWELLERS LTD.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

HEERA JEWELLERS INC.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

SINGAPORE JEWELLERS INC.

DocuSigned by:
Per: PAWANDEEP DHUNNA
Authorized Signatory

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PAWANDEEP DHUNNA
PAWANDEEP DHUNNA

DocuSigned by:
[Signature]
SONIA DHUNNA



SCHEDULE "A" TO FACILITY LETTER

The Loan as described in the Facility Letter shall also be governed by the following terms and conditions:

I. Definitions. For the purpose of this Facility Letter, the following terms shall have the meanings indicated below:

"Affiliate" has the meaning given to it by the Business Corporations Act (BC) as at the issue date of this Facility Letter.

"Application Letter" not applicable - as no Application Letter has been issued and this Facility Letter shall be construed accordingly.

"arm's-length" has the meaning given that expression in the Income Tax Act (Canada), as amended, and "non-arm's-length" means not dealing at arm's-length.

"Associate" has that meaning given to it by the Securities Act (BC) as at the issue date of this Facility Letter.

"Bank Draft" has the meaning given to it in paragraph III e) of this Schedule "A".

"Business Day" means any day of the week, other than Saturday or Sunday, on which the Vancouver main branch of the Canadian Imperial Bank of Commerce is open for retail banking business.

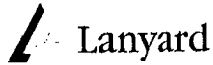
"Commercial Loan", if so designated under paragraph 4 (Purpose), represents the category type of the Loan;

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise and "Controlled" has a corresponding meaning.

"Event of Default" means any one of the following events (whether such event is voluntary or involuntary or is effected by operation of law or otherwise, whatsoever):

- (a) breach or default is made by the Borrower or the Guarantor in the performance or observance of any of the terms or conditions contained in any of the Loan Documents or the Insurance Requirements;
- (b) any other event, circumstance or state of facts occurs or fails to occur which, under any of the Loan Documents is (or would be if the Loan Documents were executed and delivered) an event of default thereunder or an event or circumstance entitling the Lender to accelerate or demand payment of the Loan;
- (c) any representation, warranty, or statement by a Borrower or Guarantor contained in the Loan Documents or in any other application, statutory declaration, undertaking, document or certificate furnished to the Lender in connection with any of the foregoing, or pursuant thereto, or any other information provided by the Borrower or Guarantor in relation to the Loan shall prove to be incorrect or is breached;
- (d) the Borrower or the Guarantor breaches, violates or fails to comply with any Legal Requirement or if any portion of the Property is used or permitted to be used by anyone for any purpose or in a manner that violates or fails to comply with any Legal Requirement;
- (e) in the opinion of the Lender, there has been a material adverse change in either the financial condition or business prospects of the Borrower or the Guarantor, or the value, prospects or use of the Property, or any security granted to the Lender;
- (f) any of the Borrower or Guarantor threatens or indicates an intent to do or to omit to do an act or deed which would constitute or result in an Event of Default;
- (g) any taxes, rates, levies or assessments of any nature whatsoever owed to Governmental Authorities or any strata fees, levies or charges with respect to the Property, the Borrower or the Guarantor are in arrears;
- (h) the Borrower or the Guarantor does or fails to do any act or thing or permits any third party to do or fail to do any act or things, or a situation otherwise exists which could adversely affect the ranking, validity, or enforceability of any of the security interest and charges created, granted or intended to be created or granted to the Lender pursuant to any of the Loan Documents;
- (i) any claim of any sort is advanced against the Lender in connection with the Loan Documents or the transactions contemplated thereby, including, without limitation, a claim (including a statutory trust or deemed trust claim) challenging any of the Lender's entitlement to receive or retain any monies paid or owed to it hereunder; and
- (j) the Borrower or the Guarantor fails to proceed diligently to complete the Loan transaction under the terms set out in the Loan Documents or, in the opinion of the Lender, states or indicates an intention to fail to so proceed.

"Facility Letter" means the letter to which this Schedule is attached, together with all Schedules and Annexes thereto and all amendments thereto and renewals, replacements and reinstatements thereof.



“Governmental Authorities” means any government, legislature, securities or other regulatory authority, agency, commission, board or court and, without limiting the generality of the foregoing, any other law, regulation or bill making entity having or purporting to have jurisdiction on behalf of Canada, or any province, or city, or any political sub-division thereof.

“Interlender Agreement” means an interlender agreement, *inter alia*, governing the relationship as lenders between each such party comprising the Lender (including Syndication Lender(s), if any, that have become included as a party comprising the Lender in accordance with this Facility Letter) and, as relevant, any Principals.

“Legal Requirement” means all laws, statutes, codes, ordinances, orders, awards, judgments, decrees, injunctions, rules, regulations, authorizations, consents, approvals, orders, permits, franchises, licenses, directions and requirements of all Governmental Authorities.

“Lender” has the meaning given to it on page 1 of this agreement and includes any person that becomes a Lender pursuant to the terms hereof.

“Lender’s solicitor”, “Lender’s counsel”, or words of similar import, mean the firm of solicitors retained by the Lender in connection with the proposed funding of the Loan (unless the Borrower is otherwise notified by the Lender).

“Loan Documents” means, collectively, this Facility Letter and the Security Documents.

“Material Documents” means any document including, without limitation, correspondence, contract, agreement, report, appraisal, claim, suit, proceeding, pleading or undertaking currently (or in the previous 2 years) existing and pertaining or related to the use or enjoyment (or future use or enjoyment) of the Property, including, without limitation, pertaining to tenants, building condition, ingress or egress, zoning, utilities, parking or the rights to enjoy any advantage concerning the use of any other lands or premises in close proximity to the Property.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization or any other association, government or any department or agency thereof or other entity.

“Potential Prior-Ranking Claim” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim, lien, trust or deemed trust, pursuant to any Legal Requirement or otherwise, which ranks or is capable of ranking in priority to any mortgage, lien, charge, assignment or security interest created by the Loan Documents or otherwise in priority to any claim for repayment of any amount owing to (or previously paid to) the Lender on account of, or in relation to the Loan or other sums owed under or in connection with any of the Loan Documents.

“RBC Prime” means the floating annual rate of interest established and recorded as such by the Royal Bank of Canada, as amended from time to time, as a reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars.

“Residential Loan”, if so designated under paragraph 4 (Purpose), represents the category type of the Loan;

“Syndication Lender(s)” means one or more co-lenders (acceptable to the parties that initially executed this Facility Letter as Lender), that, in accordance with this Facility Letter, become a party comprising the Lender.

II. Representations and Warranties. Each of the Borrower and Guarantor represents and warrants (and shall ensure that such representations remain true as if made anew on each day during the term of the Loan) that:

- a) if not an individual, it has been duly incorporated and organized (or in the case of a partnership, limited partnership or trust, duly established), is properly constituted, is in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets;
- b) the execution of the Loan Documents and the incurring of liability and indebtedness to the Lender, as required pursuant to the Loan Documents, does not and will not contravene:
 - i) any Legal Requirement applicable to the Borrower or the Guarantor; or
 - ii) any provision contained in any other agreement or instrument to which any of the Borrower or Guarantor is a party or which otherwise affects the Property;



- c) the Loan Documents to which it is a party have been duly authorized, executed and delivered by the Borrower and Guarantor and constitute valid and binding obligations of said parties, as the case may be, and are enforceable in accordance with their respective terms;
- d) all requisite authorizations, approvals, consents and orders as required hereunder or by Legal Requirement have been obtained with respect to the Loan and the execution and delivery of the Security Documents;
- e) all Legal Requirements with respect to the Property (including, as applicable, its proposed acquisition) and all transactions and acts of the Borrower or Guarantor related to this Facility Letter have been (or will be) met and there are no outstanding orders, notices, taxes, liens, claims, fines, or Potential Prior-Ranking Claim and that, for greater certainty, there exist no Legal Requirement that could have the effect of prohibiting ownership of the Property by the Borrower;
- f) the Loan is to finance a commercial or investment transaction and is not for personal, family, consumer or household purposes;
- g) there are no disputes or claims (outstanding, pending or threatened), orders or judgments in relation to:
 - i) the Property (or its operation); or
 - ii) the Borrower or the Guarantor; or
 - iii) any strata corporation to which the Property belongs;
- h) save for existing mortgage charges to be discharged or, as otherwise specifically permitted herein, subordinated (in both cases, on or prior to any advance of the Loan), the Borrower is the legal and beneficial owner of the Property and has a good and marketable freehold title (free and clear of any liens, charges, privilege, hypothec or encumbrance whatsoever) in and to the Property and, provided this is a Commercial Loan, in and to all property, chattels, assets and rights (including all intangible assets) necessary to carry on its business (as presently carried on or intended to be carried on) at the Property and, without limiting the generality of the foregoing, in and to all furniture, fixtures, equipment and chattels utilized in the operation of the Borrower's business or situated in the lots comprising the Property;
- i) if the Borrower is not an individual, the Borrower is Controlled by the Guarantor and will remain as such until the Loan is repaid;
- j) if this is a Commercial Loan, without limiting the generality of anything herein to the contrary, any leases, tenancy agreements, or licenses to tenants or users of the Property shall be capable of termination by the Borrower without cause and without payment of compensation on 6 months' notice or less;
- k) no event has occurred which, with the giving of notice or lapse of time or the happening of any further condition, event or act, would cause the security constituted by any instrument securing a debt of the Borrower and the Guarantor, or any one or more of them, to have become enforceable;
- l) other than permitted encumbrances, if any, specifically identified as such in the Loan Documents, none of the Borrower or the Guarantor are or will be a party to, or has or will have issued, assumed or granted or is or will be bound by, or subject to, any deed, indenture, debenture, security agreement, chattel mortgage, conditional sales contract, lease, assignment of debts, security under Section 427 of the Bank Act (Canada) or any other lien, charge or encumbrance which could in any way adversely affect the validity or priority of the Security Documents;
- m) if this is a Commercial Loan, each of the Borrower and the Guarantor holds and is possessed of all licences and permits required for the conduct of the respective businesses of the Borrower and the Guarantor and the conduct of the businesses of the Borrower and the Guarantor is in compliance with the terms of such licences and permits and all laws, by-laws, rules, restrictions, regulations and ordinances applicable to the Borrower and the Guarantor and their respective property and assets;
- n) all financial statements, net worth statements, and other information furnished to the Lender by or on behalf of the Borrower and the Guarantor fairly and accurately represent their respective financial positions. Since the date of said financial documents and other information, there has been no adverse change to the: i) financial condition of any party comprising the Borrower and the Guarantor, ii) value of and, if revenue producing, revenue from the Property, and iii) ability of any party comprising the Borrower and the Guarantor to perform its respective obligations under the Loan Documents or to repay the Loan;
- o) none of the Borrower and the Guarantor are in default or in arrears in respect of any real property taxes payable in respect of the Property or other taxes, rates or assessments payable by them to any Governmental Authorities. Without limiting the generality of the foregoing, each of the Borrower and the Guarantor have complied with all their respective obligations to remit GST/HST and no assessment in respect of GST/HST owing has been issued against the Borrower or the Guarantor, or any one or more of them, or is contemplated against the Borrower and the Guarantor, or any one or more of them;



- p) if this is a Commercial Loan, the Borrower does not have any employees and has not had any employees at any time since its incorporation or establishment, as the case may be;
- q) the Borrower is not a non-resident within the meaning of the Income Tax Act (Canada), as amended (the "ITA") and will not become a non-resident under the ITA until the Loan has been repaid in full;
- r) Borrower and the Guarantor are in compliance with each of the terms and conditions of the Facility Letter and no Event of Default has occurred; and
- s) each of the Borrower and Guarantor have had the opportunity to consult their own solicitor concerning this Facility Letter and the transactions contemplated thereby.

III. Interest, Fees and Payment.

- a) At any time following execution of this Facility Letter, the Lender is irrevocably authorized to forward to the Lender's solicitor those funds that it conditionally contemplates to be advanced hereunder to the Borrower (or for the Borrower's account) and such funds, unless otherwise agreed to by the Lender, may thereafter be released by said solicitor on behalf of the Lender only in accordance with the instructions of the Lender. Interest on any funds so forwarded shall commence to accrue in accordance with the rates set out in this Facility Letter on the earlier of: i) the day the funds are forwarded to the Lender's solicitor, notwithstanding that the proceeds of the advance may not actually be received by the Borrower until a later date, and ii) the day the advance is forwarded to or on behalf of the Borrower (such earliest date being hereinafter referred to as the "Date of Advance").
- b) To the extent the Date of Advance occurs after the Interest Adjustment Date set out in paragraph 5, the Interest Adjustment Date shall be deemed by operation of this paragraph to be amended to the first day of the month immediately following the Date of Advance.
- c) Interest shall accrue daily on the highest amount owed daily of principal advanced under the Loan and shall be compounded on the first day of each month, and to the extent not paid on the first day of each month shall accrue interest as if it were principal, such interest to accrue both before and after default, the Maturity Date, and judgment. To the extent interest for the Loan is calculated on a floating rate based on RBC Prime, the Loan interest rate applicable from the Date of Advance to (but not including) the Interest Adjustment Date shall be based on RBC Prime in effect on that date fourteen days prior to the Date of Advance and thereafter the interest rate for each month shall be set on the first day of that month based on RBC Prime in effect fourteen days prior thereto, and provided further that should the monthly payment amount set out in paragraph 6 (or subsequently amended amount in accordance with this paragraph) be insufficient to fully pay accrued interest, the Borrower shall immediately remit, upon request of the Lender: i. payment to the Lender for any interest shortfall outstanding; and ii. a new series of post-dated cheques in amount(s) recalculated by the Lender for amended monthly payments as follows: 1. if the monthly payments set out in paragraph 6 are principal and interest, such new payment amounts shall be determined in accordance with the amortization provisions utilized to initially establish the monthly payment amounts; and 2. if the monthly payments set out in paragraph 6 are interest only, such new payment amounts shall be determined on an interest only basis.
- d) Unless otherwise expressly provided to the contrary, any other amounts payable to the Lender under the Loan Documents shall accrue interest from the date earned, notwithstanding that payment of same may be deferred in accordance with the Loan Documents or by written consent of the Lender, at the rate and in the same manner (including compounding) as stipulated for the Loan.
- e) **All payments by or on behalf of the Borrower to the Lender shall be made payable to the trust account of "Lanyard Financial Corporation"** (the Lender's payment receipts agent) by wire transfer in accordance with the wiring instructions set forth in Schedule "C". Alternatively, at the discretion of the Lender, the Borrower may be permitted to make payment to the said payment receipts agent by way of Bank Draft confirmed deposited to the payment receipts agent's bank account (in accordance with the bank account details set forth in Schedule "C"). To the extent the Lender, at its discretion, permits delivery of a payment to it by way of Bank Draft, same shall be made payable to the payment receipts agent "Lanyard Financial Corporation, in trust" and delivered to the address of the Lender set out on the first page of this Facility Letter and, in such case, all risks associated with the delivery, attempted delivery or processing of the Bank Draft shall be borne by the Borrower. For greater certainty, the Bank Draft remains at the sole risk of the Borrower until such is actually received, deposited and the funds irrevocably credited to the account of the Lender's payment receipts agent. Any loss, interception or destruction of a paper based payment item delivered by, or on behalf of, the Borrower is to the account and responsibility of the Borrower unless the Borrower establishes that such was caused solely by the intentional misconduct of the Lender or its payment receipts agent. Only a Senior Official of the Lender may from time to time, by issuing written notice to the Borrower in conformity with the notice provisions of this Facility Letter, alter any wiring instructions or direct payment to another entity or to another address. Inter alia, to prevent fraud by "hacking" or other email deceptions or impersonations, the Borrower must validate the authenticity of any notice purporting to change payment instructions. As used herein, "Senior Official" means a director of a corporation or in the case of a limited partnership, means a director of its corporate general partner. Unless otherwise consented to by the Lender, all payments shall be immediately available, unencumbered funds and, if permitted to be made by way of bank draft, shall be drawn on a Schedule I Canadian chartered bank



acceptable to the Lender ("Bank Draft"). Payments received by the Lender by 1:00 p.m. Vancouver, B.C. time on a Business Day at the place where such payment is to be made shall be credited as of that day, but if made afterwards shall be credited as of the next Business Day. No payment of any sort shall ever be credited in reduction of the Borrower's obligations to the Lender until actually received. Under no circumstances will payments ever be deemed paid, nor will any set-off or other reduction be applied for any payment, unless and until actually paid and received by the Lender. Notwithstanding anything herein to the contrary, unless the Lender specifically notifies the Borrower otherwise (by written notice specified to be given under this paragraph), all amounts received by the Lender in relation to the Loan shall be applied on account of: *firstly*, interest owing; and *thereafter*, at the Lender's discretion: principal or other amounts owing under or in relation to the Loan or may be held unappropriated in a trust account maintained by or on behalf of the Lender and for such time as the Lender may see fit. The Lender may from time to time revoke or alter any such application and reapply any amount on any other part of the indebtedness. Should any payments or other funds (including cash collateral amounts) in connection with the Loan be held in any trust account maintained by the Lender or on its behalf by its Affiliate, Lanyard Financial Corporation, interest, if any, accruing thereon, from time to time, shall be for the account of the Lender or Lanyard Financial Corporation, as may be agreed between them (and the benefit of this provision shall be held by the Lender for its own account and as agent for and on behalf of Lanyard Financial Corporation and regardless as to whether this Facility Letter is deemed to be terminated or not issued).

f) In the event the principal balance of the Loan is reduced either in accordance with any prepayment provision herein or as permitted by the Lender in its unfettered discretion, the stipulated monthly Loan payment amounts may, at the Lender's sole option (evidenced by written notification to that effect given to the Borrower), be recalculated by the Lender in a manner acceptable to it based on: i) the new principal balance outstanding; ii) the applicable interest rate; and iii) if Loan payments are amortized, the remaining amortization period, and the revised payment amounts shall become effective the first day of the second month following the date of such written notification. Upon receipt of the notification by the Lender, the Borrower will deliver to the Lender a replacement series of post dated cheques for the revised repayment amounts. If no notification is given by the Lender, no payment recalculation shall take place.

g) Should the Lender, for any reason, elect to return any portion or all amounts paid on account of the Set-Up Fee or any other sum remitted to the Lender by the Borrower or on its behalf, the Lender is hereby irrevocably authorized to make such payment to any one or more of the parties comprising the Borrower or Guarantor or to the solicitor(s) that act or have acted for any such Borrower or Guarantor, and any such payment shall be considered to be paid to the Borrower.

h) The Borrower and Guarantor acknowledge and agree that upon acceptance of this Facility Letter, the Lender shall be deemed to have unconditionally earned the Set-Up Fee, representing compensation to the Lender for its efforts in undertaking any one or more of the following matters: miscellaneous due diligence efforts including, without limitation, the instructing of third party professionals, the review and study of documentation, appraisals, credit reports and financial statements, physical inspections, and legal reviews, and for holding monies or arranging or conditionally arranging for monies to be available to fund the Loan; and the Borrower and Guarantor further agree that the determination of the value of these efforts is not feasible and that the Set-Up Fee represents a reasonable estimate of the value of set-up fee compensation due to the Lender for its services. On a joint and several basis, the Borrower and Guarantor agree to pay the Set-Up Fee to the Lender, whether or not, pursuant to the exercise of the Lapse Option or for any other reason (save for a material breach of this Facility Letter by the Lender which breach is not corrected within five Business Days following written notice containing a request to cure), the Loan Amount is advanced in whole, in part or not at all.

i) Each of the Borrower and Guarantor acknowledge that neither the Lender nor any entity associated with or related to the Lender (including, without limitation, Lanyard Financial Corporation ("LF")) has provided it with any mortgage brokerage services or other advice of any sort in connection with the Loan. Furthermore, the Borrower represents and warrants that it has retained its own mortgage broker (Mr. Kyron Jagpal of Integrum Mortgages Inc.) and that there are no other brokers that represent the Borrower in connection with the Loan and that the Borrower will look to said broker for compliance with all relevant legislation related to the provision of loans in the jurisdiction of the Property. The Borrower will be responsible to said broker for any fees charged by it in connection with the Loan and, in this regard, irrevocably authorizes the Lender, at the Lender's option, to pay from the advance of the Loan, on the Borrower's behalf, an amount equal to two percent of the Loan Amount to the aforesaid mortgage broker on account of its brokerage fee (provided, however, should there be a dispute concerning any proposed payment by the Lender of brokerage fees, at the Lender's option, it may pay the disputed amount into Court). The Borrower agrees to indemnify and save harmless the Lender (and if the Lender is a limited partnership, then also its general partner) and their directors, officers, employees and agents, and Affiliates from and against any claim for fees or other amounts claimed by any mortgage broker or other agent claiming to represent, at any time, the Borrower or the Guarantor. Further, the Borrower acknowledges that the Lender may pay LF some or all of the Set-Up Fee to compensate LF for services rendered to the Lender in connection with the origination of the Loan and, as well, that an entity(ies) associated or related to LF may participate in the Loan as a lender.

j) The obligation of the Borrower to make all payments under the Loan Documents shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

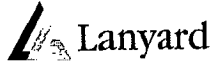


- i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may from time to time have against the Lender or anyone else for any reason whatsoever; or
- ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower; or
- iii) any misdirected payments initiated by or on behalf of the Borrower (howsoever caused) until such payments are actually paid and deemed received by the Lender's payment receipts agent (as duly authorized hereunder) in accordance with the provisions of this Facility Letter.

IV. Advance of Loan Amount. Any advance made by the Lender may be made to a solicitor on behalf of the Borrower on such terms and conditions as the Lender's solicitor may require, which, inter alia, might require compliance by the Borrower or its solicitor with the requirements of any relevant policy of title insurance. Advances will take place normally within a period of approximately five Business Days following the satisfaction (in the unfettered discretion of the Lender) of all conditions precedent to funding/advance or, alternatively, the waiver by the Lender in writing of those specified conditions precedent which have not been so satisfied. The Borrower will proceed expeditiously to: i) do all things necessary so that it can take down the funds as they are made available; and ii. conclude the financing as contemplated hereby. Unless otherwise agreed to by the Lender, all advances on account of the Loan Amount shall take place on a Business Day during the hours of 9 a.m. – 3:30 p.m.

V. Additional Conditions and Terms of Loan. In addition to the conditions and terms previously or elsewhere set out, the following conditions and terms shall at all times apply:

- a) The Borrower shall not, without the prior written consent of the Lender:
 - i) other than the Prior Mortgage and the Subsequent Mortgage, grant or allow any mortgage, lien, charge, privilege, hypothec or other encumbrance, whether fixed or floating, to be registered against or exist on the Property or any personal property of the Borrower;
 - ii) amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change in Control of the Borrower or the Guarantor;
 - iii) other than the Subsequent Mortgage, become guarantor or endorser or otherwise become liable upon any note or other obligation other than in its normal course of business; or
 - iv) transfer, assign or otherwise deal with its interest in the Property or any other collateral for the Loan except as may be authorized in this Facility Letter or otherwise consented to in writing by the Lender;
- b) The Borrower, at the request of the Lender, will promptly swear and deliver to the Lender a statutory declaration concerning such matters as may be requested by the Lender, from time to time, concerning the Borrower, the Guarantor, the Property, the status of the Loan, the Facility Letter and/or such other matters pertaining to the Loan and/or the Facility Letter as the Lender deems appropriate (to the extent the Borrower is a corporation, it will cause its President to provide said statutory declaration; to the extent the Borrower is a limited partnership, it will cause the President of its general partner to provide said statutory declaration). To the extent the Lender or its solicitors, from time to time, require confirmation that the Lender's priority and security position concerning its Security Documents and their validity and enforceability is as contemplated hereby, the Borrower will promptly provide such confirmation in a manner acceptable to the Lender in its discretion or if unable to do so will promptly take such steps as the Lender reasonably requires to cure any deficiency. On request of the Lender, from time to time, the Borrower will (or where the Borrower is a corporation or a limited partnership then the Borrower will cause a senior officer of the Borrower or its general partner (whose identity may be chosen by the Lender)) to provide the Lender with a statutory declaration confirming that no Event of Default exists, or if it does, giving the details of same and the steps, if any, the Borrower intends to take to cure same.
- c) Notwithstanding anything in the Loan Documents to the contrary, the parties agree, and it is a fundamental condition of the Lender entering into this agreement, that to the extent the Lender (or any party comprising the Lender) in connection with Loan Documents or the transactions contemplated hereby or thereby (including enforcement proceedings) is currently or hereafter acting as a nominee or agent for one or more of the following that are not Lender parties to this agreement: undisclosed or disclosed principals, co-lenders, investors or beneficiaries (each of which, as used in this agreement, called a "Principal"), no Principal shall, in any manner, in connection with the Loan or any transactions contemplated hereby or thereby (including enforcement proceedings), be construed as being a partner (or jointly or jointly and severally liable) with any other Principal or with the Lender (which relationship is specifically denied), be liable either in tort, contract or otherwise for any liability whatsoever concerning or in relation to the Loan or any of the Loan Documents (including without limitation for consequential damages howsoever arising), the intent being that the Lender alone, in its personal capacity, shall bear any liability under the Loan Documents, and there shall be no recourse to any Principal. The benefit of this clause shall survive termination of this Facility Letter for whatever reason and is granted to the Lender as nominee and agent for and on behalf of each Principal. In the event the Lender or a party comprising the Lender is a limited partnership then, for the purposes of this clause, each limited partner shall be deemed to be a Principal for the purpose of limiting its liability, to the extent same might exist, and this clause shall, *mutatis mutandis*, be construed accordingly.

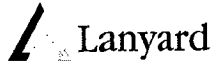


d) Notwithstanding anything herein to the contrary, the parties agree, and it is a fundamental term of the Lender entering into this agreement, that where the Lender is (or in accordance herewith becomes) comprised of more than one person: i) "Lender" as used in this agreement shall mean (at the discretion of the Lender as the context requires or permits) such persons collectively or individually; ii) in all instances the obligations and liabilities of such persons comprising the Lender are separate and not joint or joint and several, and, without limiting the generality of any other provisions in the Loan Documents limiting liability, will, under all circumstance, never exceed their proportionate interest in the Loan (based on loan amounts actually contributed); iii) nothing in the Loan Documents shall be construed as constituting a partnership amongst the persons comprising the Lender, which relationship is specifically denied; iv) the obligations under the Loan Documents of each person comprising the Lender are subject to the further conditions that: 1) all persons comprising the Lender, as well as any Principal, unconditionally deliver their share of the Loan Amount to the Lender's solicitors for funding the Loan and have also waived all conditions to funding applicable to it; and 2) all persons comprising the Lender, as well as any Principal, negotiate and execute a form of Interlender Agreement to their sole satisfaction; v) no person comprising the Lender shall bear any responsibility or incur any liability whatsoever as a result of a failure of, or a default by, another person comprising the Lender or by a Principal, in relation to an obligation under the Loan Documents, failing to waive or declare satisfied any condition precedent in its favour, or failing to otherwise perform any of its obligations in relation to the proposed transaction contemplated herein; and vi) save as may otherwise be expressly provided for herein, following the funding of the Loan, none of the parties so comprising the Lender shall be the agent of the other and all such parties must sign this Facility Letter in order that it be enforceable against any other party comprising the Lender.

e) The Borrower and Guarantor authorize the Lender and its Affiliates to include references to the Loan in the Lender's promotional materials and if the Property is a development property, to erect and maintain (at the Lender's cost) signage on the Property indicating that the Lender has provided financing to, or an Affiliate thereof has arranged financing for, the Borrower.

f) The Borrower and Guarantor irrevocably authorize the Lender to collect from, divulge to or communicate with third parties (including its consultants and advisors, credit reporting agencies, prospective or actual co-lenders, limited partners, Principals, prospective or actual assignees or acquirers of the Lender's interest (or portion thereof) in the Loan or the Loan Documents, prospective acquirers of an interest in the Property, other past, present, and/or future creditors of, or consultants, brokers or advisors to, either the Borrower or the Guarantor, and any parties to any of the Material Documents), all information of whatsoever nature (including personal information pertaining to them) from time to time possessed by it, or concerning or related to the Borrower, the Guarantor, the Loan, and/or the status of the Loan, and the Lender shall have no liability whatsoever with respect to same. Without limiting the generality of the foregoing, the Borrower and the Guarantor expressly consent to all personal information concerning them being obtained, used and disclosed by the Lender and its Affiliates and associates pursuant to the Lender's Privacy Policy which is at <https://www.lanyardgroup.com/privacy-policy/> and further acknowledge that the terms thereof are in addition to, and do not limit the terms of this paragraph.

g) By execution of this Facility Letter, the Borrower and Guarantor agree to indemnify and save harmless the Lender (and if the Lender is a limited partnership, then also its general partner) and their directors, officers, employees, agents, and Affiliates for any loss or damage (including, without limitation, the incurring of any legal fees or disbursements related thereto) suffered or incurred by any of them, regardless as to when such loss or damage arises and even after repayment of the Loan and discharge of the Security Documents, due to any misrepresentation by either the Borrower or Guarantor in relation to any of the Loan Documents or due to the breach by any of them of any terms or conditions of any of the Loan Documents or due to the existence of any Potential Prior-Ranking Claim (each, an "indemnified event"), and it is further agreed that, unless waived by the Lender in writing, until all the Security Documents have been: (i) executed; and (ii) where appropriate, registered; and (iii) unconditionally delivered to the Lender; and (iv) the Loan Amount advanced; the Borrower and Guarantor, as additional security, hereby mortgage, charge and grant to the Lender a security interest in all of their present and after-acquired personal property (other than consumer goods) as security for such indemnity and all other covenants, obligations, agreements or indemnities of the Borrower and Guarantor under this agreement. The Borrower and Guarantor waive all rights to receive from the Lender a copy of any financing statement, financing change statement, or verification statement (or similar documents) filed at any time in respect of the security interests granted herein. The payment of any indemnification or other amount to the Lender shall not limit or impair the Lender's right to terminate any of its obligations under this agreement. Notwithstanding the foregoing, at the option of the Lender, exercised by written notice specifically stated to be given pursuant to this paragraph, in instances where the indemnified event occurs prior to the initial funding of any of the Loan Amount and the Lender does not, as contemplated herein, fund the Loan Amount, the Lender, instead of relying on the foregoing indemnity contained in this paragraph, may elect to be paid by the Borrower and/or Guarantor, as liquidated damages, the following amounts: i) the Set-Up Fee (or balance thereof) owing; ii. all amounts owing under Part VI of Schedule "A"; and iii) an amount for forgone interest equal to A minus B, where A is equal to the minimum interest that would have accrued on the Loan Amount had the Loan funded, for the period commencing from - at the option of the Lender - either the date the Lender forwarded funds for the Loan advance to its solicitor or the date the Lender gives notice of the exercise of this liquidated damages option, to and until the Minimum Interest Date, and B is equal to the amount of interest that would be payable on a non-redeemable GIC issued by the Royal Bank of Canada on the Loan Amount for a term equal (or nearest equivalent) to the period utilized in calculating A above. In this regard, it is acknowledged that the occurrence of an indemnified event (which contributes to the non funding of the Loan) will cause the Lender economic loss and damages of types and amounts which are



impossible to compute and ascertain with certainty as a basis for recovery and that, in such circumstance, liquidated damages represent a fair, reasonable and appropriate estimate thereof. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty, and the Borrower and Guarantor shall pay them to Lender without limiting or impairing the Lender's right to terminate its obligations under this agreement. The obligations of the Borrower and Guarantor under this paragraph are joint and several. The benefit of this paragraph shall survive termination of this Facility Letter for whatever reason and is granted to the Lender on its account and as nominee and agent for and on behalf of any Principal and, where applicable, the general partner, and any director, officer, employee or agent of the foregoing.

h) Without limiting the generality of any other provision of this agreement, it is a fundamental term of the Lender entering into this Facility Letter that the Lender, any Principal, and Lanyard Financial Corporation (and any director, officer, employee and agent of any of the foregoing) shall not, in any manner in connection with the Loan Documents or the transactions contemplated hereby or thereby (including enforcement proceedings in relation to the Security Documents or otherwise), be liable either in tort, contract or otherwise for any liability whatsoever (including without limitation for consequential damages howsoever arising), except, in the case of the Lender, for an amount not in excess of the Set-Up Fee actually paid to and received by the Lender and not previously returned by it. The benefit of this clause shall survive termination of this Facility Letter for whatever reason and shall be held by the Lender for its own account and also as agent and nominee for the other persons entitled to benefit therefrom.

i) Neither the Borrower nor the Guarantor will do or omit to do anything that will constitute an Event of Default or otherwise permit an Event of Default to exist.

j) To the extent there are improvements situate on the Property, the Borrower agrees to maintain the improvements in the same or better condition as of the date of the Lender's inspection (to occur prior to funding) and, additionally, if used (or intended to be used), in a reasonable condition for the current (or intended) use;

k) The Borrower and Guarantor covenant and agree that all conditions precedent (including those set out in Schedules "A" and "B") to the Lender's obligations under this Facility Letter that are capable of being satisfied or performed (or caused to be satisfied or performed) by the Borrower or the Guarantor, will be promptly satisfied or performed and, in any event, prior to the Lender's proposed date of advance or sooner, if otherwise required herein.

l) As a matter of convenience, this Facility Letter may be delivered for execution to the Borrower and Guarantor prior to the execution and delivery by the Lender and, in fact, prior to the approval of this form of Facility Letter by the Lender's credit committee. Notwithstanding any such conduct (or other conduct) by or on behalf of the Lender, the Lender's obligations under or in relation to this Facility Letter shall only arise once the Lender, in its discretion, signs this Facility Letter and delivers it unconditionally to the Borrower. If this Facility Letter has been executed and delivered by the Borrower and Guarantor and then delivered to the Lender for its subsequent approval and execution, such parties who have so executed and delivered the Facility Letter will not endeavour to revoke or rescind same without having given the Lender at least four Business Days' written notice during which time the Facility Letter shall be deemed an irrevocable offer of the parties who have so signed that is capable of acceptance by the Lender; and if the acceptance of the Facility Letter is communicated to the Borrower within that four Business Day period, the Facility Letter shall be binding on the parties that have signed it or a counterpart thereof.

m) This Facility Letter may be executed in counterparts and may be executed and delivered via facsimile or other electronic transmission, which counterparts, and facsimile or electronically transmitted copies shall together constitute one and the same Facility Letter with the same effect as if originally executed and delivered. Time shall be of the essence for all obligations of the Borrower and the Guarantor under this Facility Letter.

n) This Facility Letter, as well as all other Loan Documents entered into pursuant hereto, have been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of the Loan Documents.

o) The Borrower and Guarantor agree that they will not claim that the Lender, Lanyard Financial Corporation, or Lanyard Investments Inc. or any of their Affiliates has rendered advisory services of any nature or owes a fiduciary or similar duty to the Borrower or the Guarantor in connection with the Loan, other than as explicitly set out in law.

p) All headings or titles used herein are for reference only and are not to be used in the interpretation of the terms hereof.

q) Unless expressly provided otherwise, the obligations and liabilities of the Borrower and the Guarantor under this Facility Letter (including, without limitation, all indemnification obligations) shall survive the repayment of the Loan, discharge of the Security Documents and termination of this Facility Letter, save and except where such termination is in writing and specifically stated to extinguish such obligations and liabilities.

r) The Borrower and, as applicable, the Guarantor, will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the Lender may reasonably request for the purpose of giving effect to the Loan Documents, including, without limitation, execution and delivery of such agreements as the Lender may require to perfect or better evidence the Security Documents.



- s) Wherever the singular or masculine are used herein, the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or parties so require. To assist in construing this document, where the definition of Borrower or the definition of Guarantor as used herein includes more than one entity, it shall in relation to each instance where same appears in this Facility Letter, at the discretion of the Lender, mean either all such entities collectively and/or one or more such entities individually. Notwithstanding anything herein to the contrary, where the Borrower is comprised of more than one entity, the obligations of those entities hereunder and under the Security Documents shall be joint and several. In this Facility Letter: (i) an "entity" includes an individual; and (ii) a "person" has the meaning assigned to that term in the Interpretation Act of British Columbia (or its successor legislation).
- t) The rights, remedies and powers conferred by this Facility Letter are in addition to, and not in substitution for, any other rights, remedies or powers the Lender may have under any of the Security Documents, at law, in equity or by or under any other statute. The Lender may exercise any of its rights, remedies or powers separately or in combination and at any time. No right, remedy or power of the Lender shall be exclusive of or dependent on any other.
- u) This Facility Letter constitutes the entire agreement between the parties and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the parties with respect to the subject matter of this agreement. No director, officer, employee or agent of the Lender, Lanyard Financial Corporation, or Lanyard Investments Inc. or any of their Affiliates has any authority to make any representation or promise not contained in this Facility Letter, and each of the Borrower and any Guarantor agrees that it has executed this Facility Letter without reliance on any such representation or promise.
- v) This Facility Letter is governed by and shall be construed in accordance with the laws of the Province of British Columbia and the Federal laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower or the Guarantor may be found. The Borrower and the Guarantor hereby irrevocably attorn to the non-exclusive jurisdiction of the Courts of the Province of British Columbia. Without limiting the right of the Lender to serve or deliver demands and legal process in any other manner, all demands and legal process may be served upon or delivered to the Borrower and the Guarantor by delivery, facsimile transmission or email to its address or number as set out in the Facility Letter.
- w) The Borrower and the Guarantor acknowledge and agree that where the Lender is a limited partnership, to the extent any of the Security Documents or other documentation relating to the Loan makes reference to the general partner, unless otherwise notified by the Lender in writing, the reference to the general partner will be to it in its capacity as general partner of the limited partnership, and not to it in its own right. Furthermore, to the extent such general partner is replaced by another general partner, its liability in respect of this Facility Letter and under any of the Security Documents shall cease.
- x) In circumstances where the Lender is comprised of more than one person (and notwithstanding any actual or ostensible holding-out by any person to the contrary) no one such person shall be authorized to grant any waivers hereunder or otherwise amend or vary the Loan Documents on behalf of another and each such person comprising the Lender shall be required itself, in writing, to personally effect any of the foregoing.
- y) Wherever in the Loan Documents or any other agreement or document delivered to, or entered into with the Lender, pursuant or in connection hereto or thereto, any consent, permission, approval, judgement, discretion, opinion, determination or similar matter is required or contemplated to be made or given or exercised by the Lender or its solicitor, agent or consultant, the Lender or its solicitor, agent or consultant, may make or refrain from making or giving or exercising same as it in its sole and unfettered discretion decides and whenever in such agreements or documents something is to be to the satisfaction of either the Lender or its solicitor, agent or consultant (or words of similar import), same must be to their satisfaction in their sole and unfettered opinion. Furthermore, to the greatest extent permissible at law, the rights of the Lender under the Loan Documents and other such related documents and agreements shall not be restricted by doctrines of good faith dealings.
- z) The Lender may exercise any of its rights, remedies or powers under the Loan Documents separately or in combination and at any time. No right, remedy or power of the Lender shall be exclusive of or dependent on any other. The terms of this Facility Letter shall survive the delivery and registration of the Security Documents and there shall be no merger of those terms in this Facility Letter. The Borrower consents to the Lender delivering notices, as the Lender may deem appropriate or advisable, to any holder of a prior registered mortgage or charge, of the Lender's mortgage(s) or charge(s) so that subsequent advances under any such prior registered mortgage or charge rank in priority after the Lender's mortgage or charge including notice under Section 28 of the Property Law Act (BC) or any similar legislation.
- aa) It shall be a further condition precedent to the Lender's obligations hereunder that the Lender has received and approved (in its sole and unfettered discretion) the following:
- i) Security Documents completed and, where necessary, registered in form and manner satisfactory to the Lender's solicitors with such solicitor having received satisfactory responses to all searches and enquiries of Governmental Authorities or otherwise conducted by it;



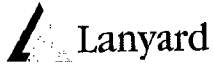
- ii) Officer's bringdown certificate and such other confirmation required by the Lender or its solicitor that all representations and warranties of the Borrower and the Guarantor under the Loan Documents were accurate in all respects when made and remain accurate in all respects as at the date of each advance under any of the Loan Documents;
- iii) Confirmation that the Borrower is the registered and beneficial owner of the Property and has good and marketable title in and to the Property and, as well, in and to any related personal property, chattels and assets represented to be owned by it, subject only to permitted encumbrances (including, without limitation, location and dimensions of easements/rights-of-way), if any, expressly consented to in writing by the Lender;
- iv) Statutory declaration of each individual (if any) comprising the Borrower and of a senior officer of each corporate party (if any) comprising the Borrower confirming: (i) that the representations and warranties set out in this Facility Letter are accurate, that all agreements of the Borrower and the Guarantor set out in this Facility Letter have been performed and that no Event of Default has occurred; (ii) if an assignment and postponement of claims is required as a Security Document, the nature, if any, of all non-arm's-length indebtedness of the Borrower to the Guarantor or to persons dealing on a non-arm's-length basis with the Borrower or the Guarantor; and (iii) the full details of any legal, arbitral (or like) proceedings, awards, or judgments involving or rendered against the Borrower and the Guarantor for the past three years and whether any awards or judgments are unsatisfied;
- v) Statutory declaration of each individual (if any) comprising the Borrower and of a senior officer of each corporate party (if any) comprising the Borrower, that such Borrower is not a non-resident within the meaning of the ITA and will not become a non-resident under the ITA until the Loan has been repaid in full (to the extent a party comprising the Borrower is a limited partnership, it will cause a senior officer of its general partner to provide said statutory declaration);
- vi) In the event the funding of the Loan is in relation to a proposed acquisition, written confirmation from the Borrower of the proposed closing date, given no earlier than ten Business Days and no later than five Business Days prior to the proposed closing date and sent to the Lender, marked "To the attention of the President - Urgent";
- vii) If the Property (or any portion thereof) is located outside of B.C. and the Lender (or a party comprising the Lender) is a limited partnership, confirmation of the extra-provincial registration of the Lender as a limited partnership in each such jurisdiction;
- viii) Confirmation from the Lender's solicitor at each occurrence of the Lender advancing a portion of the Loan, that the Lender's rights and priorities under the Security Documents shall be as contemplated hereunder and thereunder;
- ix) Such documentation as may be requested by the Lender from time to time to confirm that the Borrower and the use of the Property are in compliance with all Legal Requirements; and
- x) Where there is one or more Principal, written confirmation from them that they are satisfied with the terms and security for the Loan contemplated hereby and by the Security Documents.

bb) It shall be a condition precedent to the Lender's obligations hereunder that the Lender has been provided by the Borrower with the name and contact information of a solicitor in good standing with the relevant Law Society where the Property is located who has been authorized by the Borrower to: i) conclude on its behalf the financing transaction; and ii) handle on its behalf all other transactions contemplated hereby.

cc) The Borrower will provide, and the Guarantor will cause the Borrower to provide, a statutory declaration(s) confirming the Canadian residency status under the ITA of each party comprising the Borrower in the form described above in paragraph aa) v) of this Part V, forthwith upon request by the Lender at any time and from time to time. The Borrower and the Guarantor will indemnify and save harmless the Lender (and if the Lender is a limited partnership, then also its general partner) and their directors, officers, employees, agents, and Affiliates for any loss, costs, expenses or damage (including, without limitation, the incurring of any legal or other fees or disbursements related thereto) suffered or incurred by any of them, regardless as to when such loss, costs, expenses or damage arise, due to the Borrower's or Guarantor's failure to cause to be delivered said statutory declaration(s) forthwith upon request by the Lender.

dd) Unless otherwise instructed by the Lender or unless otherwise expressly prohibited by the terms of this agreement, following the funding of the Loan, the Borrower shall direct to Lanyard Financial Corporation (to the attention of the President and marked "urgent"), as agent for the Lender, all payments, correspondence, communications, notices, statements and reports, requests for further advances and, save as otherwise expressly prohibited by the terms hereof, deal with Lanyard Financial Corporation, in such agency capacity, on all other matters relating to the Loan and the Security Documents.

VI. Legal and Other Charges. The Borrower and Guarantor covenant and agree, on a joint and several basis, to pay and/or reimburse the Lender, from time to time, the following (whether incurred in relation to the Application Letter or the Loan Documents):



- a) \$500 as an agreed sum on account of the Lender's expenses related to each site inspection of the Property (as contemplated under this Facility Letter or otherwise deemed necessary by the Lender);
- b) all legal fees and disbursements in respect of the Loan, the preparation and issuance of the Loan Documents and Interlender Agreement (if any), the establishment of the Lender as a limited partnership (if so applicable), any matter which any party comprising the Borrower or Guarantor asks the Lender to consider in connection with the Loan, and the enforcement and preservation of the Lender's rights and remedies in relation to the Loan and the Loan Documents;
- c) all fees, costs and expenses of any type required to be paid by the Borrower or Guarantor under the terms of any of the Loan Documents; and
- d) all third party or Lender out of pocket expenses for work or services in relation to the Loan and the Loan Documents, which the Lender deems necessary or advisable from time to time (in its discretion), including without limitation, fees and disbursements for valuations, inspections, insurance reviews, engineering consultation, credit reporting, wire/bank charges, insurance premiums, other professional consultations, and responding to demands of any government or agency or department thereof;

whether or not the Loan Documents are completed, the conditions precedent herein are satisfied or waived or any funds are advanced under the Loan. The obligation of the Borrower and Guarantor under this paragraph VI shall survive the repayment of the Loan and the discharge of the Security Documents.

VII. Non-Merger and Assignment. The terms and conditions of this Facility Letter shall not be merged by and shall survive the execution of the Security Documents. In the event of a conflict between the terms of this Facility Letter and the terms of the Security Documents, the Lender (at its discretion) shall determine which terms shall prevail. The benefits conferred by this Facility Letter shall enure to the benefit of the Lender and its successors and assigns but may not be assigned by the Borrower or the Guarantor. The Lender (and where the Lender is comprised of more than one party, either or all) may assign some or all of its rights: (i) to the Loan; and (ii) under some or all of the Loan Documents without the consent of, or notice to the Borrower or the Guarantor and, upon an assignment by a Lender of all of its rights in the Loan and under specified, assigned Loan Documents, without further act or formality, such assignor shall for all purposes have no liability in respect of or in connection with this Loan or any of the Loan Documents and the assignee shall enjoy all the benefits and advantages in relation to the Loan and the Loan Documents assigned to it; provided, however, that the assignor, following such assignment, shall, nevertheless, continue to benefit from those advantages and rights (such as, for example, indemnities from the Borrower or Guarantor and limitations as to liability) contained in: (i) this Facility Letter; and (ii) other Loan Documents that are not specifically assigned, if any. Within five Business Days of the Lender's request, the Borrower and Guarantor will execute and return to the Lender any documents provided by the Lender which are solely for the purpose of either syndicating or assigning the Loan (in whole or in part) amongst, or to, other lenders. Without limiting the generality of the foregoing, it is acknowledged that the Lender may seek Syndication Lender(s) to participate with it, pursuant to a certain proposed Interlender Agreement, to collectively become the Lender hereunder. Upon the Lender giving notice to the Borrower and Guarantor hereunder as to the identity and loan commitment of the relevant Syndication Lender(s), this Facility Letter will promptly be modified in a manner acceptable to the Lender's legal counsel so that, *inter alia*, the definition of Lender includes each Syndication Lender, and so that any other consequential changes reasonably required by such legal counsel might be made.

VIII. Waiver, Variation or Satisfaction. The permitting of, waiver of, or the acquiescence in the non-performance or non-observance of, or the extension of time for the performance of any of the covenants, agreements, stipulations, terms, conditions or provisos in any of the Loan Documents, expressed or implied, or the acceptance by the Lender of any payment subsequent to any default, shall not be or constitute any waiver by the Lender of or cure of any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Lender, save only by express agreement signed by Lender's duly authorized officer. Without limiting the generality of the foregoing, any waiver or amendment to the Loan Documents and any consent or approval to be given hereunder must, unless otherwise expressly provided to the contrary, be in writing and signed by a duly authorized officer of the Lender. Any amendment to the Loan Documents agreed to by the Borrower, without any further act or formality, shall be deemed also to be agreed to by the Guarantor who hereby irrevocably authorizes the Borrower to act as its agent for the purpose of making such amendments on behalf of the Guarantor. The Borrower and Guarantor agree to pay the Lender a re-underwriting processing fee of \$2,500 for each: i) condition precedent, or ii) item comprising the Security Documents, waived or modified (in the sole discretion of the Lender) at the request of the Borrower. The Borrower irrevocably consents to the Lender deducting such fees from the Loan advance or, at the Lender's discretion, capitalizing same to the Loan.

IX. Late Delivery or Exercise of Option. Without limiting the generality of the preceding Part VIII, in the event that any notice, request, demand or document required to be delivered or any option required to be exercised or any obligation required to be performed under any Loan Document is not delivered, exercised or performed by the Borrower or Guarantor (as applicable) within the timeframe specified in the applicable Loan Document, the Lender reserves the right, at its sole discretion, to accept such late delivery, exercise or performance or to extend in writing the required date(s) for delivery, exercise or performance without prejudice to its other rights or remedies under the Loan Documents and without any further act or formality (including without



limitation obtaining the consent of any Guarantor). The Lender's acceptance of late delivery, exercise or performance or the Lender's extension of any required date(s) for delivery, exercise or performance on one occasion shall not create an obligation to accept late delivery, exercise or performance or create an obligation to grant an extension on any subsequent occasion, nor shall it be construed as a waiver of the Lender's rights to insist upon and enforce strict compliance with the terms of the Loan Documents in the future.

X. Conditions Precedent. All conditions precedent contained in this Facility Letter shall, unless otherwise provided, be for the sole benefit of the Lender and may, in whole or part, be waived by it in its discretion. Without limiting the generality of the foregoing: i) notwithstanding any course of conduct amongst the parties, at the option of the Lender, any condition precedent contained in this Facility Letter shall be capable of being relied on by the Lender as not having been waived, unless the waiver of same is evidenced in writing by the Lender; and ii) the issuance of this Facility Letter after the delivery of miscellaneous due diligence information or after miscellaneous due diligence activities by the Lender or its solicitor shall not give rise to the presumption that the Lender is satisfied with same.

XI. Invalidity or Unenforceability. If the provisions of any section of this Facility Letter or of any of the Security Documents or other agreements delivered by the Borrower or the Guarantor shall be held to be unenforceable or otherwise invalid, the holding shall not in any way affect the enforceability or validity of the remaining sections of this Facility Letter, the Security Documents or other agreements. If any of the foregoing documents or agreements are, or become, invalid or unenforceable as against some but not all of the persons or entities comprising the Borrower and the Guarantor, same shall remain (to the greatest extent permissible at law) valid and enforceable as against the remaining parties.

XII. Force Majeure. The Lender's failure or delay in the performance of any term or condition of any Loan Document as a result of circumstances or conditions beyond its reasonable control or, alternatively, occurring without its wilful intent (including, without limitation, Acts of God, government mandates or orders or restrictions, labour disturbances affecting government registry offices, bank failure or delay in processing or clearing funds, insurrection, civil commotion or disorder, acts of war or terrorism or the serious threat of same, outbreak of infectious disease or any other public health crisis including quarantine or other employee restrictions, failure of proposed or actual co-lenders, limited partners, Principals, or other funding sources to meet their funding undertakings or obligations in relation to the Loan, damage or destruction or breakdown of any telecommunication or network facilities or servers, and failure of agents or consultants (including legal counsel) to substantially meet their performance obligations to the Lender in connection with the Loan or its proposed funding), shall not be deemed a breach of this Facility Letter or the Security Documents, as the case may be, and the Lender (and its directors, officers, employees and agents) shall have no liability in relation thereto.

XIII. Notice. Unless otherwise directed by the Lender or by Lanyard Financial Corporation, its appointed administrator, any demand, request or notice to be given under or in relation to or in connection with this Facility Letter shall be in writing and, if given to the Lender, shall be given by prepaid registered mail addressed to the address of the Lender's administrator, Lanyard Financial Corporation, at its then head office address in Vancouver B.C. and if given to the Borrower and/or the Guarantor, may be given by the Lender or Lanyard Financial Corporation, as administrator on behalf of the Lender, to any applicable address, fax number or email address either appearing in any of the Loan Documents or provided in accordance with this Facility Letter (or, to such other address in Canada, fax number or email addresses as the relevant party may advise by notice in accordance herewith). The Borrower must verify the authenticity and issuance of any written notice purporting to change a payment instruction. Any demand, request, or notice shall be deemed to have been received by the party to whom it is addressed upon delivery, if delivered and when transmitted, if (in accordance herewith) sent by facsimile or email transmission. The Guarantor irrevocably appoints the Borrower a non-exclusive agent for receipt of all demands, requests or notices to be given under or pursuant to the terms of any of the Loan Documents. The Borrower and Guarantor, until the first advance of the Loan, appoint the Borrower's mortgage broker (as set out in paragraph III i) of this Schedule A) as a non-exclusive agent for receipt of delivery of this Facility Letter and all documents, requests, if any, or notices to be given under or pursuant to the terms of this Facility Letter.

XIV. Amendments or Modifications to Security. The Lender in its discretion, and at any time or times, may release any part or parts of the Property or any covenant or covenants in this Facility Letter or in any of the Security Documents contained or any security for the Loan or any other amount(s) secured by any of the Security Documents, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender and without thereby releasing any other part of the Property or any of the other covenants in any of the Security Documents contained, or any other security for the monies or any part thereof secured by any of the Security Documents and may by extension or other agreement from time to time alter or agree with the Borrower to alter the terms of payment of all or any part of the monies secured by any of the Security Documents, the rate of interest to be charged or any other terms, provisos or conditions thereof, and no such agreement or alteration shall affect any other liability of the Borrower or the Guarantor under or in respect of this Facility Letter or the Security Documents.



XV. Maximum Rate. Notwithstanding the fees and interest payable under this Facility Letter, and notwithstanding any other terms or conditions of the Loan Documents or any other agreements executed in favour of the Lender, in no event shall the payment to the Lender for interest, fees or otherwise, exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada) or successor sections ("Section 347"). The interest payable on the credit advanced under the Loan (as interest and credit advanced are defined in Section 347) shall not exceed the maximum rate permitted by law calculated in accordance with generally accepted accounting and actuarial practices and principles. In the event that the Borrower would, but for this clause, be obligated to pay interest on the credit advanced under this Facility Letter at a criminal rate (as interest, credit advanced and criminal rate are defined in Section 347), the interest payable on the credit advanced hereunder shall be reduced to the maximum rate permitted by law, calculated in accordance with generally accepted accounting and actuarial practices and principles, firstly by reducing to the extent necessary the amount of any fees or other compensation or consideration other than interest payable under this Facility Letter, and secondly (if required) by reducing to the extent necessary the interest rate. In the event that the Borrower has paid to the Lender interest at a criminal rate on the credit advanced under the Loan (as interest, credit advanced and criminal rate are defined in Section 347), the Lender shall, at the request of the Borrower, refund to the Borrower an amount equal to the amount by which such interest received by the Lender exceeds the criminal rate. The provisions of this Facility Letter and the Security Documents shall be modified and are deemed to be modified to the extent necessary to effect the foregoing.



SCHEDULE "B" TO FACILITY LETTER

Conditions Precedent

Part One:

It shall be a condition precedent to the Lender's obligations under the Facility Letter that it has received and approved of, in form and substance satisfactory to the Lender in its sole and unfettered discretion, the following:

- a) For each party comprising the Borrower and Guarantor that is not an individual, management prepared financial statements for the past two years;
- b) For each party comprising the Guarantor that is an individual, signed, current dated Statement of Net Worth;
- c) For each party comprising the Borrower and Guarantor, 2023 Income Tax Notice of Assessment and confirmation that any outstanding taxes have been paid;
- d) For each party comprising the Borrower and Guarantor, credit agency reports and, if required by the Lender, court registry search reports;
- e) Current rent roll for the Primary Units (disclosing the existence of any renewal rights, rights of refusal, or options to lease or purchase);
- f) 2023 operating statement and 2024 proforma operating statement for the Primary Units;
- g) Stage I environmental site assessment for the Primary Units and, if requested by the Lender, a letter of transmittal to the Lender from the author authorizing the Lender's use of and reliance on the assessment by the Lender for mortgage financing purposes;
- h) All commercial leases with respect to the Primary Units and, if requested by the Lender, estoppel certificates from each tenant and postponement and/or attornment agreements (as determined by the Lender) from each tenant;
- i) Copies of any Material Documents;
- j) Series of post-dated cheques of the Borrower made payable to "Lanyard Financial Corp. – in trust" in the amounts specified in paragraph 6 on account of the monthly Loan payment due on the first day of each month commencing October 1, 2024 to and including August 1, 2025 (Lanyard Financial Corp. being the Lender's payment receipts agent);
- k) Appraisal(s) prepared by an AACI accredited appraiser approved by the Lender confirming the aggregate current fair market value for the Primary Units is no less than \$14,260,000 (the "Appraisals"). The Appraisals shall be addressed to the Lender (or accompanied by a letter of transmittal to the Lender), which amongst other things shall consent to the Lender's use of and reliance on the Appraisals for mortgage financing purposes;
- l) Site inspection of the Property by the Lender's representatives;
- m) Confirmation of Borrower's income or financial assets sufficient to service payments on the Loan during its term;
- n) Confirmation that there are no tenant improvement allowance payment obligations, other inducements, or similar obligations (including rent free or rent discounted periods and the like) of any sort owed in relation to the Primary Units;
- o) Copy of Subsequent Mortgage;
- p) Copy of the Prior Mortgage;
- q) Ownership chart for the non-individual parties comprising the Borrower and Guarantor;
- r) Confirmation that property taxes, rates, levies, and other amounts capable of forming a charge on the Property are current;
- s) Schedule of uses of funds for the Loan proceeds;
- t) Confirmation of all strata/condominium fees and assessments for the Property having been paid and confirmation that no monies are due or assessments pending to the Property's strata/condominium corporation (to be delivered to the Lender's solicitor);
- u) Confirmation of parking, storage, bicycle, and other designated common area rights for each unit comprising the Property;
- v) Copy of most recent depreciation report for Property's strata/condominium corporation or evidence of waiver of same by strata/condominium corporation;
- w) Copy of bylaws of the Property's strata/condominium corporation and, for the past 12 months, all the meeting minutes of the strata/condominium corporation and the strata council/ board of directors of the strata/condominium corporation, as applicable;
- x) Certificate of Insurance from the Property's strata/condominium corporation evidencing building replacement cost coverage and minimum \$5,000,000 liability coverage in the name of the strata/condominium corporation;
- y) Confirmation to the Lender's solicitor that notice has been provided to the Property's strata/condominium corporation that the Lender will be holding a mortgage charge registered against the Property;
- z) Statements and certificates issued by the Property's strata/condominium corporation confirming those matters which may be requested pursuant to relevant strata/condominium legislation;
- aa) If this is a Commercial Loan, statutory declaration from a senior officer of each corporate party comprising the Borrower that each such corporate party is current with respect to its employee source deductions and payment obligations and the payment or discharge of any other obligations where failure to do so could result in a Potential Prior-Ranking Claim and, if requested by the Lender, written confirmation from each corporate Borrower's third party, external accountant, addressed to the Lender, confirming the foregoing for each;

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- bb) Results of due diligence investigations of the Borrower conducted pursuant to the Proceeds of Crime Money Laundering and Terrorist Financing Act (Canada) and Regulations and receipt by Lender of its prescribed form of anti-money laundering/anti-terrorist financing Disclosure/Certification documentation (collectively, the "AML materials"). The Borrower's solicitor may request the prescribed form of AML materials from the Lender's solicitor at any time;
- cc) Confirmation of the appropriate zoning of the Property for its current use;
- dd) Irrevocable Appointment of Agent for Service, naming 786SD Estate Ltd., at the option of the Lender, as an alternative agent for service for Pawandeep Dhunna and Sonia Dhunna for all notices, legal proceedings or legal process in connection with the Loan or the Loan Documents;
- ee) Confirmation from the Lender's insurance consultant that the Borrower's insurance policies related to the Property meet the Insurance Requirements (evidence of insurance coverage is to be provided by the Borrower to the Lender at least five days prior to the initial advance);
- ff) Contact information for the Borrower's solicitor and for each of the parties comprising the Borrower and Guarantor including for each: telephone number and email, and, for non-individuals, also the name of the principal contact;
- gg) Confirmation of the capacity and authority of the Borrower and Guarantor to enter into the Security Documents, and that they are accurately described herein and therein; and
- hh) Such other assurances, documents, and materials (including, without limitation, comprehensive title reviews and/or opinions, registrations, and filings) as may be required by the Lender or its solicitor.

Part Two:

The Borrower acknowledges its request that this Facility Letter be issued prior to completion of: (i) Lender's customary, preliminary due diligence and underwriting procedures; and (ii) the identification of prospective lenders for the syndication of the Loan (all to the satisfaction of the Lender). Accordingly, it is agreed that the Lender's obligations hereunder are further subject to the following condition precedent (the "D/C Condition"): the Board of Directors and Credit Committee of the Lender (or if the Lender is comprised of more than one party, the Board of Directors and Credit Committees of each party then comprising the Lender) shall, in their unfettered discretion, each pass a resolution to confirm their approval of the issuance of this Facility Letter by 11:59 p.m. (Vancouver time) on that date (the "D/C Condition Removal Date") ten Business Days following the day on which the Lender has received: (i) the duly executed copy of this Facility Letter signed by the Borrower and the Guarantor, (ii) final version of the Appraisal and letter of transmittal therefor; (iii) all financial statements, personal net worth statements, Notices of Assessment, credit reports, and AML materials required pursuant to Part One of this Schedule "B"; (iv) written confirmation from CIBC (the current mortgagee on the Property) of the amount required (the "Payout Amount") to discharge its security from the Property and any related personal property upon receipt of the Payout Amount (which shall not be more than the anticipated net proceeds of the Loan); and (v) payment of the amount set out in paragraph 15 of the main body of this Facility Letter. The D/C Condition is for the sole benefit of the Lender and unless it is waived or declared fulfilled, in either case, by written notice given by the Lender to the Borrower on or before the D/C Condition Removal Date (and specifically stated to be given in respect to the D/C Condition), this Facility Letter (except for this paragraph) will be deemed not to have been issued and all monies paid hereunder shall be returned to the Borrower less the following amounts: 1. a work fee of \$nil, which is hereby agreed to have been earned by the Lender; and 2. all legal and other expenses of the Lender pursuant to paragraph VI of the Schedule "A", provided, however, that should an Event of Default occur on or prior to the earlier of: i) the waiver or satisfaction of the D/C Condition, and ii) the D/C Condition Removal Date, the Set-Up Fee shall be immediately due and payable to the Lender (and all monies previously paid on account of same shall be forfeited to the Lender), all on account of liquidated damages (the Borrower hereby confirms that said liquidated damages is a reasonable pre-estimate of damages that would be suffered by the Lender due to the non-funding of the Loan). It is specifically acknowledged and agreed that the D/C Condition is in addition to, and not in substitution for, any other condition precedent contained in this Facility Letter for the benefit of the Lender. The waiver or declaration of fulfilment of the D/C Condition shall have no effect on any other conditions herein contained nor shall it be deemed to be a waiver of any Event of Default. For purposes of this paragraph, the funding of the Loan will be deemed a written waiver of the D/C Condition notwithstanding anything hereinbefore provided.

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SCHEDULE "C" TO FACILITY LETTER

Wiring Instructions - Lender's Payment Receipts Agent



CIBC COMMERCIAL BANKING

400 Burrard Street, 7th Floor
Vancouver, B.C. Canada
V6C 3A6

Date: December 21, 2023

We proudly confirm the following bank details account for our client LANYARD FINANCIAL CORPORATION

For Payments in Canadian Dollars:	
Beneficiary Bank:	CIBC - CANADIAN IMPERIAL BANK OF COMMERCE
Institution number:	0010
Branch Transit number:	00010
Account number:	2064111
Bank SWIFT code:	CIBCCATT
Bank address:	400 Burrard Street, Vancouver, BC V6C 3A6
Beneficiary address:	701-601 WEST BROADWAY, VANCOUVER, BC, V5Z 4C2

- Preferred option for straight through processing (automated)
 - In the beneficiary bank field (F57 of the MT103) include our clearing code //CC0010+ Five-digit transit. (i.e. //CC001000010)
 - In the beneficiary account field (F59 of the MT103) include a 12-digit account. First 5-digits for the transit and 7-digits for the account (i.e.000102064111)

This letter does not give you the authority to cash or authorize checks to this account and is provided to you at the depositor's request for clarification of requirements.

Sincerely,

Charmaine Provost

Client Sales and Support | BC | CIBC Commercial Banking
400 Burrard Street, 7th Floor Vancouver V6C 3A6

The following information is communicated to you under the seal of confidentiality and for your exclusive use after having obtained your express consent under permitting neither the issuer nor the Bank shall be subject to any obligation for having provided this information, for any reason or for another, or for any errors or omissions arising therefrom; and on the express condition that if you disclose this information, in whole or in part, you will indemnify the issuer and the Bank for any resulting obligation.

Wire instructions for this transaction will not be changed. Do not send monies to any other account.

This is Exhibit "C" referred to in the Affidavit of **SVETLANA GORINA**, sworn before me at Vancouver, BC, this 26 day of February, 2025.


A Commissioner for taking Affidavits in British Columbia

Dominguez, Manuel

From: Glavota, Dom
Sent: Friday, November 22, 2024 8:29 AM
To: Rocky Kim
Cc: Rockefeller, Eric; Dominguez, Manuel; Aaron Chan; Leisa Baez; Ross, Jonathan B
Subject: RE: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

Rocky, funds have been received

Dom

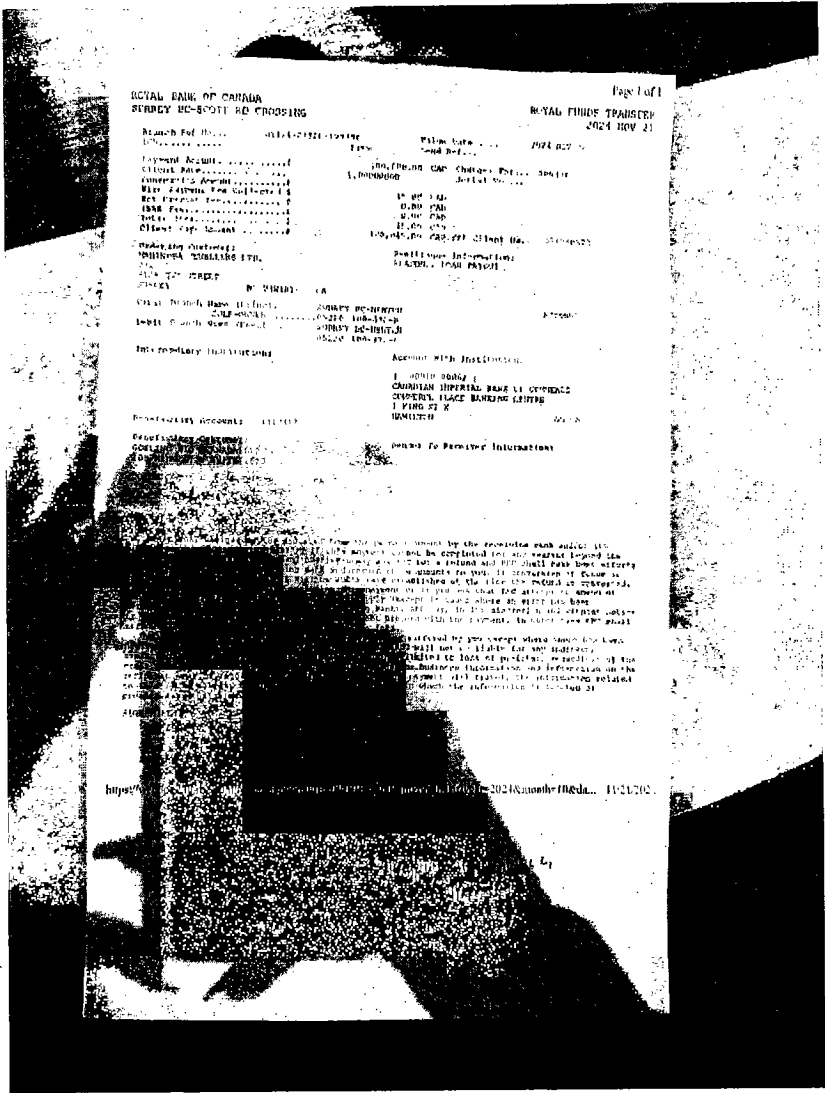
Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: November-21-24 7:37 PM
To: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>
Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Thanks Dom, please find attached - client sent a photo opposed to a scan, apologies if it's a bit blurry.



On Thu, Nov 21, 2024 at 2:55 PM Glavota, Dom <Dom.Glavota@gowlingwlq.com> wrote:

Rocky, CIBC is ok with this change. If need the \$100,000 that you noted to be paid today can be paid tomorrow by 1pm Pacific November 22, 2024. All other terms and conditions remain the same. Time remains of the essence.

Please send wire confirmations when available.

Dom

Dom Glavota
 Partner
 T +1 416 862 3607
 dom.glavota@gowlingwlq.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: November-21-24 3:08 PM
To: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>
Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Hi Dom, I just spoke with the clients and wanted to get ahead of this - they need some time to put together the full \$250K, but have \$100K that they can remit immediately (by days end).

Would CIBC be agreeable to:

- (c) 1:00 p.m. Pacific Time on November 21, 2024 - \$100,000;
- (d) 1:00 p.m. Pacific Time on November 28, 2024 - \$250,000.00; and
- (e) 1:00 p.m. Pacific Time on December 30, 2024 - \$100,000.00.

On Sat, Nov 16, 2024 at 10:24 AM Rocky Kim <rkim@axesslaw.com> wrote:

Sounds great, thanks Dom.

Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor

Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
Email: RKim@AxessLaw.com
Website: www.AxessLaw.com
*Rocky Kim Law Corporation



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On Sat, Nov 16, 2024 at 10:21 AM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Thanks Rocky, we will send a note to CIBC and our accounting team in Hamilton to look for this wire. Hopefully by the time you wake up on Monday we will have confirmed receipt

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: November-16-24 1:17 PM
To: Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>; Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Morning Jon,

Attached:

ROYAL BANK OF CANADA
SURREY BC-SCOTT RD CROSSING

Branch Ref No... 01154-24321-199998
ICN..... From

Payment Amount.....	\$	200
Client Rate.....		1.00000
Conversion Amount.....	\$	
Wire Payment Fee Collected	\$	
Not Present Fee.....	\$	
IBAN Fee.....	\$	
Total Fees.....	\$	
Client Pays Amount.....	\$	200

Ordering Customer:
MAHINDRA JEWELLERS LTD.
332
8128 128 STREET
SURREY BC V3W1R1 CA

AK

Debit Branch Name (Princ).. SURREY BC-NE
SOLE-OWNER.....05220 100-4'
Debit Branch Name (Fees)... SURREY BC-NE

Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor
Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
Email: RKim@AxessLaw.com
Website: www.AxessLaw.com

*Rocky Kim Law Corporation



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On Sat, Nov 16, 2024 at 6:14 AM Ross, Jonathan B <Jonathan.Ross@gowlingwlg.com> wrote:

Hi Rocky:

I am instructed that CIBC will accept a bank receipt showing evidence of the wire being initiated today as sufficient to adjourn the hearing.

Thanks,

Jonathan

Jonathan Ross

604-891-2778

From: Rocky Kim <rkim@axesslaw.com>

Sent: Friday, November 15, 2024 6:12:24 PM

To: Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>

Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>; Glavota, Dom <Dom.Glavota@gowlingwlg.com>

Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

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Dom and Jon, clients have the funds - they deposited it into their account (I saw the cheque with adequate funds). But the bank held the proceeds, but they discussed with the bank manager today and said they will be releasing the funds tomorrow morning at which point they will provide us a wire receipt sending funds to you.

Is that okay?

On Fri, Nov 15, 2024 at 4:25 PM Rocky Kim <rkim@axesslaw.com> wrote:

Jonathan, clients are en route to the bank fighting through traffic - I am still at the office for a while so once I have the wire receipt I can send it to you. They will be wiring funds directly to Gowlings.

I imagine, if the \$200K is sent, you will be adjourning generally, correct?

On Fri, Nov 15, 2024 at 4:06 PM Ross, Jonathan B <Jonathan.Ross@gowlingwlg.com> wrote:

Hi Rocky:

It's now 4PM and I have not received any confirmation that the payment has been received (or sent). I confirm that as it stands my instructions are to proceed on Monday morning to have the consent Receivership Order pronounced.

Attached is a revised version of the form of order which implements the carveouts arising from the Intercreditor agreement with Lanyard.

Yours truly,

Jonathan

Jonathan Ross
Partner
T +1 604 891 2778
jonathan.ross@gowlingwlg.com



From: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Sent: November 15, 2024 1:51 PM
To: Rocky Kim <rkim@axesslaw.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

Rocky, my flight back to TO is about to go and who knows if the wifi will work!

Please update the entire Gowlings team when you get more information on the payment so they can update CIBC.

Dom

Dom Glavota

Partner

Gowling WLG

On Nov 15, 2024, at 12:30 PM, Rocky Kim <rkim@axesslaw.com> wrote:

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Dom, the \$200K should be deposited within the next hour. I am going to ask the client to wire it directly to you to save time and provide us a copy of the receipt.

On Fri, Nov 15, 2024 at 9:56 AM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Rocky, please update this group once you get some information on the wire.

Dom

Dom Glavota
Partner
 T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: November-14-24 7:54 PM
To: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated November 14, 2024

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Jumped the gun on my email, client confirmed the above is acceptable - they will be wiring the funds tomorrow.

On Thu, Nov 14, 2024 at 4:51 PM Rocky Kim <rkim@axeslaw.com> wrote:

Dom, I tried calling our clients and he advised he would get back to me asap - I presume they will accept the terms, but do not want to jump the gun. But given the circumstances they do not have much choice...

I have sent the note to the clients nonetheless.

On Thu, Nov 14, 2024 at 12:30 PM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Rocky, pursuant to your client's request CIBC has agreed to further amend subsection 5 of the forbearance agreement by deleting sections 5(b), (c) and (d) and replacing those sections with the following subsections 5(b), (c), (d) and (e):

- (b) 1:00 p.m. Pacific Time on November 15, 2024 - \$200,000;
- (c) 1:00 p.m. Pacific Time on November 22, 2024 - \$250,000;
- (d) 1:00 p.m. Pacific Time on November 28, 2024 - \$100,000.00;
and
- (e) 1:00 p.m. Pacific Time on December 30, 2024 - \$100,000.00.

Please note that we have moved up the payment time to 1pm Pacific (4PM Eastern) for all payments.

Please confirm your client is in agreement with these changes by 5pm Pacific time today.

Notwithstanding our continued discussions, CIBC reserves all of its rights and remedies under the forbearance agreement and under applicable law including its right to appoint a receiver. Time remains of the essence.

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: November-05-24 12:20 PM
To: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated October 31, 2024

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Good morning Dom, just wanted to send you a note that our client's have advised they will be remitting \$450K via wire to your office directly by tomorrow.

I am off on my annual hunting trip deep in the interior Okanagan wilderness so will be unreachable for the rest of week until after the long weekend. Hopefully, payment is remitted, but nonetheless, I have asked the clients to provide a copy of the wire slip and deposit confirmation once they have remitted payment.

If I do not hear from you until the long weekend, have a great long weekend!

On Thu, Oct 31, 2024 at 3:11 PM Rocky Kim <rkim@axesslaw.com> wrote:

Hi Dom, clients said he is agreeable, much appreciated.

On Thu, Oct 31, 2024 at 2:40 PM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Rocky, CIBC has agreed to further amend subsection 5(b) of the attached forbearance agreement to read as follows:

(b) 5:00 p.m. Eastern Daylight Time on November 6, 2024 - \$450,000;

Please confirm your client is in agreement with these changes.

Notwithstanding our continued discussions, CIBC reserves all of its rights and remedies under the forbearance agreement and under applicable law including its right to appoint a receiver. Time remains of the essence.

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Sent: October-24-24 9:44 AM
To: Rocky Kim <rkim@axesslaw.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: RE: CIBC/Mahindra - September 2024 Forbearance Agreement - Extension Terms - Updated October 24, 2024

Rocky, notwithstanding all prior communications I wanted to have a final email that we both agree on the extension terms. On behalf of your clients please confirm the following as soon as possible and no later than noon (Pacific)/3pm EST October 24, 2024.

Rocky, CIBC has agreed to the following changes to section 5 of the attached forbearance agreement:

5. Each of the Credit Parties agrees and covenants that it will pay to CIBC, by way of wire transfer to the trust account of Gowling WLG (Canada) LLP pursuant to the payment instructions set out in Schedule "B" to this Forbearance Agreement, on account of outstanding principal and interest owing in respect of the Indebtedness, the following amounts on or before the corresponding dates and times set out below:

(a) 5:00 p.m. Eastern Daylight Time on October 24, 2024 - the greater of:

(i) \$7,362,290.85 of which (A) \$7,201,561.57 is wired out to Gowling WLG (Canada) LLP by no later than October 24, 2024; and (ii) \$160,729.28 is be held by Borden Ladner Gervias LLP to first satisfy specific crown liens and thereafter pay CIBC, and

(ii) all net proceeds from advances made upon the closing of the Lanyard Refinancing Transaction less reasonable closing costs and fees to be detailed in a statement of adjustments agreed to by the parties to the Lanyards Refinancing Transaction and approved by CIBC and its counsel;

(b) 5:00 p.m. Eastern Daylight Time on October 31, 2024 - \$450,000.00;

(c) 5:00 p.m. Eastern Daylight Time on November 28, 2024 - \$100,000.00; and

(d) 5:00 p.m. Eastern Daylight Time on December 30, 2024 - \$100,000.00.

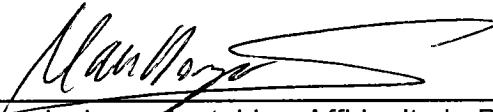
Please confirm your client is in agreement with these changes and that we can share this email and the fully executed forbearance agreement with counsel for Lanyards.

Notwithstanding our continued discussions, CIBC reserves all of its rights and remedies under the forbearance agreement and under applicable law including its right to appoint a receiver. Time remains of the essence.

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com

This is Exhibit "D" referred to in the Affidavit of **SVETLANA GORINA**, sworn before me at Vancouver, BC, this 26 day of February, 2025.



A Commissioner for taking Affidavits in British Columbia

Ross, Jonathan B

From: Rocky Kim <rkim@axesslaw.com>
Sent: January 2, 2025 5:10 PM
To: Rockefeller, Eric
Cc: Dominguez, Manuel; Glavota, Dom; Ross, Jonathan B; Aaron Chan; Leisa Baez
Subject: Re: CIBC/Mahindra - Forbearance Agreement

Follow Up Flag: Follow up
Flag Status: Flagged

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Hi Eric,

Please see below:

63

ROYAL BANK OF CANADA
SURREY BC-SCOTT RD CROSSING

Branch Ref No...	01154-25002-199992	Value Date...	
ICN.....	From	Send Ref....	
Payment Amount.....\$	50,000.00 CAD	Charges	
Client Rate.....	1.00000000	Serial	
Conversion Amount.....\$			
Wire Payment Fee Collected \$	45.00 CAD		
Not Present Fee.....\$	0.00 CAD		
IBAN Fee.....\$	0.00 CAD		
Total Fees.....\$	45.00 CAD		
Client Pays Amount.....\$	50,045.00 CAD	SRF Clie	

Ordering Customer:
MAHINDRA JEWELLERS LTD.
332
8128 128 STREET
SURREY BC V3W1R1 CA

Remittance Informa

Debit Branch Name (Princ)...	SURREY BC-NEWTON
SOLE-OWNER.....	05220 100-472-0
Debit Branch Name (Fees)...	SURREY BC-NEWTON
	05220 100-472-0

Intermediary Institution:	Account With Insti
	(00010 00062)
	CANADIAN IMPERIAL
	COMMERCE PLACE BAN
	1 KING ST W
	HAMILTON

Beneficiary Account: 4110412 AD

Beneficiary Customer:
GOWLING WLG (CANADA) LLP
100 KING ST W SUITE 1600

Sender To Receiver

64

Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor
Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
Email: RKim@AxessLaw.com
Website: www.AxessLaw.com

*Rocky Kim Law Corporation



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On Thu, Jan 2, 2025 at 2:12 PM Rocky Kim <rkim@axesslaw.com> wrote:
Client advised, they will be depositing by 4:00 PM (before banks close).

On Thu, Jan 2, 2025 at 1:48 PM Rocky Kim <rkim@axesslaw.com> wrote:
Thanks Eric, let me follow up. I requested confirmation this morning but have not received anything as of now.

On Thu, Jan 2, 2025 at 1:34 PM Rockefeller, Eric <Eric.Rockefeller@gowlingwlg.com> wrote:

Rocky,

I'm following up. We have not yet seen the further \$50,000 deposit due today. Please update us ASAP. Time remains of the essence.

Eric

Eric Rockefeller
Partner
T +1 905 540 7108
eric.rockefeller@gowlingwlg.com

65



From: Rockefeller, Eric
Sent: January 2, 2025 11:27 AM
To: Rocky Kim <rkim@axesslaw.com>
Cc: Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Glavota, Dom <Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: RE: CIBC/Mahindra - Forbearance Agreement

Rocky,

We confirm receipt of the first \$50,000 payment by wire transfer. Please keep us posted on timing for transfer of the remaining \$50,000 today. Thank you.

Eric

Eric Rockefeller
Partner
T +1 905 540 7108
eric.rockefeller@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: December 31, 2024 3:05 PM
To: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>
Cc: Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Glavota, Dom <Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

66

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Thanks Eric you as well!

Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor
Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
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On Tue, Dec 31, 2024 at 12:04 PM Rockefeller, Eric <Eric.Rockefeller@gowlingwlg.com> wrote:

Rocky,

I am confirming receipt of your e-mail. Our offices have closed early for the day here so we will need to confirm receipt of funds on Thursday. Please keep us posted on Thursday regarding the second \$50,000 payment.

Happy New Year to you and yours!

Eric

Eric Rockefeller
Partner
T +1 905 540 7108
eric.rockefeller@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: December 31, 2024 2:53 PM
To: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>
Cc: Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Glavota, Dom <Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Hi Eric, see below:

ROYAL BANK OF CANADA
SURREY BC-SCOTT RD CROSSING

Branch Ref No...	01154-24366-199998	Value
ICN.....	From	Send R
Payment Amount.....\$	150,000.00	CAD
Client Rate.....	1.00000000	
Conversion Amount.....\$		
Wire Payment Fee Collected \$	45.00	CAD
Not Present Fee.....\$	0.00	CAD
IBAN Fee.....\$	0.00	CAD
Total Fees.....\$	45.00	CAD
Client Pays Amount.....\$	50,045.00	CAD

Ordering Customer: MAMINDRA JEWELLERS LTD.
332
8128 128 STREET
SURREY BC V3W1R1 CA

Remittance PURPOSE: L

Debit Branch Name (Princ)... SURREY BC-NEWTON
SOLE-OWNER.....05220 100-472-0
Debit Branch Name (Fees)... SURREY BC-NEWTON
05220 100-472-0

Intermediary Institution: Account WI
1 00010 C
CANADIAN I
COMMERCE R
1 KING ST
HAMILTON

Beneficiary Account: 4110412
Beneficiary Customer: GOWLING WLG (CANADA) LLP
100 KING ST W SUITE 1600
TORONTO ON CA

Sender To

Instruction Code:

Additional charges may be deducted from the payment amount intermediaries ("Receiving Bank"). If this payment cannot be control of Royal Bank of Canada ("RBC") you may ask RBC for to secure a refund from Receiving Bank and return those amou the rate of exchange will be RBC's rate establish

Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor
Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
Email: RKim@AxessLaw.com
Website: www.AxessLaw.com
*Rocky Kim Law Corporation



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On Tue, Dec 31, 2024 at 9:46 AM Rocky Kim <rkim@axesslaw.com> wrote:

Thanks Eric, will confirm shortly

On Tue, Dec 31, 2024 at 7:01 AM Rockefeller, Eric <Eric.Rockefeller@gowlingwlg.com> wrote:

Rocky,

CIBC will need the first \$50,000 today and the balance on Thursday. Please confirm once today's wire is sent to us.

Eric

Eric Rockefeller
Partner
T +1 905 540 7108
eric.rockefeller@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: December 30, 2024 6:33 PM
To: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>
Cc: Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Glavota, Dom <Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Eric*

On Mon, Dec 30, 2024 at 3:32 PM Rocky Kim <rkim@axesslaw.com> wrote:

Thanks Erica, that is fair enough - up until about shortly after our call I was always under the impression they would wire the full \$100K, caught me off guard too.

On Mon, Dec 30, 2024 at 3:29 PM Rockefeller, Eric <Eric.Rockefeller@gowlingwlg.com> wrote:

Rocky,

The timing of our client's request is not great given their earlier updates setting everyone's expectations that the payment was coming, but we have checked in with CIBC on this request all the same. We will be back to you as soon as we have instructions.

Eric

Eric Rockefeller

Partner

T +1 905 540 7108

eric.rockefeller@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>

Sent: December 30, 2024 6:10 PM

To: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>

Cc: Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Glavota, Dom

<Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Aaron Chan

<achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>

Subject: Re: CIBC/Mahindra - Forbearance Agreement

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Hi Eric, just want to confirm is this agreeable? Client will need some time to get to the bank.

On Mon, Dec 30, 2024 at 1:46 PM Rocky Kim <rkim@axesslaw.com> wrote:

Hi Eric, I was able to connect with the client, they advised they can do \$50K today and the remaining \$50K on Thursday, is this agreeable?

Additionally, do you have an update on the balance statement? The clients need it for their year end as well.

All the best,

On Mon, Dec 30, 2024 at 1:31 PM Rockefeller, Eric <Eric.Rockefeller@gowlingwlg.com> wrote:

Rocky,

Any further updates here? We are nearing end of day here in Toronto and would like to update CIBC.

Eric

Eric Rockefeller
Partner
T +1 905 540 7108
eric.rockefeller@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: December 30, 2024 11:53 AM
To: Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>
Cc: Glavota, Dom <Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>; Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Morning, client confirmed it will be sent today.

On Mon, Dec 30, 2024 at 8:47 AM Dominguez, Manuel <Manuel.Dominguez@gowlingwlg.com> wrote:

Hi Rocky,

Could you please provide an update on the status of the \$100,000 payment? I haven't seen an update since your last email below.

Regards,

Manuel

Manuel Dominguez Lizaga
Associate
T +1 604 891 2772
manuel.dominguez@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: Friday, December 27, 2024 12:31 PM
To: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>
Cc: Glavota, Dom <Dom.Glavota@gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

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Thanks Eric, I reminded the client on Monday, when they advised us they would be attending to it today. I believe that is still the plan. I sent a note to the clients to confirm and send us confirmation once they have it. If anything changes I will let you know prior to logging off tonight.

On Fri, Dec 27, 2024 at 12:05 PM Rockefeller, Eric <Eric.Rockefeller@gowlingwlg.com> wrote:

Rocky,

Just following up. Can you please let us know the status of funds for Monday so we can update CIBC heading into the weekend?

74

Eric Rockefeller

Partner

Gowling WLG (Canada) LLP

T: (905) 540-7108

E: eric.rockefeller@gowlingwlg.com

From: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>

Sent: Friday, December 27, 2024 12:10:08 PM

To: Rocky Kim <rkim@axesslaw.com>; Glavota, Dom <Dom.Glavota@gowlingwlg.com>

Cc: Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>

Subject: Re: CIBC/Mahindra - Forbearance Agreement

Rocky,

I hope you've been enjoying a restful holiday week.

We are following up on the \$100,000. If you can please update us on transmission of funds this morning so we can all avoid the usual back and forth on this before the weekend, it would be very much appreciated.

Eric Rockefeller

Partner

Gowling WLG (Canada) LLP

T: (905) 540-7108

E: eric.rockefeller@gowlingwlg.com

TS

From: Rocky Kim <rkim@axesslaw.com>
Sent: Thursday, December 12, 2024 8:19 PM
To: Glavota, Dom <Dom.Glavota@gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

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Attached wire confirmation below:



ROYAL BANK OF CANADA

ROYAL BANK OF CANADA
SURREY BC-SCOTT RD CROSSING

Branch Ref No...	01154-24347-199994	Value
ICN.....	From AD	Send
Payment Amount.....\$	70,000.00	CAD
Client Rate.....	1.00000000	
Conversion Amount.....\$		
Wire Payment Fee Collected \$	45.00	CAD
Not Present Fee.....\$	0.00	CAD
IBAN Fee.....\$	0.00	CAD
Total Fees.....\$	45.00	CAD
Client Pays Amount.....\$	70,045.00	CAD

Ordering Customer:	Remittance
MAHINDRA JEWELLERS LTD.	PURPOSE: I
332	SWIFT: CIBC
8128 128 STREET	
SURREY	BC V3W1R1 CA

Debit Branch Name (Princ)...	SURREY BC-NEWTON
SOLE-OWNER	05220 100-472-0
Debit Branch Name (Fees)...	SURREY BC-NEWTON
	05220 100-472-0

Intermediary Institution:	Account W3
	(00010)
	CANADIAN
	COMMERCE

Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor
Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
Email: RKim@AxessLaw.com
Website: www.AxessLaw.com

*Rocky Kim Law Corporation



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On Thu, Dec 12, 2024 at 4:39 PM Rocky Kim <rkim@axesslaw.com> wrote:

Much appreciated thank you.

On Thu, Dec 12, 2024 at 4:27 PM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

CIBC gave me the raw numbers on the loan, I want to account for this payment and fees. I expect to have it to you on Monday

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: December-12-24 7:19 PM
To: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

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Dom, the clients are on route to the bank to wire the funds - I have confirmed they have clear funds to make the wire and will provide you confirmation shortly.

On a side note, the client's accountant followed up again for the balance statement - do you have a timeline on when we can get this from CIBC?

On Thu, Dec 12, 2024 at 2:11 PM Rocky Kim <rkim@axesslaw.com> wrote:

I called the client about an hour ago and he mentioned he and/or his wife was going to go to the bank before end of day to wire proceeds and would provide us a copy.

Let me follow up if it was initiated yet.

On Thu, Dec 12, 2024 at 1:56 PM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Rocky, any news on the \$70,000 payment? We really want to avoid scrambling tomorrow and incurring unnecessary costs and potential issues with Lanyards

Dom

Dom Glavota
Partner

T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Rocky Kim <rkim@axesslaw.com>
Sent: December-11-24 3:34 PM
To: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: Re: CIBC/Mahindra - Forbearance Agreement

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Thanks Dom, I advised the clients and have asked them to push through the wire as soon as possible. Will provide receipt shortly.

On Wed, Dec 11, 2024 at 12:32 PM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Rocky, CIBC has confirmed that they have credit approval to amend the repayment terms in the forbearance agreement as per our earlier emails as follows:

1. \$70,000 paid immediately (and no later than Thursday December 12, 2024)
2. \$100,000 paid by December 30, 2024
3. \$250,000 by January 30, 2025
4. \$250,000 paid by February 28, 2025
5. All debt paid on earlier of March 14, 2025 or closing date of the sale of 2548 Clearbrook

In addition the credit parties agree that on or before January 31, 2025 they must enter into an agreement of purchase and sale for 2548 Clearbrook on terms satisfactory to CIBC.

All other terms and conditions of the forbearance agreement remain in full force and effect. Time remains of the essence.

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PLEASE CONFIRM THAT THESE REVISED TERMS ARE ACCEPTED ON BEHALF OF YOUR CLIENT AND ASK YOUR CLIENT TO SEND CONFIRMATION OF THE \$70,000 DUE DECEMBER 12, 2024 AS SOON AS POSSIBLE

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



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Rocky Kim*

Lawyer, British Columbia and Alberta

Axess Law Corporation
1021 W. Hastings Street, 9th Floor
Vancouver, BC V6E 0C3
Phone: 1-(604)-900-8143
Fax: 1-(604)-398-8434
Email: RKim@AxessLaw.com
Website: www.AxessLaw.com
*Rocky Kim Law Corporation



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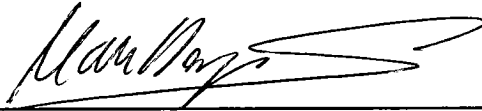


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Rocky Kim*
Lawyer, British Columbia and Alberta

Axess Law Corporation

This is Exhibit "E" referred to in the Affidavit of **SVETLANA GORINA**, sworn before me at Vancouver, BC, this 26 day of February, 2025.



A Commissioner for taking Affidavits in British Columbia

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Ross, Jonathan B

From: Rocky Kim <rkim@axesslaw.com>
Sent: January 31, 2025 11:33 AM
To: Glavota, Dom
Cc: Rockefeller, Eric; Ross, Jonathan B; Dominguez, Manuel; Aaron Chan; Leisa Baez
Subject: Re: CIBC/Mahindra - Forbearance Agreement - Extension for payment of \$250,000 to February 13, 2025

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Morning Dom, thank you that would be great - confirming our client accepts those terms.

On Fri, Jan 31, 2025 at 7:56 AM Glavota, Dom <Dom.Glavota@gowlingwlg.com> wrote:

Rocky, CIBC has considered your client's request and CIBC has confirmed that the payment of \$250,000 due January 30, 2025 can be paid on or before February 13, 2025. In addition, CIBC has agreed to extend the time for the delivery of an agreement of purchase and sale with respect to 2548 Clearbrook to February 13, 2025.

The updated repayment terms in the forbearance agreement are as follows:

1. \$70,000 paid immediately (and no later than Thursday December 12, 2024) [RECEIVED]
2. \$100,000 paid by December 30, 2024 [RECEIVED]
3. \$250,000 by February 13, 2025
4. \$250,000 paid by February 28, 2025
5. All debt paid on earlier of March 14, 2025 or closing date of the sale of 2548 Clearbrook

In addition, the credit parties agree that on or before February 13, 2025 they must enter into an agreement of purchase and sale for 2548 Clearbrook on terms satisfactory to CIBC.

All other terms and conditions of the forbearance agreement remain in full force and effect. Time remains of the essence.

PLEASE CONFIRM THAT THESE REVISED TERMS ARE ACCEPTED ON BEHALF OF YOUR CLIENTS.

Dom

85

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



From: Glavota, Dom <Dom.Glavota@ca.gowlingwlg.com>
Sent: December-11-24 3:33 PM
To: Rocky Kim <rkim@axesslaw.com>
Cc: Rockefeller, Eric <Eric.Rockefeller@ca.gowlingwlg.com>; Ross, Jonathan B <Jonathan.Ross@ca.gowlingwlg.com>; Dominguez, Manuel <Manuel.Dominguez@ca.gowlingwlg.com>; Aaron Chan <achan@axesslaw.com>; Leisa Baez <LBaez@axesslaw.com>
Subject: RE: CIBC/Mahindra - Forbearance Agreement

Rocky, CIBC has confirmed that they have credit approval to amend the repayment terms in the forbearance agreement as per our earlier emails as follows:

1. \$70,000 paid immediately (and no later than Thursday December 12, 2024)
2. \$100,000 paid by December 30, 2024
3. \$250,000 by January 30, 2025
4. \$250,000 paid by February 28, 2025
5. All debt paid on earlier of March 14, 2025 or closing date of the sale of 2548 Clearbrook

In addition the credit parties agree that on or before January 31, 2025 they must enter into an agreement of purchase and sale for 2548 Clearbrook on terms satisfactory to CIBC.

All other terms and conditions of the forbearance agreement remain in full force and effect. Time remains of the essence.

PLEASE CONFIRMM THAT THESE REVISED TERMS ARE ACCEPTED ON BEHALF OF YOUR CLIENT AND ASK YOUR CLIENT TO SEND CONFIRMATION OF THE \$70,000 DUE DECEMBER 12, 2024 AS SOON AS POSSIBLE

Dom

Dom Glavota
Partner
T +1 416 862 3607
dom.glavota@gowlingwlg.com



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--

Rocky Kim*
Lawyer, British Columbia and Alberta

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Vancouver, BC V6E 0C3
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No. S241456
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF
MAHINDRA JEWELLERS LTD., SURREY GOLD JEWELLERS
LTD., 786SD ESTATE LTD., MG 786 ENTERPRISES LTD.,
1237647 B.C. LTD., 1257271 B.C. LTD., HEERA JEWELLERS
INC., P. SONA JEWELLERS INC., and RCJ JEWELLERS INC.,

AFFIDAVIT

GOWLING WLG (Canada) LLP
Barristers & Solicitors
Suite 2300, 550 Burrard Street
Vancouver, BC V6C 2B5
Attention: Jonathan B. Ross

Tel. No. 604.683.6498
Fax No. 604.683.3558

File No. T1033090

JBR/msh