



This is the 1st Affidavit
of M. Daerendinger in this case and was
made on August 21, 2025

No. POR-S-S-2859
Powell River Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

BLISS BODY & BATH LTD.
1391598 B.C. LTD.
TOD WILLIAM ENGLISH
YORK VENTURES LTD.
VARSITY CAPITAL CORPORATION
WIEBE PROPERTIES INC.
KANLYN HOLDINGS LTD.
MERCHANT OPPORTUNITIES CANADA LIMITED PARTNERSHIP

RESPONDENTS

AFFIDAVIT

I, Michael Daerendinger, of c/o Suite 1500 – 1055 West Georgia Street, at the City of Vancouver, in the Province of British Columbia, AFFIRM THAT:

1. I am a senior manager in Special Loans and Advisory Services at the Royal Bank of Canada (the "**Bank**" or the "**Petitioner**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where they are stated to be on information and belief in which I verily believe them to be true.
2. I have been authorized by the Bank to make this affidavit on its behalf.
3. Now produced and shown to me and attached hereto as **Exhibit "A"** is a true copy of the Petition filed in the within proceeding.

4. I have personal knowledge of the facts set out in the Petition and the facts set out therein are true and correct.

5. Capitalized terms used and not otherwise defined in this affidavit have the same meaning given to them in the Petition.

Loan and Security Agreements

6. Attached hereto as **Exhibit "B"** are true copies of the Loan Agreements.

7. Attached hereto as **Exhibit "C"** is a true copy of the Mortgage.

8. Attached hereto as **Exhibit "D"** is a true copy of the prescribed standard mortgage terms in respect of the Mortgage.

9. Attached hereto as **Exhibit "E"** is a true copy of the GSA.

10. Attached hereto as **Exhibit "F"** is a true copy of the 598 BC Guarantee.

11. Attached hereto as **Exhibit "G"** is a true copy of the English Guarantee.

Searches

12. Attached hereto as **Exhibit "H"** is a true copy of a Land Title Office search in respect of the Lands.

13. Attached hereto as **Exhibit "I"** is a true copy of the mortgage and assignment of rents registered on January 3, 2024 in the Vancouver Land Title Office against the Lands in favour of York Ventures Ltd. and Varsity Capital Corporation.

14. Attached hereto as **Exhibit "J"** is a true copy of a property tax certificate in respect of the Lands.

15. Attached hereto as **Exhibit "K"** is a true copy of a BC PPR search in respect of Bliss Body.

16. Attached hereto as **Exhibit "L"** is a true copy of a BC PPR search in respect of 598 BC.

Demands and Notice of Intention to Enforce Security

17. Attached hereto as **Exhibit "M"** are true copies of letters dated June 27, 2025 from the Bank's counsel to Bliss Body, 598 BC and English demanding payment of the amounts due under the Loan and Security Agreements and enclosing a Notice of Intention to Enforce Security to Bliss Body pursuant to subsection 244(1) of the BIA.

Appointment of a Receiver

18. Attached hereto as **Exhibit "N"** is a true copy of a consent to act as receiver from BDO. I believe BDO is qualified to act as receiver in this matter.

19. The Bank has determined that the appointment of a receiver is necessary and appropriate to pursue a transparent, orderly and timely sale process for the assets of Bliss Body, including the Lands, pursuant to its rights and remedies under the Loan and Security Agreements.

20. On June 5, 2025, I met with English in the lobby of the RBC building located at 885 West Georgia Street in Vancouver, along with my colleague at the Bank, Anthony Hosford. During this meeting, English told myself and Mr. Hosford that he had been diverting the revenue earned by Bliss Body, including the rent received from commercial and residential tenants, to support the financing of a construction project at an unrelated site in Powell River. The Bank does not hold any security in such construction project.

21. Attached hereto as **Exhibit "O"** is a true copy of an email exchange between myself and English on July 9, 2025. As of the date of this affidavit, the Bank has not received a copy of any financing proposal from the short-term lender referenced in those emails or confirmation of any refinancing of the debt due to the Bank.

22. In July 2025, the Bank requested an appraisal of the Lands from Garnett Wilson Realty Advisors Ltd. ("**Garnett Wilson**"). A copy of the appraisal dated August 11, 2025 (the "**Appraisal**") from Garnett Wilson is attached to my Affidavit #2 in this proceeding.

23. According to the Appraisal, three commercial tenants occupy the commercial space on the main and basement levels of the Building: a clothing retailer, an occupational therapist and a day spa services business called Somerset Moss Skincare ("**Somerset**"). Somerset appears to occupy the space that was formerly used by Bliss Body to the Spa Business.

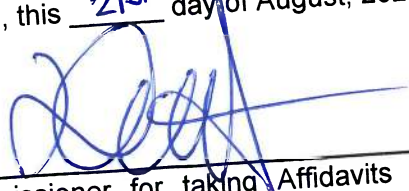
24. The Bank is not aware whether Somerset is also leasing the equipment formerly used by Bliss Body to the Spa Business or if Bliss Body has sold such equipment.

25. Further according to the Appraisal, there are seven residential rental suites located on the main and upper floors of the Building. Bliss Body rents these residential units as short-term rentals under the name "Beyond Bliss Spa & Suites". Attached hereto as **Exhibit "P"** is a true copy of a webpage advertising the rooms offered by "Beyond Bliss Spa & Suites" that I accessed on August 19, 2025.

26. Attached hereto as **Exhibit "Q"** is a true copy of an email from myself to English dated July 30, 2025. As of the date of this affidavit, the Bank has not received the following information requested in my email:

- (a) year-end financial statements for its financial years ending September 30, 2023, February 28, 2024 and February 28, 2025;
- (b) a year-end financial statements for 598 BC for its financial year ending February 28, 2025;
- (c) information regarding remittance to tax authorities of its employee source deductions;
- (d) information regarding payment of its 2024 and 2025 municipal, provincial and federal taxes, including payment of its property taxes in respect of the Lands; and
- (e) requested financial information for the personal guarantor, English.

AFFIRMED BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 21st day of August, 2025.



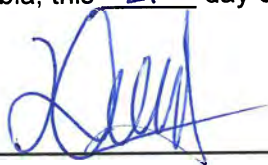
A Commissioner for taking Affidavits for British Columbia



MICHAEL DAERENDINGER

Daniel Shouldice
Barrister and Solicitor
McMillan LLP
1800 - 1035 West Georgia Street
PO Box 11117
Vancouver, BC V6E 4M7
1 604.699.9111
1 604.699.7664

This is **Exhibit "A"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 2nd day of August, 2025.

A handwritten signature in blue ink, appearing to be 'J. Allen', written over a horizontal line.

A Commissioner for taking Affidavits within
the Province of British Columbia



Court File No. **POR-S-S-2859**
No.
Powell River Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

BLISS BODY & BATH LTD.
1391598 B.C. LTD.
TOD WILLIAM ENGLISH
YORK VENTURES LTD.
VARSITY CAPITAL CORPORATION
WIEBE PROPERTIES INC.
KANLYN HOLDINGS LTD.
MERCHANT OPPORTUNITIES CANADA LIMITED PARTNERSHIP

RESPONDENTS

PETITION TO THE COURT

ON NOTICE TO:

Bliss Body & Bath Ltd.
4555 Marine Drive
Powell River, BC V8A 2K5

York Ventures Ltd.
3579 West 47th Avenue
Vancouver, BC V6N 3N9

1391598 B.C. Ltd.
Unit A, 7024 Tofino Street
Powell River, BC V8A 1G3

Varsity Capital Corporation
3579 West 47th Avenue
Vancouver, BC V6N 3N9

Tod William English
4597 Marine Avenue
Powell River, BC V8A 2K7

Wiebe Properties Inc.
203 – 31136 Peardonville Road
Abbotsford, BC V2T 6K7

Kanlyn Holdings Ltd.
203 – 31136 Peardonville Road
Abbotsford, BC V2T 6K7

Merchant Opportunities Canada Limited
Partnership
200 -171 Water Street
Vancouver, BC V6B 1A7

The address of the registry is:

103 – 6953 Alberni Street
Powell River, BC V8A 2B8

The petitioner estimates that the hearing of the petition will take 60 minutes.

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This matter is not an application for judicial review.

This proceeding has been started by the petitioner(s) for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner(s),

- (a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	<p>The ADDRESS FOR SERVICE of the petitioner(s) is:</p> <p style="margin-left: 40px;">McMillan LLP Suite 1500 – 1055 West Georgia Street Vancouver, BC V6E 4N7 Attention: Daniel Shouldice</p> <p>Fax number address for service (if any) of the petitioner(s): n/a</p> <p>E-mail address for service (if any) of the petitioner(s): daniel.shouldice@mcmillan.ca</p>
(2)	The name and office address of the petitioner's lawyer is: same as above

CLAIM OF THE PETITIONER

Part 1: ORDER(S) SOUGHT

1. A Declaration that the mortgage and assignment of rents dated February 21, 2023, granted by the Respondent, Bliss Body & Bath Ltd. ("**Bliss Body**"), as mortgagor, in favour of the Petitioner, as mortgagee, and registered in the Vancouver Land Title Office on February 23, 2023 under registration numbers CB487241 and CB4872412 (together, the "**Mortgage**"), is a mortgage charging the lands and premises more particularly described as:

PID: 010-724-028 Lot 3 Block 9 District Lot 5307 Plan 7075
Civic address: 4555 Marine Ave, Powell River, BC, V8A 2K5
(the "**Lands**")

in priority to any right, title or interest of any of the Respondents in the Lands.

2. A Declaration that the general security agreement dated general security dated February 21, 2023, granted by Bliss Body in favour of the Petitioner and in respect of which a financing statement was registered in the British Columbia Personal Property Registry under base registration number 322723P on February 21, 2023 (the "**GSA**"), is a charge in favour of the Petitioner on all of the present and after acquired personal property of Bliss Body in priority to the interests therein or claims thereto of all Respondents.
3. A Declaration that the payments due and owing under the Loan and Security Agreements (as defined herein) are in default and that all monies secured by the Mortgage and the GSA are due and owing.
4. A Declaration that, as at August 19, 2025, the amount of money due under the Loan and Security Agreements, secured by the Mortgage and the GSA, and required to redeem the Lands is the sum of \$2,619,195.49, together with interest accruing thereon pursuant to the Loan and Security Agreements at the current rate of \$553.05 per day from August 19, 2025 to the date of payment, together with the Petitioner's costs of and related to this proceeding.
5. Judgment against the Respondents, Bliss Body, in the amount of \$2,619,195.49, together with interest accruing thereon pursuant to the Loan and Security Agreements at the

current rate of \$553.05 per day from August 19, 2025 to the date of judgment, together with the Petitioner's costs of and related to this proceeding.

6. Judgment against the Respondents, 1391598 B.C. Ltd. and Tod William English, in the amount of \$2,538,000.00, together with interest accruing thereon pursuant to the Loan and Security Agreements at the current rate of 9.950% per annum from June 27, 2025 to the date of judgment, together with the Petitioner's costs of and related to this proceeding.
7. An Order, substantially in the form set out in Schedule "A" hereto, appointing BDO Canada Limited ("**BDO**") as receiver and manager, without security, over all of the assets, undertaking and property of Bliss Body (the "**Property**"), pursuant to, among other things, section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-5 (the "**BIA**") and section 39 of the *Law and Equity Act*, RSBC 1996, c. 253 (the "**LEA**").
8. A Certificate of Pending Litigation.
9. An Order for sale of the Property subject to the approval of this Honourable Court.
10. An Order that the Petitioner has liberty to apply to this Honourable Court or the Registrar for a further summary accounting of any amounts which become due to the Petitioner for interest, taxes, arrears of taxes, insurance premiums, costs, charges, expense or otherwise after the pronouncement of any Order made herein.
11. An Order for all other necessary, accounts, directions and inquiries.
12. Costs.
13. Such further relief as this Honourable Court may deem just in the circumstances.

Part 2: FACTUAL BASIS

Background

1. The Petitioner, Royal Bank of Canada (the "**Petitioner**" or the "**Bank**"), is a chartered bank with an address for service in this proceeding c/o McMillan LLP, 1500 – 1055 West Georgia Street, Vancouver, British Columbia.

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2. The Respondent, Bliss Body, is a company incorporated pursuant to the laws of British Columbia with a registered and records office located at c/o Villani & Company, #103 – 7020 Duncan Street, Powell River, British Columbia.
3. The Respondent, 1391598 B.C. Ltd. (“**598 BC**”), is a company incorporated pursuant to the laws of British Columbia with a registered and records office located at Unit A, 7024 Tofino Street, Powell River, British Columbia.
4. The Respondent, Tod William English (“**English**”), is an individual who resides at 3487 Tweedsmuir Ave, Powell River, British Columbia.
5. Bliss Body is the owner of the Lands.
6. Until recently, Bliss Body operated a day spa services business (the “**Spa Business**”) in one of the units at the Lands, as well as leasing certain other units located at the Lands to other commercial tenants. Bliss Body also rents short-term residential units under the name “Beyond Bliss Spa & Suites”. Bliss Body has now ceased to operate the Spa Business and solely leases the commercial units and rents the short-term residential units.
7. English is the sole director of Bliss Body. English is the sole director and officer of 598 BC.
8. English is also a director and officer of other related corporate entities, English Enterprises Inc. and Marben Enterprises Inc.

Loan and Security Agreements

9. The Bank and Bliss Body entered into a business banking loan agreement dated February 6, 2023, as amended by a loan amendment agreement dated April 22, 2025 (together, the “**Loan Agreements**”), pursuant to which the Bank established and authorized certain credit facilities in favour of Bliss Body.
10. Pursuant to the Mortgage, Bliss Body granted a mortgage and assignment of rents in favour of the Bank of the Lands, registered in the Vancouver Land Title Office on February 23, 2023 under registration numbers CB487241 and CB4872412.
11. Pursuant to the GSA, in respect of which a financing statement was registered in the British Columbia Personal Property Registry under base registration number 322723P on

February 21, 2023, Bliss Body granted the Bank a security interest in all of its present and after acquired personal property.

12. Pursuant to a guarantee and postponement of claim dated February 21, 202 (the "**598 BC Guarantee**"), 598 BC promised to pay the Bank on its demand, all debts, liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Bliss Body up to the maximum principal amount of \$2,538,000, plus interest thereon from the date of demand at the Bank's Prime rate plus 5.00% per annum and costs.
13. Pursuant to a guarantee and postponement of claim dated February 21, 202 (the "**English Guarantee**", together with the Loan Agreements, the Mortgage, the GSA and the 598 BC Guarantee, the "**Loan and Security Agreements**"), English promised to pay the Bank on its demand, all debts, liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Bliss Body up to the maximum principal amount of \$2,538,000, plus interest thereon from the date of demand at the Bank's Prime rate plus 5.00% per annum and costs.

The Lands

14. Bliss Body leases units in the two-storey wood-framed, mixed-use residential/commercial building situated on the Lands (the "**Building**").
15. Three commercial tenants occupy the commercial space on the main and basement levels of the Building: a clothing retailer, an occupational therapist and a day spa services business called Somerset Moss Skincare ("**Somerset**"). Somerset appears to occupy the space that was formerly used by Bliss Body to the Spa Business. It is not known to the Bank whether Somerset is also leasing the equipment formerly used by Bliss Body to the Spa Business or if Bliss Body has sold such equipment.
16. There are seven residential rental suites located on the main and upper floors of the Building. Bliss Body rents these residential units as short-term rentals under the name "Beyond Bliss Spa & Suites".
17. Bliss Body has failed to pay all property taxes in respect of the Lands and the amount of \$46,724.73, including the amount of \$21,351.12 for arrears and interest, is currently due and owing.

18. English has advised the Bank that he has been diverting the revenue earned by Bliss Body, including the rent received from commercial and residential tenants, to support the financing of a construction project at an unrelated site in Powell River. The Bank does not hold any security in such construction project.
19. Bliss Body failed to give prior notice to the Bank that the Spa Business would be closed, or seek the consent of the Bank to the closure of the Spa Business.

Indebtedness, Defaults and Remedies

20. Bliss Body defaulted on its obligations under the Loan and Security Agreements by, among other things, its failure to pay all sums of money when due and failure to comply with all of its reporting obligations thereunder.
21. Among other defaults, Bliss Body has failed to comply with its reporting obligations under the Loan and Security Agreements by failing to provide:
 - (a) year-end financial statements for its financial years ending September 30, 2023, February 28, 2024 and February 28, 2025;
 - (b) a year-end financial statements for 598 BC for its financial year ending February 28, 2025;
 - (c) information regarding remittance to tax authorities of its employee source deductions;
 - (d) information regarding payment of its 2024 and 2025 municipal, provincial and federal taxes, including payment of its property taxes in respect of the Lands; and
 - (e) requested financial information for the personal guarantor, English.
22. As of August 19, 2025, the amount of money due under the Loan and Security Agreements, and secured by the Mortgage and the GSA, is the sum of \$2,619,195.49, together with interest accruing thereon pursuant to the Loan and Security Agreements at the current rate of \$553.05 from August 19, 2025 to the date of payment and costs.

23. 598 BC and English are jointly and severally liable to the Bank for the principal amount of \$2,538,000 as at June 27, 2025, plus interest accruing thereafter and costs, pursuant to the 598 Guarantee and the English Guarantee, respectively.
24. Among other remedies upon default, the Bank has the contractual right to appoint a receiver under the Mortgage and the GSA.

Demands and Notice of Intention to Enforce Security

25. By letters dated June 27, 2025, the Bank (by its counsel) demanded payment of the amounts due under the Loan and Security Agreements in accordance with the terms thereof and accordingly the full balance of principal, interest and other charges is now due and payable thereunder.
26. On June 27, 2025, the Bank (by its counsel) delivered a Notice of Intention to Enforce Security to Bliss Body pursuant to subsection 244(1) of the BIA.
27. Bliss Body, 598 BC and English have failed or neglected to pay the amounts due under the Loan and Security Agreements.

Other Charges

28. On January 3, 2024, an inter alia mortgage and assignment of rents was registered in the Vancouver Land Title Office against the Lands in favour of York Ventures Ltd. and Varsity Capital Corporation.

Appointment of a Receiver

29. BDO, a trustee within the meaning of section 2 of the BIA, is qualified to act as receiver of the Property. BDO has consented and agreed to act as such receiver.
30. In the circumstances, and in light of the ongoing Events of Default, the Bank has determined that the appointment of a receiver is necessary and appropriate to pursue a transparent, orderly and timely sale process for the assets of Bliss Body, including the Lands, pursuant to its rights and remedies under the Loan and Security Agreements.

Part 3: LEGAL BASIS

1. The Bank relies on:
 - (a) Rules 1-3, 2-1, 10-2, 13-5, 1401, 16-1, 21-7 and 22-1 of the *Supreme Court Civil Rules*;
 - (b) section 243 of the BIA;
 - (c) section 39 of the LEA;
 - (d) section 64 of the *Personal Property Security Act*, RSBC 1996, c 359; and
 - (e) such other legal basis as counsel may advise.
2. Pursuant to section 39 of the LEA and section 243 of the BIA, this Court may appoint a receiver where it is just and convenient.
3. In determining whether it is just and convenient to appoint a receiver, the following factors may be considered (among others):
 - (a) whether irreparable harm might be caused if no order were made;
 - (b) the nature of the property;
 - (c) the apprehended or actual waste of the debtor's assets;
 - (d) the preservation and protection of the property;
 - (e) the balance of convenience to the parties;
 - (f) the fact that the creditor has the right to appoint a receiver under the documentation provided for the loan;
 - (g) the effect of the order upon the parties;
 - (h) the conduct of the parties;
 - (i) the length of time that a receiver may be in place;
 - (j) the cost to the parties;

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- (k) the likelihood of maximizing return to the parties;
- (l) the goal of facilitating the duties of the receiver.

***Maple Trade Finance Inc. v. CY Oriental Holdings Ltd.*,
2009 BCSC 1527 [Maple Trade], at para. 25**

4. The factors listed in *Maple Trade* are not a checklist but a collection of considerations to be viewed holistically in an assessment as to whether, in all of the circumstances, the appointment of a receiver is just or convenient.

***Pandion Mine Finance Fund LP v Otso Gold Corp.*, 2022 BCSC 136, at para. 54**

5. When the appointment of a receiver is sought over Lands, the Court must also consider the law regarding foreclosure and the equity of redemption in determining whether the receiver will be granted the power of sale and when.

***Bank of Montreal v Haro-Thurlow Street Project Limited Partnership*,
2024 BCSC 47 [Haro], at para. 101**

6. A secured creditor is entitled to elect the means by which the security will be enforced, as provided for in the applicable security agreement, subject to the Court's determination in the circumstances.

***Haro*, at para. 95**

7. The right of a secured creditor to apply for a receiver under the applicable security agreement provides a "strong factor" in support of the imposition of a receiver. The "extraordinary" nature of a receivership order is "significantly reduced when dealing with a secured creditor who has the right to a receivership under its security agreements" and even less so "when dealing with a default under a mortgage".

***Maple Trade*, at para. 26
BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.,
2020 ONSC 1953, at paras. 4, 44**

8. It is just and convenient in the circumstances to appoint a receiver over the Property of Bliss Body, including the Lands, for, among other things, the following reasons:

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- (a) Bliss Body and the guarantors, English and 598 BC, are in default of their obligations under the Loan and Security Agreements, with a debt outstanding to the Bank of approximately \$2.6 million;
 - (b) Bliss Body has been unable to sell the Lands or refinance its indebtedness to the Bank, despite having had an opportunity to do so;
 - (c) the Mortgage and the GSA provide for the appointment of a receiver upon default;
 - (d) the Bank's security over Bliss Body's assets may be impaired by, among other things, the admission of English that Bliss Body's revenues are being diverted to other businesses and/or projects;
 - (e) the nature of the Lands, including the presence of commercial and short-term residential tenants, necessitates the appointment of a receiver to ensure proper management of the Building and recovery of all rental payments; and
 - (f) the appointment of a receiver will ensure the value of the Property, including the Lands, is maximized for the benefit of all stakeholders.
9. Accordingly, the Bank seeks the appointment of BDO as receiver over the Property of Bliss Body, including the Lands, to secure and preserve its collateral and ensure a timely and transparent disposition that maximizes value.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Michael Daerendinger, made August 21, 2025.
2. Affidavit #2 of Michael Daerendinger, made August 21, 2025.
3. Such further and other materials as counsel may advise and this Honourable Court may permit.

Date: August 20, 2025

 Signature of lawyer for the Petitioner, Royal
 Bank of Canada
 Daniel Shouldice

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this petition

with the following variations and additional terms:

Date:

Signature of Judge Associate Judge

INFORMATIONAL NOTICE FOR FORECLOSURE PROCEEDINGS

This is a foreclosure proceeding. You have been served with the enclosed materials because you appear to have an interest in the property described in the petition to the court.

Within this proceeding, the court may make orders concerning distribution of sale proceeds that impact you.

To ensure that you are informed of any court orders concerning distribution of funds, you must make the court and the petitioner(s) aware of your contact information. This can be done by filing a response to petition or notifying the petitioner in writing of your current contact information.

If at any stage of this proceeding you wish to take a position on the relief sought in this proceeding, a response to petition and supporting affidavit must be filed and served on the petitioner(s) within the timelines set out in the Supreme Court Civil Rules.

THIS COURT ORDER AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, BDO Canada Limited is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including all proceeds (the "**Property**").

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
- (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

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- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court in respect of any transaction, and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (r) to assign the Debtor into bankruptcy, on such date to be determined by the Receiver, for the general benefit of creditors pursuant to section 49(1) of the BIA; and

- (a) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and

all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained

until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such

information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:

- (a) before the Receiver's appointment; or,
- (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

- (a) any gross negligence or wilful misconduct on its part; or

- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

VALIDITY OF SECURITY

28. The Mortgage and Assignment of Rents dated February 21, 2023 and registered in the Vancouver Land Title Office on February 23, 2023 under registration numbers CB487241 and CB4872412 (together, the "**Mortgage**"), charging the real property municipally described as 4555 Marine Avenue, Powell River, British Columbia and legally described as PID: 010-724-028 Lot 3 Block 9 District Lot 5307 Plan 7075 (the "**Real Property**"), is a mortgage charging the Real Property in priority to the interests therein or claims thereto of all respondents and all persons claiming by, through or under them.

29. The General Security Agreement dated February 21, 2023 granted by Bliss Body & Bath Ltd. in favour of the Petitioner, in respect of which a financing statement was registered in the BC PPR under base registration number 322723P on February 21, 2023, constitutes a charge in favour of the Petitioner on all present and after acquired personal property of Bliss Body & Bath Ltd. in priority to the interests therein or claims thereto of all respondents and all persons claiming by, through or under them.

JUDGMENT

30. The Petitioner is hereby granted judgment against the Debtor in the amount of \$2,619,195.49 as at August 19, 2025, plus interest thereon to the date of judgment, and the Petitioner's costs of and related to this proceeding.

31. The Petitioner is hereby granted judgment against 1391598 B.C. Ltd. and Tod English, jointly and severally, in the amount of \$2,538,000.00 as at June 27, 2025, plus interest thereon to the date of judgment, and the Petitioner's costs of and related to this proceeding.

SERVICE AND NOTICE OF MATERIALS

32. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring->

turnaround-services/current-engagements (the “**Website**”) and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the Supreme Court Civil Rules; and,
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

33. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must send a written request, which may be made by way of email, to counsel for the Receiver requesting that the Receiver add them to a service list to be maintained by the Receiver (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.

34. The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have properly requested to be added to the Service List. The failure of any Person to make a written request to be added to the Service List releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person makes a proper written request to be added to the Service List.

35. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.

36. Notwithstanding paragraph 32 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the *Federal Crown and the Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.

37. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

38. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.

39. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

40. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

41. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

42. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

43. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor' estate with such priority and at such time as this Court may determine.

44. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of lawyer for Petitioner
Daniel Shouldice

By the Court

Registrar

Schedule "A"
LIST OF COUNSEL

- 13 -

Schedule "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that BDO CANADA LIMITED, the Receiver and Manager (the "Receiver") of all of the assets, undertakings and properties Bliss Body & Bath Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia (the "Court") dated the ____ day of _____, 202_ (the "Order") made in SCBC Action No. _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the ____ day of each month after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of the [bank] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, British Columbia.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

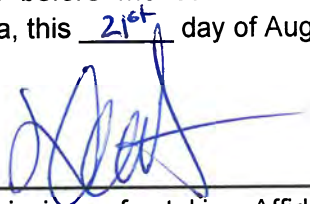
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 202__.

BDO CANADA LIMITED, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name: _____
Title: _____

This is **Exhibit "B"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

A Commissioner for taking Affidavits within
the Province of British Columbia



DATE: February 6, 2023

SRF:
390998813

ROYAL BANK OF CANADA CREDIT AGREEMENT

BORROWER:
BLISS BODY & BATH LTD.
ADDRESS (Street, City/Town, Province, Postal Code)
4555 MARINE AVE
POWELL RIVER, BC V8A 2K5

Royal Bank of Canada (the "Bank") hereby confirms to the undersigned (the "Borrower") the following credit facilities (the "Credit Facilities"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "Agreement"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility #1 Non-revolving term loan in the amount of \$2,440,000.00 by way of:

Variable or fixed rate loans to be determined at the time of Borrowing. Repayable by consecutive payments to be determined at drawdown based on a 240 month amortization. Payment amount, type and frequency are to be determined at drawdown. All outstanding principal and interest is payable in full at the end of the term selected by the Borrower. If a fixed rate term is selected by the Borrower, the amount eligible for prepayment is to be determined at the time of Borrowing.

The specific interest, prepayment and repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "A" provided by the Borrower and accepted by the Bank.

Facility #2 Revolving demand facility in the amount of \$50,000.00, available by way of RBP based loans.

Minimum retained balance \$0.00
 Revolved by the Bank in increments of \$5,000.00
 Interest rate: RBP + 0.00% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.
 Margined: Yes [] No [X]

Facility #3 Non-revolving term loan in the amount of \$60,000.00 by way of:

Variable or fixed rate loans to be determined at the time of Borrowing. Repayable by consecutive payments to be determined at drawdown based on a 60 month amortization. Payment amount, type and frequency are to be determined at drawdown. All outstanding principal and interest is payable in full at the end of the term selected by the Borrower. If a fixed rate term is selected by the Borrower, the amount eligible for prepayment is to be determined at the time of Borrowing.

The specific interest, prepayment and repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "A" provided by the Borrower and accepted by the Bank.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$25,000.00.

SECURITY

* Registered trademark of Royal Bank of Canada.

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, if applicable, (collectively, the “**Security**”), shall include:

- a) General security agreement on the Bank’s form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Collateral mortgage in the amount of \$4,034,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 4555 Marine Ave, Powell River, BC;
- c) Guarantee and postponement of claim on the Bank’s form 812 in the amount of \$2,583,000.00 signed by Tod W English;
- d) Guarantee and postponement of claim on the Bank’s form 812 in the amount of \$2,583,000.00 signed by 1391598 B.C. Ltd.;
- e) Postponement and assignment of claim on the Bank’s form 918 signed by Marben Enterprises Ltd.;
- f) Postponement and assignment of claim on the Bank’s form 918 signed by 1391598 B.C. Ltd.;
- g) Certificate of insurance evidencing fire and other perils coverage on the property located at 4555 Marine Ave, Powell River, BC, showing the Bank as first mortgagee, held in support of Facility #1.

FEES

Facility #2 management fee of \$50.00 payable in arrears on the same day each month.

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its maturity date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain, to be measured at the end of each fiscal year:
 - i. Debt Service Coverage of not less than 1.20:1.

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end;
- b) annual compilation engagement financial statements for 1391598 B.C. Ltd, within 90 days of each fiscal year end;
- c) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2024;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

* Registered trademark of Royal Bank of Canada.

OTHER INFORMATION/REQUIREMENTS

- a) In place of the definition of “**Debt Service Coverage**” contained in “Form 472 (12/2022) Royal Bank of Canada Credit Agreement – Standard Terms” forming part of this Agreement, for the purpose of this Agreement:
- the term “**Debt Service Coverage**” shall have the following meaning:
“**Debt Service Coverage**” means, for any fiscal period, the ratio of EBITDA, less Cash Taxes and, to the extent not deducted in determining net income, less Corporate Distributions, to the total of Interest Expense and scheduled principal payments in respect of Funded Debt; and
 - the term “**Cash Taxes**” shall have the following meaning:
“**Cash Taxes**” means, for any fiscal period, any amounts paid in respect of income taxes;

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower’s responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank’s Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower’s signature below as the Borrower’s waiver of the Bank’s offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower’s existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower’s signature below as the Borrower’s waiver of the Bank’s offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person’s age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

- Form 472 (12/2022) Royal Bank of Canada Credit Agreement – Standard Terms
- Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

ACCEPTANCE

* Registered trademark of Royal Bank of Canada.

This Agreement is open for acceptance until March 8, 2023, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: ADEOLA AWOPETU

/ry

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 2023-02-21 day of _____, 20____.

BLISS BODY & BATH LTD.

Per: _____
Name: Tod English
Title: President

e-Signed by Tod English

on 2023-02-21 09:07:28 PST

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

Attachments:

- Schedule – Borrowing Request

* Registered trademark of Royal Bank of Canada.

**ROYAL BANK OF CANADA CREDIT AGREEMENT – SCHEDULE “A”
BORROWING REQUEST STANDARD FORM**

In support of the Royal Bank of Canada Credit Agreement dated February 6, 2023 the Borrower hereby requests the following be established under Facility #3_____:

Date of Borrowing	Feb 21, 2023		
Amount of Borrowing:	\$60,000		
Amortization (in months):	60		
Selected Term: (Borrowing repayable in full on the last day of the Term)	2 Year		
Payment Amount:	\$1,170		
Payment Frequency:	weekly <input type="checkbox"/>	bi-weekly <input type="checkbox"/>	
	semi-monthly <input type="checkbox"/>	monthly <input checked="" type="checkbox"/>	
	quarterly <input type="checkbox"/>	semi-annual <input type="checkbox"/>	annual <input type="checkbox"/>
Selected Interest Rate (per annum):	6.25 % <input checked="" type="checkbox"/>	RBP +	% <input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) <input checked="" type="checkbox"/> If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization	Principal plus Interest <input type="checkbox"/>	
First Payment Due Date:	30 days after disbursement		
Amount Eligible for Prepayment of FRT Loan:	0% <input checked="" type="checkbox"/>	10% <input type="checkbox"/>	

Dated this 2023-02-21 day of _____, 20_____.

BLISS BODY & BATH LTD.

e-Signed by Tod English

Per: _____ on 2023-02-21 09:07:35 PST

Name: Tod English

Title: President

Per: _____

Name:

Title:

I/We have the authority to bind the Borrower

SRF# 390998813

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a duly executed copy of this Agreement;
- the Security provided for herein, in form and substance, and executed and registered to the satisfaction of the Bank;
- such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank to ascertain the balance of any General Account and:

- if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- where the facility is indicated to be Bank revolved, if such position is a credit balance, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand

and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.

- j) In the case of any reducing term loan and/or reducing term facility (“**Reducing Term Loan/Facility**”), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank’s option, the Bank may provide a letter (“**Renewal Letter**”) to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank’s option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank’s prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower’s agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
- (i) the amount equal to three (3) months’ interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank’s original cost of funds for the fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;
- plus:
- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank’s original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;
- plus:
- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower’s obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the “**Accounts**”) evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period

to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate, including, without limitation, the application of accrual accounting. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

JOINT AND SEVERAL / SOLIDARY

Where more than one Person is liable as Borrower, for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidary) with each other such Person.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

Borrowings made by way of LCs and/or LGs will be subject to the following terms and conditions:

- a) each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;

- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"**Applicable Laws**" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"**Borrowing**" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"**Business Day**" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

“Business Loan Insurance Plan” means the optional group creditor insurance coverage, underwritten by RBC Life Insurance Company, and offered in connection with eligible loan products offered by the Bank;

“Capital Expenditures” means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

“Contaminant” includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

“Corporate Distributions” means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

“Current Assets” means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

“Current Liabilities” means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

“Current Ratio” means the ratio of Current Assets to Current Liabilities;

“Debt Service Coverage” means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

“EBITDA” means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

“Environmental Activity” means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

“Environmental and Health and Safety Laws” means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

“Equivalent Amount” means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“Equity” means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

“Financial Assistance” means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

“Fixed Charge Coverage” means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

“Fixed Charges” means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

“Foreign Exchange Forward Contract” or “FEF Contract” means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

“Funded Debt” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Interest Expense” means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances.

“Investment” means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

“Letter of Credit” or “LC” means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

“Letter of Guarantee” or “LG” means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

“Margin” or “Margined” means that the availability of Borrowings under the credit facilities will be based on the Borrower's level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

“Overdraft” means advances of credit by way of debit balances in the Borrower's current account;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 52000 and 53000, issued by RBC Life Insurance Company to the Bank;

“Postponed Debt” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and “Royal Bank Prime” each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

“RBUSBR” and “Royal Bank US Base Rate” each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

“Tangible Net Worth” means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

“Total Liabilities” means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

“Unfunded Capital Expenditures” means Capital Expenditures not funded by either bank debt or equity proceeds.

“US” means United States of America.

**ROYAL BANK OF CANADA CREDIT AGREEMENT – RBC COVARIETY
DASHBOARD TERMS AND CONDITIONS**

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FORM 473A (06/2021)

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement:

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse. Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covariety Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or

**ROYAL BANK OF CANADA CREDIT AGREEMENT – RBC COVARITY
DASHBOARD TERMS AND CONDITIONS**

FORM 473A (06/2021)

discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.



FORM 484 OWL (Rev 06/2023)

ROYAL BANK OF CANADA AMENDING AGREEMENT

DATE: April 22, 2025

BORROWER: BLISS BODY & BATH LTD.	SRF: 390998813
ADDRESS (Street, City/Town, Province, Postal Code) 4555 MARINE AVE. POWELL RIVER, BC V8A 2K5	

Royal Bank of Canada (the “**Bank**”) hereby confirms to the undersigned borrower (the “**Borrower**”) the following amendments to the credit agreement dated February 6, 2023, and any previous amendments thereto, between the Borrower and the Bank (the “**Agreement**”):

Facility #1 in the amount of \$2,337,786.27, which was payable in full on February 23, 2025 (the “**Original Facility #1 Maturity Date**”), is renewed, subject to the following revised terms and conditions with effect retroactive to the Original Facility #1 Maturity Date. Scheduled payments which would have come due under this facility, as so revised and renewed, since the Original Facility #1 Maturity Date are considered skipped and revised scheduled payments will commence upon acceptance of this amending agreement. The Borrower understands and agrees that any interest accrued and unpaid under this facility, will be charged to its account upon its acceptance of this amending agreement:

Facility #1 Fixed rate term loan (non-revolving) in the amount of \$2,337,786.27. Repayable by consecutive monthly blended payments of \$20,672.00, including interest, based on a remaining 216 month amortization. First payment is due May 23, 2025. This loan has a 14 month term and all outstanding principal and interest is payable in full April 23, 2026. Interest rate: 8.15% per annum. Amount eligible for prepayment is NIL.

Facility #3 in the amount of \$41,969.42, which was payable in full on February 23, 2025 (the “**Original Facility #3 Maturity Date**”), is renewed, subject to the following revised terms and conditions with effect retroactive to the Original Facility #3 Maturity Date. Scheduled payments which would have come due under this facility, as so revised and renewed, since the Original Facility #3 Maturity Date are considered skipped and revised scheduled payments will commence upon acceptance of this amending agreement. The Borrower understands and agrees that any interest accrued and unpaid under this facility, will be charged to its account upon its acceptance of this amending agreement:

Facility #3 Fixed rate term loan (non-revolving) in the amount of \$41,969.42. Repayable by consecutive monthly blended payments of \$1,319.00, including interest, based on a remaining 36 month amortization. First payment is due May 23, 2025. This loan has a 14 month term and all outstanding principal and interest is payable in full April 23, 2026. Interest rate: 8.15% per annum. Amount eligible for prepayment is NIL.

OTHER TERMS AND CONDITIONS

- a) All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement; and
- b) All other terms and conditions of the Agreement including those contained in the standard terms provided therewith, remain in full force and effect.

STANDARD TERMS

In addition to the standard terms previously provided to the Borrower as indicated in the Agreement, the following standard terms, if indicated in the boxes below, are being provided to the Borrower:

- Form 472 (12/2022) Royal Bank of Canada Credit Agreement – Standard Terms
- Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

® Registered trademark of Royal Bank of Canada.

ACCEPTANCE

The Borrower and the Bank waive any requirement for the amendments set out above to be signed by the Borrower. The Borrower is deemed to agree to the amendments set out above and to the new or amended standard terms, if provided, so taking effect by accessing credit, borrowing or continuing to borrow under the Credit Facilities. The above amendments and the new or amended standard terms, if applicable, take effect as of the date of this amending agreement.

ROYAL BANK OF CANADA



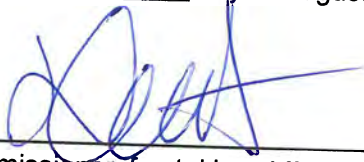
Per: _____
Title: Vice President

RBC Contact: ADEOLA AWOPETU

/nl

* Registered trademark of Royal Bank of Canada.

This is **Exhibit "C"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within the Province of British Columbia

1. Application

McMILLAN DUBO LLP
401, 121 5TH AVENUE
KAMLOOPS BC V2C 0M1
778-765-1701

File No.: 100-1858
 MLM/tg

2. Description of Land

PID/Plan Number	Legal Description
010-724-028	LOT 3 BLOCK 9 DISTRICT LOT 5307 PLAN 7075

3. Borrower(s) (Mortgagor(s))

BLISS BODY & BATH LTD.
 4555 MARINE AVENUE
 POWELL RIVER BC V8A 2K5

BC0593955

4. Lender(s) (Mortgagee(s))

ROYAL BANK OF CANADA
 36 YORK MILLS ROAD, 4TH FLOOR
 TORONTO ON M2P 0A4

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$4,034,000.00	Royal Bank Prime Rate plus 5.00% per annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, calculated on the outstanding daily balance	SEE SCHEDULE	ON DEMAND
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
ON DEMAND	N/A % per annum	ON DEMAND
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes If yes, page and paragraph number: SEE PAGES 1-3 OF SCHEDULE, PARAGRAPHS 1 THROUGH 16	POSTAL ADDRESS IN ITEM 4	ON DEMAND

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes



8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

(b) Filed Standard Mortgage Terms

D F Number: **MT190022**

A selection of (a) or (b) includes any additional or modified terms.

10. Additional or Modified Terms

SEE SCHEDULE

11. Prior Encumbrances Permitted by Lender

N/A

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

KATYA S. BUCK
BARRISTER & SOLICITOR
#103 - 7020 DUNCAN STREET
POWELL RIVER, BC V8A 1V9

Execution Date

YYY-MM-DD
2023-02-21

Borrower / Party Signature(s)

BLISS BODY & BATH LTD.
By their Authorized Signatory

Tod William English

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

**LAND TITLE ACT
FORM E**

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. PAYMENT PROVISIONS:

Payment Dates:

Principal: On Demand

Interest: 20th day of every month or as otherwise specified by Mortgagee

Assignment of Rents:

1. DEFINITIONS IN THIS MORTGAGE:

"Indebtedness" means the Principal Amount of the Mortgage and all interest thereon and all other indebtedness, liability or obligations of the Mortgagor to the Mortgagee from time to time secured by this Mortgage.

"Leases" means each and every written or unwritten agreement to lease, lease renewal, tenancy agreement, licence and right of occupancy made or to be made, or granted or to be granted with respect to the Mortgage Land or any part thereof, now or in the future.

"Rents" means all rents and other payments due or accruing due or at any time hereafter to become due pursuant to the Leases and benefit of all guarantees of payment and all covenants to pay therein contained.

2. The Mortgagor will, without demand, promptly deliver to the Mortgagee a true copy of each of the Leases and give to the Mortgagee full information relating to each of the Leases.

3. The Mortgagor hereby assigns to the Mortgagee all Rents, for the Mortgagee to have and to hold until the Indebtedness and all obligations of the Mortgagor in respect of this Mortgage have been fully paid and satisfied.

4. The Mortgagor hereby grants to the Mortgagee full power and authority to enter upon the Mortgage Land to collect the Rents, to serve demands on the holders of the Leases in respect of payment of the Rents and to demand, collect, sue for, distrain for, recover and give receipts for the Rents, and to enforce payment of the Rents and performance of the said guarantees of payment and covenants to pay, in the Mortgagee's own name or in the name of and as agent for the Mortgagor, as the Mortgagee may elect, and hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions.

5. Although this is a present and absolute assignment, (subject to defeasance on repayment of the Indebtedness), the Mortgagor, as agent for the Mortgagee, will be entitled to collect and retain the Rents as and when they become due and payable according to the terms of the Leases until there is a default in the observance or performance by the Mortgagor of any term, covenant, agreement, proviso or condition of this Mortgage or of any other collateral security; PROVIDED that this paragraph shall not relieve the Mortgagor from the observance and performance of the Mortgagor's obligations hereunder.

**LAND TITLE ACT
FORM E****SCHEDULE**

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

6. In the event of default by the Mortgagor under the Mortgage, proceedings may, at the option of the Mortgagee, be taken under this assignment of rents either independently or in conjunction with the other rights and remedies of the Mortgagee under this Mortgage.

7. Nothing herein contained shall be deemed to have the effect of making the Mortgagee responsible for the collection of the Rents or for the observance or performance of any of the provisions of the Leases either by the Mortgagor or by any holders of the Leases, or of rendering the Mortgagee a mortgagee in possession of the Mortgaged Land or in any way accountable or liable as such, or of imposing any obligation on the Mortgagee to take any action or exercise any remedy in the collection or recovery of the Rents.

8. The Mortgagee will be liable to account for only such moneys as it actually receives pursuant to this assignment of rents, including such portions thereof as may be expended by the Mortgagee on collection charges, inspection fees, costs as between solicitor and client, and other expenses to which the Mortgagee may be put in respect thereof, and the balance of such moneys, when so received by the Mortgagee, will be applied on the account of the Indebtedness.

9. Without limiting the generality of Section 35 of the Filed Standard Mortgage Terms which form part of this Mortgage, the giving of this assignment of rents is by way of additional and collateral security for the Indebtedness and not in substitution for or satisfaction of any other collateral security and will not in any way derogate from or delay or prejudice any rights or remedies to which the Mortgagee may be entitled under any other security collateral hereto and will not in any way prejudice or limit the obligations of the Mortgagor under any such other security.

10. The Mortgagor will not at any time during the existence of this Mortgage, without the prior written consent of the Mortgagee:

a. assign, pledge, or otherwise encumber the Leases or the Rents, or any of them, and will not knowingly do or omit to be done or permit to be done any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any of the Mortgagor's rights or remedies or the obligations of any other party under or in connection with the Leases;

b. terminate, accept a surrender of, or amend the Leases in any manner, or permit any assignment or extension of any of the Leases or any subletting thereunder; or

c. receive or permit any prepayment of the Rents under the Leases.

11. The Mortgagor will execute and deliver such further assurances, assignments, notices or other documents as the Mortgagee may reasonably require from time to time to render this assignment of rents effective.

12. At the request of the Mortgagee from time to time, the Mortgagor will give any other party to any of the Leases actual written notice of this assignment of rents, and will use the Mortgagor's best effort to obtain from such party an acknowledgement of any such notice; but nothing in this paragraph shall oblige the Mortgagee to make any such request.

**LAND TITLE ACT
FORM E**

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

13. There are to the knowledge of the Mortgagor no existing or future rights of set-off, assignment, commutation or prepayment with respect to the Rents.

14. To the knowledge of the Mortgagor, there have been no defaults under any of the now existing Leases by the Mortgagor or by any of the holders of the Leases, and there are no outstanding disputes pursuant to such Leases.

15. The Mortgagor will at all times observe and perform all the Mortgagor's obligations under the Leases.

16. The Mortgagor now has good and sufficient power, authority and right to assign the Rents and other benefits referred to herein in the manner aforesaid according to the true intent and meaning of this assignment of rents.

10. ADDITIONAL OR MODIFIED TERMS:

This mortgage is granted for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Mortgagor) as general and continuing collateral security for payment and satisfaction of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, of whatsoever nature and kind and howsoever arising, at any time and from time to time owing or payable by the Mortgagor (or either or any of them) to the Mortgagee, all as may be more fully set forth in the Filed Standard Mortgage Terms (referred to in Item 9 of Form B) which form part of this Mortgage and Defeasance Option #3 under Section 3 of the said Filed Standard Mortgage Terms applies to this Mortgage, and in interpreting this Mortgage, Section entitled "Advances" of the said Filed Standard Mortgage Terms shall be read subject to the following:

NOTICE IS HEREBY GIVEN to every person dealing with the title to the Mortgaged Land that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Mortgagor to the Mortgagee with respect to any bankers' acceptances from time to time issued by the Mortgagor and accepted by the Mortgagee and with respect to any letters of credit or letters of guarantee from time to time issued by the Mortgagee at the request of the Mortgagor and that advances by the Mortgagee not exceeding from time to time the aggregate amount referred to herein are contemplated and secured by this Mortgage and that with respect to any such bankers' acceptances and any such letters of credit or letters of guarantee, the Mortgagee is hereby and thereby required, subject to the defences available to any obligant thereunder, from the date of acceptance of each such bankers' acceptance and from the date of issuance of each such letter of credit or letter of guarantee, to make the advances contemplated therein in accordance with the terms thereof.

The following shall be added immediately following Section 8 of the Filed Standard Mortgage Terms:

"8A. PROHIBITIONS

Without the prior written consent of the Mortgagee, the Mortgagor shall not and shall not have the power to:

**LAND TITLE ACT
FORM E****SCHEDULE**

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

(a) Grant, create or permit to be created any mortgage, charge or security interest in encumbrances or lien over, or claim against the Mortgaged Land or any part thereof which ranks or could in any event rank in priority to or pari passu with the charge of this Mortgage; or

(b) Issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of any predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee."

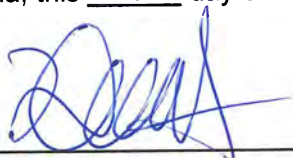
The following shall be added immediately following Section entitled "Additional Acceleration Provisions" of the said Filed Standard Mortgage Terms:

IMMEDIATE PAYMENT AND PREPAYMENT

The Mortgagee may exercise its rights and remedies hereunder immediately upon default, and the Mortgagor hereby confirms that except as may be expressly otherwise provided herein or in any other written agreement between the Mortgagor and the Mortgagee contemplating the granting of this Mortgage, the Mortgagee has not given any covenant, express or implied, and is under no obligation to allow the Mortgagor any period of time to remedy any default prior to the Mortgagee exercising its rights and remedies hereunder.

Any right or option contained in the said Filed Standard Mortgage Terms to prepay or repay prior to the date of final payment hereunder the whole balance or any portion of the principal monies remaining unpaid hereunder may only be exercised in the absence of any agreement to the contrary with respect to all or any portion of the debts, liabilities and obligations from time to time secured hereby.

This is **Exhibit "D"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT BRITISH COLUMBIA
FORM 17 CHARGE, NOTATION OR FILING Oct-02-2019 12:00:51.001
LAND TITLE AND SURVEY AUTHORITY

MT190022

PAGE 1 OF 15 PAGES

- Your electronic signature is a representation by you that:
 - you are a subscriber; and
 - you have incorporated your electronic signature into
 - this electronic application, and
 - the imaged copy of each supporting document attached to this electronic application,
- and have done so in accordance with Sections 168.3 and 168.41(4) of the *Land Title Act*, RSBC 1996, C.250.

Margot Lyle McMillan SE521B	Digitally signed by Margot Lyle McMillan SE521B Date: 2019.10.02 11:52:53 -07'00'
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- Your electronic signature is a declaration by you under Section 168.41 of the *Land Title Act* in respect of each supporting document required in conjunction with this electronic application that:
 - the supporting document is identified in the imaged copy of it attached to this electronic application;
 - the original of the supporting document is in your possession; and
 - the material facts of the supporting document are set out in the imaged copy of it attached to this electronic application.

Each term used in the representation and declaration set out above is to be given the meaning ascribed to it in Part 10.1 of the *Land Title Act*.

1. APPLICANT: (Name, address, phone number of applicant, applicant's solicitor or agent)

McMILLAN DUBO, LLP
LAWYERS
320 - 301 VICTORIA STREET
KAMLOOPS BC V2C 2A3
Document Fees: \$29.66

Phone (778) 765-1701
File 100-514
MLM/jc

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

NO PID NMBR NOT APPLICABLE

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

STANDARD MORTGAGE TERMS
ADDITIONAL INFORMATION:

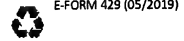
NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

ROYAL BANK OF CANADA

88 QUEENS QUAY WEST, 17TH FLOOR,
TORONTO ONTARIO
M5J 0B8



STANDARD MORTGAGE TERMS
MT _____

FILED BY: THE ROYAL BANK OF CANADA

The following set of standard mortgage terms is deemed to be included in and form a part of every mortgage in which this set is referred to by and adopted by reference to its filing number, as provided by Section 225 of the Act.

1. DEFINITIONS

In this set of standard mortgage terms and every instrument in Form B which adopts it by reference to its filing number and in all schedules and addenda to each such Form B:

"Act" means the *Land Title Act*, R.S.B.C. 1996, c. 250, as amended.

"Amount of Each Periodic Payment" means the amount set out in Item 5(g) of Form B.

"Balance Due Date" means the date or time set out in Item 5(1) of Form B.

"First Payment Date" means the date set out in Item 5(f) of Form B.

"Form B" means each and any form identified by the heading and in the form of "Form B", as approved by the Director of Land Titles for the purposes of the Act, which refers to this set of standard mortgage terms by this set's filing number.

"Guarantee" means any guarantee or guarantees collaterally secured, in whole or in part, by this Mortgage and any modifications, renewals or replacements of the said guarantee or guarantees from time to time.

"Interest Adjustment Date" means the date set out in Item 5(c) of Form B.

"Interest Rate" means the rate of interest set out in Item 5(b) of Form B.

"Last Payment Date" means the date set out in Item 5(i) of Form B.

"Mortgage" means the mortgage created by Part 1 and Part 2 together.

"Mortgagor" means the party or parties described in Part 1 as the "Borrower(s) [Mortgagor(s)]".

"Mortgagee" means the party or parties described in Part 1 as the "Lender(s) [Mortgagee(s)]".

"Mortgaged Land" means the lands and premises or the Mortgagor's interest therein described in Part 1 as the lands and premises charged by the Mortgage together with all benefits, easements, licences, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act*, R.S.B.C., 1996, c. 252 together with all buildings, erections, fixtures and improvements fixed or otherwise now on or hereafter put upon such lands including, but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, elevators, escalators, furnaces, light fixtures, boilers, pressure vessels, appliances, stoves, dishwashers, washers, dryers, and wall to wall carpets, now or hereafter installed in the lands and premises or used in connection therewith, whether or not attached to the premises other than by their own weight, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto.

"Note" means any promissory note or notes collaterally secured, in whole or in part, by this Mortgage and any modifications, renewals or replacements of the said note or notes from time to time.

"Part 1" means all of the terms, conditions and other *information* contained in Form B and any schedule or attachment to Form B and which does not form a part of Part 2.

"Part 2" means this set of standard mortgage terms.

"Payment Dates" means those dates or days set out in Item 5(e) of Form B.

"Personal Loan Base Rate" or "Personal Loan Base Rate of the Mortgagee" means the annual rate of interest announced from time to time by the Mortgagee as a reference rate then in effect for determining interest rates on Canadian dollar personal loans in Canada. In the event that it may be necessary at any time for the Mortgagee to prove the Personal Loan Base Rate of the Mortgagee applicable as at any time or times a certificate in writing of the manager for the time being of the branch or unit of the Mortgagee responsible for the collection of the monies secured by this Mortgage, setting forth the Personal Loan Base Rate as at any time or times, shall be, and shall be deemed to be, conclusive evidence as to the Personal Loan Base Rate as set forth in the certificate.

"Place of Payment" means the address set out or referred to in Item 5(k) of Form B.

"Prime" or "Prime Interest Rate of the Mortgagee" means the annual rate of interest announced from time to time by the Mortgagee as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. In the event that it may be necessary at any time for the Mortgagee to prove the Prime Interest Rate of the Mortgagee applicable as at any time or times a certificate in writing of the manager for the time being of the branch or unit of the Mortgagee responsible for the collection of the monies secured by this Mortgage, setting forth the Prime Interest Rate of the Mortgagee as at any time or times, shall be, and shall be deemed to be, conclusive evidence as to the Prime Interest Rate of the Mortgagee as set forth in the certificate.

"Principal Amount" means the amount set out in Item 5(a) of Form B.

2. CHARGE

The following charging provision applies only if a specific mortgage and charge on the Mortgaged Land is not included in Part 1:

THE MORTGAGOR HEREBY grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Mortgaged Land as security for the payment to the Mortgagee of the principal and interest and all other monies and the performance or fulfillment of all liabilities and obligations secured by this Mortgage upon the terms set out in this Mortgage.

3. DEFEASANCE

If no specific defeasance provision is included in Part 1 and one of the following defeasance options is specified in Part 1, the defeasance option so specified will apply to this Mortgage:

DEFEASANCE OPTION #1**DEMAND**

PROVIDED this Mortgage to be void on payment to the Mortgagee ON DEMAND at the Place of Payment or at such other place as the Mortgagee may from time to time require of the Principal Amount in lawful money of Canada, together with interest thereon at the Interest Rate calculated on the outstanding daily balance thereof or on so much thereof as remains from time to time unpaid, payable monthly as well after as before maturity, default and judgment until the whole of the Principal Amount is paid, on the 20th day of each and every month or on such other date as may be specified by the Mortgagee. The Mortgageor will pay interest at the Interest Rate on overdue interest on the same dates as current interest is payable as aforesaid.

AND taxes and performance of statute labour.

THE MORTGAGOR observing and performing the covenants and conditions herein contained on its part to be observed and performed shall have the right at any time and from time to time prior to the date of final payment hereunder, without notice or bonus, to repay the whole balance of the principal monies remaining unpaid hereunder or any part thereof together with interest as provided herein up to the date or dates of such payment or payments.

DEFEASANCE OPTION #2**FIXED RATE - BLENDED PAYMENTS**

PROVIDED this Mortgage to be void on payment to the Mortgagee at the Place of Payment or at such other place as the Mortgagee may from time to time require in lawful money of Canada of the Principal Amount and interest as follows:

The Mortgageor will pay the Principal Amount in lawful money of Canada plus interest thereon at the Interest Rate, calculated monthly as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the Principal Amount, and without days of grace, in equal consecutive monthly blended instalment payments of principal and interest in the Amount of Each Periodic Payment, commencing on the First Payment Date and continuing monthly thereafter on the Payment Dates until the Last Payment Date, on which date the balance, if any, of the Principal Amount and interest then unpaid shall become due and payable.

The Mortgageor will pay interest at the Interest Rate on any defaulted instalment from the date of default until paid. If any instalment is not paid on the due date, the entire balance of the Principal Amount and interest accrued thereon and all other monies secured by this Mortgage shall immediately become due and payable, at the option of the Mortgagee. Interest on overdue interest and on arrears of principal shall be payable on demand.

For purposes of the *Interest Act*, R.S.C., 1985, c. I-15, it is understood, agreed and declared that the amount of principal money hereby secured is the Principal Amount and the rate of interest chargeable thereon, calculated half yearly, not in advance, is the rate set forth in Item 5(h) of Form B.

In the event that the monies secured hereby are advanced by the Mortgagee more than one month prior to the First Payment Date or any extension of that date granted by the Mortgagee, interest at the aforesaid rate on the amount of the advance computed from the date of such advance until the date which is one month prior to the First Payment Date or any extension of that date granted by the Mortgagee shall become due and be paid on the date which is one month prior to the First Payment Date or any extension of that date granted by the Mortgagee.

In the event that the monies secured hereby are advanced at any time after the date which is one month prior to the First Payment Date, the Mortgagee may at its option extend the time for the commencement of monthly payments hereunder until such date as the Mortgagee may specify in the month following the date of advance, in which event the dates upon which the balance of payments are due hereunder shall be similarly extended.

AND taxes and performance of statute labour.

PROVIDED and it is hereby further agreed by and between the Mortgageor and the Mortgagee that in addition to any other provisions of this Mortgage or of the Note or of any other agreement between the Mortgageor and the Mortgagee, the entire balance of the Principal Amount together with accrued interest thereon and all other monies secured by this Mortgage shall forthwith become due and payable at the option of the Mortgagee upon the occurrence of any of the following events:

- (a) if any payment of principal or interest or both as provided herein is not paid when due or any other monies secured by this Mortgage are not paid when due;
- (b) if the Mortgageor is in default under any other term or provision of this Mortgage or of the Note;
- (c) if the Mortgageor fails to observe or perform any other term or provision of any other agreement with the Mortgagee concerning the indebtedness collateral secured hereby;
- (d) if any representation or warranty made by the Mortgageor to the Mortgagee relating to the amount due under the Note is found at any time to be incorrect in any material respect;
- (e) if the Mortgageor becomes bankrupt or insolvent, or if a petition in bankruptcy is filed against the Mortgageor, or any authorized assignment for the benefit of creditors is made by the Mortgageor, or if a receiver or trustee for the Mortgageor or for any of the assets of the Mortgageor is appointed, or if there is instituted by or against the Mortgageor any other type of insolvency proceedings under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 or otherwise;
- (f) if the Mortgageor ceases or threatens to cease to carry on a major part of its business as presently conducted;
- (g) if the Mortgagee in good faith believes that the prospect for repayment of all or any part of the amount due under the Note is impaired; or
- (h) if legal implications arise which, in the opinion of the Mortgagee, may be detrimental to the security value of this Mortgage or of any other security held by the Mortgagee for any indebtedness of the Mortgageor to the Mortgagee.

The Mortgageor shall not be entitled to prepay the monies secured hereby otherwise than as set forth herein or in the Note or as otherwise agreed in writing with the Mortgagee.

DEFEASANCE OPTION #3**CURRENT OR RUNNING ACCOUNT**

PROVIDED this Mortgage to be void on payment to the Mortgagee ON DEMAND at the Place of Payment or at such other place as the Mortgagee may from time to time require of the Principal Amount in lawful money of Canada, together with interest thereon at the Interest Rate calculated on the outstanding daily balance thereof or on so much thereof as remains from time to time unpaid, payable monthly as well after as before maturity, default and judgment until the whole of the Principal Amount is paid, on the 20th day of each and every month or on such other date as may be specified by the Mortgagee. The Mortgagor will pay interest at the Interest Rate on overdue interest on the same dates as current interest is payable as aforesaid.

AND taxes and performance of statute labour.

THIS MORTGAGE is made to secure a current or running account and shall not be deemed to have been redeemed by reason only that:

- (i) advances made under it are repaid, or
- (ii) the account of the Mortgagor with the Mortgagee ceases to be in debit,

and this Mortgage remains effective as security for any and all further advances at any time made by the Mortgagee; PROVIDED that nothing herein contained shall prevent the Mortgagor from demanding and receiving from the Mortgagee at the Mortgagor's expense a discharge of this Mortgage at any time when there are no monies owing or liabilities outstanding to the Mortgagee from the Mortgagor.

THE MORTGAGOR observing and performing the covenants and conditions herein contained on its part to be observed and performed shall have the right at any time and from time to time prior to the date of final payment hereunder, without notice or bonus, to repay the whole balance of the principal monies remaining unpaid hereunder or any part thereof together with interest as provided herein up to the date or dates of such payment or payments.

DEFEASANCE OPTION #4**GUARANTEE AND POSTPONEMENT OF CLAIM**

PROVIDED this Mortgage to be void on either of the following events:

- (a) release by the Mortgagee of the obligations of the Mortgagor as set forth in the Guarantee; or
- (b) payment to the Mortgagee ON DEMAND at the Place of Payment or at such other place as the Mortgagee may from time to time require of the amount demanded by the Mortgagee under the Guarantee, up to an amount not to exceed the Principal Amount in lawful money of Canada, together with interest thereon at the Interest Rate from the date of demand for payment, calculated on the outstanding daily balance thereof and compounded monthly until payment in full, and all costs, expenses and charges arising out of or connected with the said amount demanded or otherwise payable hereunder.

AND taxes and performance of statute labour.

THIS MORTGAGE is made to secure a current or running account and shall not be deemed to have been redeemed by reason only that:

- (i) advances made under it are repaid, or
- (ii) the account of the Mortgagor with the Mortgagee or the account of the customer named in the Guarantee with the Mortgagee ceases to be in debit,

and this Mortgage remains effective as security for any and all further advances at any time made by the Mortgagee; PROVIDED that nothing herein contained shall prevent the Mortgagor from demanding and receiving from the Mortgagee at the Mortgagor's expense a discharge of this Mortgage at any time when there are no monies owing or liabilities outstanding to the Mortgagee from the Mortgagor or from the customer named in the Guarantee.

THE MORTGAGOR observing and performing the covenants and conditions herein contained on its part to be observed and performed shall have the right at any time and from time to time prior to the date of final payment hereunder, without notice or bonus, to repay the whole balance of the principal monies remaining unpaid hereunder or any part thereof together with interest as provided herein up to the date or dates of such payment or payments.

If no specific defeasance provision is included in Part 1 and none of the defeasance options set forth above is specified in Part 1, defeasance option #1 above shall apply. When one of the defeasance options set forth above applies to this Mortgage, none of the provisions of any other of the said defeasance options shall apply.

4. LAND TRANSFER FORM ACT

This Mortgage is made pursuant to Part 3 of the *Land Transfer Form Act*, R.S.B.C., 1996, c. 252.

5. APPLICATION OF PAYMENTS

Any blended or combined instalments of principal and interest payable under this Mortgage will be applied firstly to interest from time to time outstanding and the balance of the said instalments shall be applied on account of principal; except, however, in the case of default by the Mortgagor, the Mortgagee may then apply any payments received during the period of default in whatever order it may elect as between interest, principal, taxes, insurance premiums, repairs or other advances made on behalf of the Mortgagor and except in the case of any partial payments by the Mortgagor, which may be applied against principal or interest or otherwise as the Mortgagee may determine.

6. COMPOUND INTEREST

It is agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, interest shall be payable thereon and the sum in arrears for interest from time to time, as well after as before maturity or judgment, shall itself bear interest at the rate stipulated in Part 1, and in case the interest and compound interest are not paid on the next interest payment date after the date of default, a rest shall be made and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity or judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Mortgaged Land.

7. TAXES

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the Mortgaged Land it is mutually agreed between the parties to this Mortgage that:

- (a) The Mortgagor shall pay all taxes as they fall due and will provide the Mortgagee with receipts confirming payment of same as the Mortgagee may require;
- (b) The Mortgagee may deduct from the final advance of the monies secured by this Mortgage an amount sufficient to pay the taxes which have become or will become due and payable on or before the date for the adjustment of interest and are unpaid at the date of such final advance;
- (c) After the date for the adjustment of interest, the Mortgagor shall, if directed by the Mortgagee, pay to the Mortgagee in monthly instalments on the dates on which instalments of principal and/or interest are payable under this Mortgage, sums which in the sole opinion of the Mortgagee will be sufficient to enable the Mortgagee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof; and the Mortgagor shall also pay the Mortgagee on demand the amount, if any, by which the annual taxes exceed such estimated amount;
- (d) The Mortgagee will apply such deduction and payments on the taxes chargeable against the Mortgaged Land so long as the Mortgagor is not in default under any covenant, proviso or agreement contained in this Mortgage, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly; provided, however, that if, before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by the Mortgagor in respect of any payment of principal, interest or other amount as provided in this Mortgage, the Mortgagee may apply such sum or sums in or towards payment of the principal, interest and/or other amount in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after their receipt by the Mortgagor; and
- (e) The Mortgagee may allow the Mortgagor interest at a rate determined by the Mortgagee from time to time on the average monthly balances standing in the mortgage account from time to time to the credit of the Mortgagor for payment of taxes, such interest to be credited to the mortgage account not less frequently than once each year; and the Mortgagor shall be charged and will pay interest, at the Interest Rate on the debit balance, if any, of taxes in the mortgage account outstanding after payment of taxes by the Mortgagee, until such debit balance is fully repaid.

8. LAND TRANSFER FORM ACT COVENANTS

In this paragraph 8 "land" means the Mortgaged Land.

The Mortgagor covenants with the Mortgagee:

- (i) That the Mortgagor will pay the mortgage money and interest and observe the above provisos; and will also pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the land or in respect thereof, no matter by whom or by what authority imposed, which the Mortgagee has paid or has been rendered liable to pay and shall also pay all other sums as the Mortgagee may be entitled to under this Mortgage;
- (ii) That the Mortgagor has a good title in fee simple to the land;
- (iii) That the Mortgagor has the right to convey the land to the Mortgagee;
- (iv) That on default the Mortgagee shall have possession of the land free from all encumbrances;
- (v) That the Mortgagor will execute such further assurances of the land as may be requisite;
- (vi) That the Mortgagor has done nothing to encumber the land;
- (vii) That the Mortgagor releases to the Mortgagee all his claims on the land subject to the proviso; and
- (viii) Provided that until default of payment, the Mortgagor shall have quiet possession of the land.

Clause 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C., 1996, c. 252 is expressly excluded from this Mortgage.

9. AGREEMENT FOR SALE

The following provisions shall apply if the interest of the Mortgagor in the Mortgaged Land is that of a purchaser under an agreement for sale:

- (a) the Mortgagor represents that the Mortgagor is the purchaser under an agreement for sale of the Mortgaged Land as set out in Item 8 of Form B (the "Agreement for Sale");
- (b) the Mortgagor hereby grants, assigns and sets over to the Mortgagee the Agreement for Sale and all right, title and interest of the Mortgagor therein and thereunder and all benefits and advantages to be derived therefrom including the benefit of all covenants on the part of the vendor therein;
- (c) upon the Mortgagor becoming vested of the fee simple to the Mortgaged Land, this Mortgage shall increase to be a mortgage of the said fee simple;
- (d) the Mortgagor covenants with the Mortgagee to make all payments of principal and interest required to be made under the Agreement for Sale and to observe and perform all covenants, conditions and agreements on the part of the purchaser contained therein;
- (e) any default by the Mortgagor in observing or performing any of the terms or conditions of the Agreement for Sale including, without limitation, the making of payments thereunder when the same become due shall constitute a default under this Mortgage and the balance of principal, interest and other monies secured by this Mortgage shall, at the option of the Mortgagee, become immediately due and payable and the Mortgagee may exercise any and all of its rights or remedies under this Mortgage and may, without incurring any liability in so doing, pay any monies due or remedy any default occurring under the Agreement for Sale and any monies expended by the Mortgagee for that purpose shall be added to the debt secured by this Mortgage and be a charge on the Mortgaged Land and shall bear interest at the Interest Rate and shall be payable forthwith by the Mortgagor to the Mortgagee; and
- (f) any discharge of this Mortgage pursuant to paragraph 35 shall operate as a re assignment to the Mortgagor of all right, title and interest of the Mortgagee in the Agreement for Sale.

10. INSURANCE

The Mortgagor will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by fire, such insurable perils as are covered by an "all risks" policy and such other perils as the Mortgagee may require, to the full extent of their replacement cost each and every building comprised in the Mortgaged Land and which may hereafter be erected thereon, both during construction and thereafter, in lawful money of Canada with an insurance company duly authorized to carry on business as such and under policies satisfactory in form and content to the Mortgagee; and the policy or policies of insurance shall not contain co insurance clauses and the Mortgagor will forthwith deliver to the Mortgagee certified copies of the policy or policies of insurance and all renewal receipts thereto appertaining; without limiting the foregoing such policy or policies shall include the following insurance coverage:

- (a) "All risks" of direct physical loss or damage with respect to the Mortgaged Land and any moveables located thereon on a replacement cost basis with loss under each policy payable to the Mortgagee pursuant to the standard mortgage clause approved by the Insurance Bureau of Canada or otherwise approved by the Mortgagee, with preference in its favour over any claim of any other person; permission shall be granted thereby for the improvements to be vacant or unoccupied for a period of at least thirty (30) days and it shall provide for partial occupancy;
- (b) Comprehensive broad form boiler and machinery insurance including unfired pressure vessels insurance and air conditioning equipment, if any, including repair and full replacement costs for amounts satisfactory to the Mortgagee, with loss payable to the Mortgagee by way of a mortgage clause approved by the Mortgagee;
- (c) Business interruption or rental loss insurance covering perils insured in paragraphs (a) and (b) above acceptable to the Mortgagee for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss of rents or loss of business income from the business conducted on the premises; and
- (d) Commercial general liability insurance, including personal injury, products, and completed operations subject to a limit per occurrence of not less than Two Million (\$2,000,000.00) Dollars, or such amount as the Mortgagee may reasonably require, inclusive of bodily injury, death or property damage.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clauses, are to provide for at least thirty (30) days prior notice to the Mortgagee of such cancellation.

Such policies shall also provide that the Mortgagee shall receive at least thirty (30) days prior notice of any material alteration of such policy.

The Mortgagee shall be entitled to require coverage of such other risks and perils as the Mortgagee may from time to time consider advisable or desirable and in respect of which insurance coverage may be available. Should an insurer, at any time, cease to have the approval of the Mortgagee, the Mortgagor shall effect such new insurance as the Mortgagee may desire.

The Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney of the Mortgagor to assign any policy of insurance in the event of the foreclosure of this Mortgage or other extinguishment of the indebtedness secured hereby.

The Mortgagor will not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the policy or policies of insurance, as aforesaid, may be voided or become void; and the Mortgagor will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least fifteen (15) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be added to the debt secured by this Mortgage and shall bear interest at the Interest Rate from the time of such payment and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; provided that in no event shall the Mortgagee be liable for failure to have insurance placed or for any loss growing out of any defects in any policy, or for failure of any insurance company to pay for any loss or damage insured against.

Forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this Mortgage shall be sufficient authority for the said insurance company to pay every such loss to the Mortgagee, and the said insurance company is hereby directed thereupon to pay the same to the Mortgagee.

Any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the said premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the mortgage debt or any part thereof whether due or not then due.

In the event that this Mortgage charges a Strata Lot or Strata Lots (as defined in paragraph 42 of this Mortgage) or land and buildings of the Mortgagor which have been or hereafter are subdivided into Strata Lots, the Mortgagor will, or will cause the Strata Corporation (as defined in paragraph 42 of this Mortgage), to observe and perform all covenants, provisos, agreements and conditions required to be observed and performed by the Mortgagor in this paragraph 10 if same are applicable, and will:

- (i) cause any insurance monies to be made payable to the Strata Corporation or, if any insurance trustees are designated by the By laws (as defined in this Mortgage), to the named insurance trustees, and to be made payable firstly to the Mortgagee in the event that the Strata Corporation resolves not to repair or replace the Strata Lot or Strata Lots as provided in the *Strata Property Act*, S.B.C., 1998, c. 43; and
- (ii) cause all applicable policies of insurance to contain a standard mortgage clause acceptable to the Mortgagee to be effective in the event that the Strata Corporation resolves not to repair or replace the damaged Strata Lot or Strata Lots; and if, in the reasonable opinion of the Mortgagee, the insurance carried by the Strata Corporation is deemed inadequate, the Mortgagee may require the Mortgagor to carry a separate policy of insurance on the Strata Lot or Strata Lots mortgaged under this Mortgage at his own cost.

In the event any of the provisions of this Mortgage are in conflict with those of the *Fires Prevention (Metropolis) Act, 1774*, the provisions of this Mortgage shall prevail, and the Mortgagor hereby expressly waives any rights, privileges or benefits to which it would otherwise be entitled under such legislation or any legislation in replacement thereof.

11. COMPLIANCE WITH LEASES

The Mortgagor will observe promptly as lessor the terms and conditions contained in any and all leases and/or subleases of any portion of the Mortgaged Land and will not accept any prepayment of rent or other monies payable under any such lease and/or sublease or proposed lease and/or sublease in excess of the first or final month's rent.

12. ASSIGNMENTS OF RENTS AND LEASES; CHATTEL MORTGAGE

The Mortgagor covenants and agrees to execute and deliver to the Mortgagee from time to time as and when required by the Mortgagee (and in addition to any assignment of rents contained herein) assignments of leases and assignments of rents (subject to no prior claim or assignment) with respect to any and all leases and agreements to lease of all or portions of the Mortgaged Land now or hereafter from time to time granted or entered into by the Mortgagor, all of such assignments to be held by the Mortgagee as further security for the monies owing and secured under this Mortgage. The form and content of all leases and offers to lease relating to the Mortgaged Land or any part thereof and all tenants thereof under leases must be expressly approved in writing by the Mortgagee. All of such leases, assignments of leases and assignments of rents as and when required by the Mortgagee shall, at the option of the Mortgagee, be registered in such places as the Mortgagee may require from time to time.

The Mortgagor covenants and agrees to execute and deliver to the Mortgagee from time to time as and when required by the Mortgagee a chattel mortgage charging or a security agreement creating a security interest in all chattels and personal property of whatsoever kind now or hereafter owned by the Mortgagor and situate on or used in connection with the Mortgaged Land, such chattel mortgage to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage and charge on the said chattels and personal property, and such chattel mortgage or a security agreement creating a security interest in respect thereto shall, at the option of the Mortgagee, be registered in such places as the Mortgagee may require from time to time.

13. RELEASE

The Mortgagor has released, remised and forever quit claimed, and by this Mortgage does release, remise, and forever quit claim unto the Mortgagee all right, title, interest, claim and demand whatsoever of, unto and out of the Mortgaged Land hereby charged or intended so to be, and every part and parcel thereof, so that the Mortgagor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Mortgaged Land or any part thereof, in any manner howsoever, subject always to the proviso for defeasance.

14. FINANCIAL STATEMENTS

The Mortgagor further covenants with the Mortgagee to provide annually to the Mortgagee, should the Mortgagee so require, detailed financial statements of the income and expenses of the Mortgaged Land for each calendar year as applicable. Such statements shall be audited by a chartered accountant and provided within one hundred and twenty (120) days after the end of each calendar year, as applicable.

15. ENTRY AFTER DEFAULT

In the event of default in the payment of any principal, interest or any other amount payable under this Mortgage by the Mortgagor or on breach of any covenant, proviso or agreement contained in this Mortgage the Mortgagee may, at such times as the Mortgagee may deem necessary and without the concurrence of any person, enter upon and take possession of the Mortgaged Land and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Mortgaged Land, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the Mortgaged Land as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes shall be forthwith payable to the Mortgagee and shall be a charge under this Mortgage upon the Mortgaged Land and shall bear interest at the Interest Rate until paid.

16. POWER OF SALE

Provided that the Mortgagee on default of payment of any principal, interest or any other amount payable under this Mortgage or in the observing, performing, fulfilling or keeping of one or more of the covenants, agreements or conditions of the Mortgage contained in this Mortgage may, without notice to or the concurrence of the Mortgagor, enter on and lease or sell the Mortgaged Land; and that the Mortgagee may lease or sell as aforesaid without entering into possession of the Mortgaged Land; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power, or that such power had been improperly or irregularly exercised, or that notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only; and that the Mortgagee may sell the whole or any part or parts of the Mortgaged Land by public auction or private contract, or partly one and partly the other, on such terms as to credit and otherwise as to the Mortgagee shall appear most advantageous and for such prices as can reasonably be obtained therefor; and that sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as foresaid; and the Mortgagee may make any stipulations as to title, or evidence, or commencement of title, or otherwise, as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of any of the Mortgaged Land and re sell, without being answerable for loss occasioned thereby; and in the case of a sale on credit the Mortgagee shall only be bound to pay to the Mortgagor such monies as have been actually received from purchasers after the satisfaction of the Mortgagee's claim; and for any of such purposes the Mortgagee may make and execute all agreements and assurances the Mortgagee deems fit; and that the purchaser at any sale hereunder shall not be bound to see to the propriety or regularity thereof; and that no want of notice or of publication, if any, required hereby, shall invalidate any sale hereunder; and the Mortgagee will not be liable for any loss which may arise by any such leasing or sale as aforesaid; provided that, notwithstanding the power of sale or leasing and other powers and provisions of this clause, the Mortgagee will have and be entitled to its right of foreclosure of the equity of redemption of the Mortgagor in the Mortgaged Land and any and all other remedies available to it as fully as if said powers and provisions had not been contained herein or acted upon.

And it is further agreed between the parties to this Mortgage that until such sale or sales shall be made as aforesaid, the Mortgagee shall and will stand possessed of the rents and profits of the Mortgaged Land in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Mortgaged Land or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, or leases, secondly all costs, charges, damages and expenses of the Mortgagee relating to taxes, prior charges, rents, insurance, repairs, utilities and any other amounts which the Mortgagee may have paid relating to the Mortgaged Land, thirdly in discharge of all interest and costs then due in respect of this Mortgage, fourthly in discharge of the principal money secured by this Mortgage, fifthly in payment of subsequent encumbrances according to their priorities and the residue shall be paid to the Mortgagor as it may direct and shall also in such event, at the request, cost and charge of the Mortgagor transfer, release and assure to the Mortgagor or to such person or persons as it shall direct and appoint, all such parts of the Mortgaged Land as shall remain unsold for the purposes aforesaid, discharged from all this Mortgage, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode.

17. DISTRESS

Provided that if default shall be made in payment of any part of the principal, interest or other monies secured by this Mortgage at any day or time limited in this Mortgage for the payment thereof, it shall and may be lawful for the Mortgagee, and the Mortgagor hereby grants full power and license to the Mortgagee, to enter, seize and distrain upon any goods upon the Mortgaged Land and by distress warrant to recover by way of rent reserved as in the case of a demise of the Mortgaged Land as much of the said principal, interest or other monies secured by this Mortgage as shall from time to time be or remain in arrears or unpaid, together with all costs, charges and expenses (including without limitation costs as between solicitor and his own client) related to such levy or distress as in like cases of distress for rent; and as a part of the consideration for the advance of the principal sum secured by this Mortgage the Mortgagor hereby waives on the exercise of such power and license, all rights to exemption from seizure and distress under any law whatsoever.

18. SPECIFIED AND UNSPECIFIED LIABILITIES

It is hereby agreed that the Mortgagor has, for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Mortgagor) created this Mortgage as collateral or additional security to further secure the repayment and satisfaction of any obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed (and interest thereon and interest on overdue interest) at any time owing by the Mortgagor or such other party or parties more particularly described in this Mortgage (such party or parties hereinafter referred to as the "Customer") or both, to the Mortgagee pursuant to any guarantees, obligations, notes, promissory notes or any other security instruments or evidences of indebtedness (including all additions thereto, deletions therefrom and substitutions therefor) held by the Mortgagee and as may be more particularly described in this Mortgage (such obligations, debts and liabilities hereinafter referred to as the "Specified Liabilities"). Subject to any statement in this Mortgage that this Mortgage is made as collateral or additional security only to those Specified Liabilities more particularly described in this Mortgage, this Mortgage shall also constitute a continuing collateral or additional security to further secure the repayment and satisfaction of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed (and interest thereon and interest on overdue interest) at any time owing by the Mortgagor or the Customer or both to the Mortgagee and which are not Specified Liabilities (hereinafter referred to as the "Unspecified Liabilities"; the Specified Liabilities and Unspecified Liabilities (if any) collectively hereinafter referred to as the "Liabilities").

It is hereby agreed that any act done or omitted to be done by any of the parties hereto regarding any of the Liabilities shall not in any way affect or prejudice this Mortgage or the rights or remedies of the Mortgagee hereunder and this Mortgage shall remain and be in force until satisfaction thereof is made by payment of principal, interest, and all other amounts payable hereunder as if no other security was held by the Mortgagee.

Neither the execution and delivery of this Mortgage nor anything herein contained shall prejudice or affect any of the Liabilities but the same shall remain enforceable according to the tenor thereof.

No extension of time hereby or otherwise created shall affect or prejudice the rights of the Mortgagee as regards any of the Liabilities and the Mortgagee hereby reserves all its rights against all other persons, firms or corporations who may at any time be or become liable for the payment of principal, interest or any other amount payable hereunder or any part thereof hereby secured.

19. PRINCIPAL DUE ON DEFAULT

Provided that upon default of the payment of any principal or interest or any other monies payable under this Mortgage by the Mortgagor, or upon breach of any covenant, agreement or proviso herein contained, or upon breach of any covenant, agreement or condition contained in any security collateral to this Mortgage or any offer or commitment letter or other agreement in connection with this Mortgage, or upon any waste being committed or suffered on the Mortgaged Land, or upon the Mortgagor committing an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (or becoming bankrupt or insolvent, or if a petition in bankruptcy is filed against the Mortgagor, or any authorized assignment for the benefit of creditors is made by the Mortgagor, or if a receiver or trustee for the Mortgagor or for any of the assets of the Mortgagor is appointed, or if there is instituted by or against the Mortgagor any other type of insolvency proceedings under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 or otherwise, or should the Mortgagor be subject to the provisions of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 or the *Winding-up and Restructuring Act*, R.S.C., 1985, c. W-11 or any other legislation for the benefit of creditors or relating to bankrupt or insolvent debtors, the whole of the monies secured by this Mortgage remaining unpaid shall, at the option of the Mortgagee, forthwith become due and payable and any occurrence as aforesaid shall constitute a breach of covenant pursuant to this Mortgage but waiver of or failure to enforce at any time or from time to time any of the rights of the Mortgagee hereunder shall not prejudice the Mortgagee's rights in the event of any future default or breach.

20. ADDITIONAL ACCELERATION PROVISIONS

PROVIDED that in addition to any other provisions of this Mortgage or of any of the Liabilities or of any other agreement with the Mortgagee, the entire balance of the principal secured hereby together with accrued interest thereon and any other amount payable hereunder and remaining unpaid shall forthwith become due and payable at the option of the Mortgagee upon the occurrence of any of the following events:

- (a) if any payment of principal or interest or both or any part thereof as provided herein is not paid when due or any other monies secured by this Mortgage are not paid when due;
- (b) if the Mortgagor or the Customer is in default under any term, covenant, agreement, proviso or condition of this Mortgage or any of the Liabilities or any evidence thereof or security therefor;
- (c) if the Mortgagor or the Customer fails to observe or perform any other term or provision of any other agreement with the Mortgagee concerning any of the Liabilities;
- (d) if the Mortgagor commits or suffers to be committed any waste on the Mortgaged Land;
- (e) if any representation or warranty made by the Mortgagor or the Customer to the Mortgagee relating to any amounts due under any of the Liabilities is found at any time to be incorrect in any material respect;
- (f) if the Mortgagor or the Customer becomes bankrupt or insolvent, or if a petition in bankruptcy is filed against the Mortgagor or the Customer, or any authorized assignment for the benefit of creditors is made by the Mortgagor or the Customer, or if a receiver or trustee for the Mortgagor or the Customer or for any of the assets of the Mortgagor or the Customer is appointed, or if there is instituted by or against the Mortgagor or the Customer any other type of insolvency proceedings under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 or otherwise;
- (g) if the Mortgagor or the Customer ceases or threatens to cease to carry on a major part of its business conducted at the date of this Mortgage;
- (h) if the Mortgagee in good faith believes that the prospect for repayment of all or any part of any amounts due under any of the Liabilities is impaired;
- (i) if legal implications arise which, in the opinion of the Mortgagee, may be detrimental to the security value of this Mortgage (or of any of the Liabilities); or
- (j) in the event that this Mortgage has been executed by a corporation:
 - (i) if all or any part of the shares in the capital of the Mortgagor shall be issued or transferred by sale, assignment, bequest, inheritance, amalgamation, operation of law or any other manner of disposition so as to result in a change in the control of the Mortgagor, without the prior written consent of the Mortgagee, which consent may be withheld or declined for any reason whatsoever, and the Mortgagor agrees to provide reasonable notice to the Mortgagee of any anticipated or impending transaction which would require the consent of the Mortgagee pursuant to the terms of this clause;
 - (ii) if the Mortgagor, without the prior written consent of the Mortgagee, authorizes the purchase by the Mortgagor of any of its shares;
 - (iii) if a member of the Mortgagor commences an action against the Mortgagor which action relates to this Mortgage, or gives a Notice of Dissent to the Mortgagor in accordance with the provisions of the *Business Corporations Act*, S.B.C., 2002, c. 57, or amendments thereto or a similar notice by a shareholder under other applicable legislation;
 - (iv) if the Mortgagor carries on any business that it is restricted from carrying on by its constating documents;
 - (v) if the Mortgagor uses any of the funds advanced under this Mortgage for any purpose other than as declared to and agreed upon by the Mortgagee;
 - (vi) if the statutory declaration of the Secretary or other officer or director of the Mortgagor which accompanies this Mortgage contains any misstatement;
 - (vii) if an order is made, a resolution is passed, or a motion is filed for the winding up of the Mortgagor;
 - (viii) if any proceedings with respect to the Mortgagor are commenced under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36; or
 - (ix) if in the opinion of the Mortgagee there is a material adverse change in the financial condition of the Mortgagor.

Waiver of or failure to enforce at any time or from time to time any of the rights of the Mortgagee hereunder shall not prejudice the Mortgagee's rights in the event of any future default or breach.

21. ADVANCES

The Mortgagor agrees that neither the execution nor registration of this Mortgage, nor the advance in part of the monies secured by this Mortgage, shall bind the Mortgagee to advance the said monies or any unadvanced portion thereof and that the advance of the said monies or any part thereof from time to time shall be in the sole discretion of the Mortgagee, and that all advances are to be made in such manner, at such times as and in such amounts up to the full amount of said monies as the Mortgagee in its sole discretion may determine; but nevertheless the charge of this Mortgage shall take effect forthwith upon the execution of this Mortgage by the Mortgagor and the expenses incurred by the Mortgagee in the examination of the title, valuation of the Mortgaged Land and preparation and registration of this Mortgage are secured by this Mortgage and constitute a charge upon the Mortgaged Land in the event of the whole or any part of the principal sum not being advanced, and the same are charged by this Mortgage upon the Mortgaged Land and shall be payable without demand forthwith at the Interest Rate and in default the Mortgagee's power of sale and all other remedies available to it shall be exercisable.

22. FIXTURES

It is hereby mutually covenanted and agreed by and between the parties hereto that all erections and improvements fixed or otherwise now on or hereafter put on the Mortgaged Land including, but without limiting the generality of the foregoing, all such erections and improvements described in the definition of Mortgaged Land in Part 2 of this Mortgage, are and shall, in addition to other fixtures on the Mortgaged Land, be and become fixtures and form part of the realty and shall be a portion of the security for the indebtedness under this Mortgage.

23. PARTIAL RELEASE

Provided that the Mortgagee may at all times release any part or parts of the Mortgaged Land or any other security or any surety for payment of all or any part of the monies secured by this Mortgage or may release the Mortgagor or any other person from any covenant or other liability to pay the said monies or any part thereof, 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 Mortgagee, and without thereby releasing any other part of the Mortgaged Land or any other securities or covenants in this Mortgage or elsewhere contained, it being especially agreed that notwithstanding any such release, the Mortgaged Land, securities and covenants remaining unreleased shall stand charged with the whole of the monies hereby secured and all legal and other expenses incurred by the Mortgagee in connection with such discharge.

24. DEFAULT IN PRIOR CHARGES

Provided that should default be made by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge or other encumbrance to which this Mortgage is subject, then and in that event all of the monies secured by this Mortgage shall, at the option of the Mortgagee, forthwith become due and be payable, and all the rights, powers and remedies in and by this Mortgage conferred including the powers of sale contained in this Mortgage shall at the option of the Mortgagee become exercisable as provided in this Mortgage.

25. LIENS AND CONSTRUCTION

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor will not permit any lien to be acquired against the Mortgaged Land or fixtures thereon under the *Builders Lien Act*, S.B.C., 1997, c. 45 or under any other statute or law at any time in force affecting the Mortgaged Land. Provided that upon the registration of any lien against the Mortgaged Land, or in the event of any buildings being constructed thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the full amount of the monies secured by this Mortgage shall, at the option of the Mortgagee, forthwith become due and payable.

26. INSPECTION

The Mortgagee or agent of the Mortgagee at any time may enter upon the Mortgaged Land to inspect the Mortgaged Land, and the reasonable costs of such inspection shall be added to the debt secured by this Mortgage.

27. WASTE, VACANCY AND REPAIR

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor will not permit waste to be committed or suffered on the Mortgaged Land and that he will maintain the building and other improvements on the Mortgaged Land in good order and repair to the satisfaction of the Mortgagee and will not permit or suffer it to become or remain vacant, that he will comply with the terms of all policies of insurance in respect of the Mortgaged Land, and that the Mortgagee whenever it deems necessary, may by its surveyor or agent enter upon and inspect the Mortgaged Land, and the reasonable cost of such inspection shall be added to the debt secured by this Mortgage.

28. ALTERATIONS

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor will not make or permit to be made any alterations or additions to the Mortgaged Land without the consent of the Mortgagee.

29. NON MERGER

And it is agreed that the taking of a judgment or judgments on any covenants herein contained shall not operate as a merger of the said covenants or affect the right of the Mortgagee to interest at the rate and times herein provided in this Mortgage; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Mortgage until the said judgment shall have been fully paid and satisfied.

30. OBLIGATIONS SURVIVE SALE

No sale or other dealing by the Mortgagor with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the monies hereby secured.

31. CHANGE IN CONTROL OF THE MORTGAGOR

The Mortgagor agrees that the principal sum secured by this Mortgage and all accrued interest shall at the option of the Mortgagee become immediately due and payable in full in the event that all or any part of the shares in the capital of the Mortgagor shall be issued or transferred by sale, assignment, bequest, inheritance, amalgamation, operation of law or any other manner of disposition so as to result in a change in the control of the Mortgagor corporation, without the prior written consent of the Mortgagee which consent may be withheld or declined for any reason whatsoever. The Mortgagor agrees to provide reasonable notice to the Mortgagee of any anticipated or impending transaction which would require the consent of the Mortgagee pursuant to the terms of this clause.

32. FAMILY LAW ACT

If the Mortgagor is an individual and has a spouse (as the word "spouse" is defined under the *Family Law Act*, S.B.C. 2011, c. 25, as amended) then the Mortgagor represents and warrants that, at the time of granting this Mortgage, the Mortgagor has disclosed to the Mortgagee all interests of the Mortgagor's spouse in the Mortgaged Lands, whether those interests be legal or beneficial, registered or unregistered or otherwise. In the event that the Mortgagor's representation and warranty in this Section 32 is false then all monies secured by this Mortgage shall, at the option of the Mortgagee, become immediately due and payable.

33. PRIOR ENCUMBRANCES

And it is hereby agreed that the Mortgagee may pay the amount of any encumbrance, lien or charge now or hereafter existing or to arise or to be claimed upon the Mortgaged Land, having or claiming priority over this Mortgage including any taxes, utility charges or other rates on the Mortgaged Land or any amounts payable to the Strata Corporation (as defined elsewhere in this Mortgage) or any of them, and may pay all costs, charges and expenses which may be incurred in taking, recovering and keeping possession of the Mortgaged Land and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize this security, and all solicitor's charges or commissions for or in respect of the collection of any overdue instalments or any other monies whatsoever payable by the Mortgagor under this Mortgage, including without limitation costs as between solicitor and his own client, whether any action or other judicial proceeding to enforce such payment has been taken or not; and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid under this Mortgage by the Mortgagee shall be added to the debt secured by this Mortgage and be a charge on the Mortgaged Land and shall bear interest at the Interest Rate and shall be payable forthwith by the Mortgagor to the Mortgagee; and the non-payment of such amount shall be a default of payment hereunder and shall entitle the Mortgagee to exercise the powers and remedies provided to it under this Mortgage; and in the event of the Mortgagee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security of this Mortgage or otherwise, the Mortgagee shall be subrogated to and entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if the Mortgagee deems it proper to do so.

34. EXTENSIONS; INTEREST INCREASES

Provided that no extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Mortgaged Land shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the monies hereby secured; and that the terms of repayment of and the rate of interest payable under this Mortgage may be varied, extended, increased or decreased or otherwise amended as the Mortgagee and the then registered owner(s) of the Mortgaged Land may determine and agree in writing, from time to time and whether before, as at, or after the then maturity date of this Mortgage, and all of the same without prejudice to the rights of the Mortgagee against either the initial Mortgagor hereunder or any other person(s) liable for the payment of the monies secured by this Mortgage; further any alteration aforesaid may but need not be registered against the Mortgaged Land and whether or not so registered, this Mortgage, as so altered, shall rank in priority to any and all interests registered against the Mortgaged Land subsequent to the registration of this immediate mortgage document as if and to the extent that said alteration had been executed and registered, and all monies thereunder advanced, before the execution and registration of any of said subsequent interests.

35. DISCHARGE

The Mortgagee shall have a reasonable time after payment in full of all monies secured by this Mortgage within which to prepare and execute a discharge (or, if requested by the Mortgagor and consented to by the Mortgagee, an assignment) of this Mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge or (assignment) shall be borne by the Mortgagor.

36. OTHER SECURITY

This Mortgage is in addition to and not in substitution for any other security held by the Mortgagee including, without limiting the generality of the foregoing, any promissory note or notes for all or any part of the monies secured under this Mortgage, and it is understood and agreed that the Mortgagee may pursue its remedies thereunder or under this Mortgage concurrently or successively at its option, and in such order as the Mortgagee determines in its sole discretion. Any judgment or recovery under this Mortgage or under any other security held by the Mortgagee for, *inter alia*, the monies secured by this Mortgage shall not affect the right of the Mortgagee to realize upon this or any other such security. The Mortgagor covenants and agrees to comply with the terms and provisions of any other or collateral security held by the Mortgagee in connection with this Mortgage, and a breach by the Mortgagor of the terms of any other or collateral security shall constitute a breach and default by the Mortgagor hereunder.

37. PLACE OF PAYMENT

All payments secured hereby shall be made in lawful money of Canada at the branch office address of the Mortgagee designated as the place for payment in Part 1 of this Mortgage, or at such other place as the Mortgagee may designate in writing to the Mortgagor.

38. SEVERABILITY OF ANY INVALID PROVISIONS

If at any time any provision of this Mortgage is declared or held illegal, invalid or unenforceable in whole or in part under or inconsistent with the provisions of any applicable law or would by reason of the provisions of any such law render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the loan secured by this Mortgage which it would otherwise be able to collect, then such provision shall not apply and shall be construed so as not to apply to the extent that it is illegal, invalid, unenforceable or inconsistent or would so render the Mortgagee unable to collect the amount of any such loss, and this Mortgage will continue in full force and effect and be construed as if it had been executed without such illegal, invalid, unenforceable or inconsistent provision.

39. WITHHOLDINGS FROM PAYMENTS

If the Mortgagor is required by law to make any deduction or withholding from any sum payable by the Mortgagor to the Mortgagee under this Mortgage, then the sum payable by the Mortgagor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made; and the Mortgagor shall pay the full amount to be deducted or withheld to the relevant taxation or other authorities within the time allowed for such payment under applicable law and shall deliver to the Mortgagee within thirty (30) days after it has made such payment to the applicable authority a receipt issued by such authority evidencing such payment.

40. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Mortgagee under this Mortgage shall prejudice such rights or any other rights of the Mortgagee, no performance or payment by the Mortgagee in respect of any breach or default under this Mortgage by the Mortgagor shall relieve the Mortgagor from any default under this Mortgage and no waiver at any time or from time to time of any such rights of the Mortgagee shall prejudice such rights in the event of any future default or breach.

41. COMMITMENT LETTER

The provisions set forth in any commitment letter or other agreement between the Mortgagor and the Mortgagee will not merge with this Mortgage but shall survive the execution, delivery and registration of this Mortgage except that, if such provisions are inconsistent with the provisions hereof, the Mortgagee may elect which provision shall govern.

42. STRATA LOT

For the purposes of these provisions the "Strata Property Act" means the *Strata Property Act*, S.B.C., 1998, c. 43 and any amendments thereto. "Strata Corporation" means the strata corporation created pursuant to the *Strata Property Act* and governing the administration of the strata lot or lots of which the Mortgaged Land forms part. "By-laws" means the by-laws of the Strata Corporation as amended from time to time. "Strata Lot" and "Owner" have the meanings ascribed to them in the *Strata Property Act*.

In the event that this Mortgage charges land and buildings of the Mortgagor which have been or hereafter become subdivided into Strata Lots, the following provisions shall apply:

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- (a) The Mortgagor covenants and agrees with the Mortgagee to make all payments and to observe and carry out all requirements and duties imposed upon the Mortgagor by the *Strata Property Act* and any By-laws and to pay all levies made by the Strata Corporation of which the Mortgagor is a member, and if the Mortgagor fails to do so the Mortgagee shall have the right (but shall not be obliged) to make any and all such payments on behalf of the Mortgagor, and any amounts so paid shall be added to and form part of the debt secured by this Mortgage and shall forthwith be payable to the Mortgagee, with interest at the rate payable under this Mortgage.
- (b) Subject to the provisions of the *Strata Property Act* in respect of voting rights of mortgagees, the Mortgagee shall have the absolute right at any time to exercise the Mortgagor's power to vote as the Owner of the Strata Lot or Lots charged hereby and as a member of the Strata Corporation for, and on behalf of, and in the place and stead of the Mortgagor to the same extent and with the same effect as the Mortgagor could himself do pursuant to the *Strata Property Act* or the By-laws of the Strata Corporation of which the Mortgagor is a member, or otherwise howsoever. It is agreed that neither this clause nor anything done by virtue hereof shall render the Mortgagee a mortgagee in possession. The right to vote, if exercised by the Mortgagee, shall not render the Mortgagee in any way responsible to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for the result of any exercise of the right to vote or any failure to exercise the right to vote. The Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the Strata Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.
- (c) The Mortgagee shall have the right on demand to require the Mortgagor to deliver to the Mortgagee such proxies or other instruments as may be considered requisite by counsel for the Mortgagee to confer such power of voting upon the Mortgagee.
- (d) The Mortgagor hereby authorizes in writing any officer of the Mortgagee to apply at any time and from time to time during the term of this Mortgage to the Strata Corporation of which the Mortgagor is a member to have the By-laws for the time being in force governing the Strata Lot and interest in common property hereby mortgaged made available for inspection by such officer of the Mortgagee.
- (e) The Mortgagor further hereby authorizes in writing any officer of the Mortgagee to apply as the authorized agent of the Mortgagor at any time, and from time to time, to the Strata Corporation for certification to the Mortgagee within seven days of:
 - (i) the amount of any contribution determined by the Strata Corporation pursuant to the *Strata Property Act* as the contribution of the Mortgagor;
 - (ii) the manner in which the contribution is payable;
 - (iii) the extent to which the contribution has been paid by the Mortgagor; and
 - (iv) the amount of any money expended by the Strata Corporation on behalf of the Mortgagor and due by the Mortgagor pursuant to the *Strata Property Act* and not recovered by the Strata Corporation.

43. RECEIVERSHIP

Notwithstanding anything contained in this Mortgage it is declared and agreed that at any time and from time to time when there shall be default in the payment of principal, interest or any other amounts payable under this Mortgage or the performance of any of the provisions of this Mortgage, the Mortgagee may, at such time and from time to time and with or without entry into possession of the Mortgaged Land, or any part thereof, by instrument in writing appoint, or by application to a court of competent jurisdiction obtain an order for the appointment of, any person, whether an officer or officers or an employee or employees of the Mortgagee or not, as a receiver (which term as used in this paragraph and elsewhere in this Mortgage includes a receiver manager and receiver and manager and also includes the plural as well as the singular) of the Mortgaged Land, or any part thereof and of the rents and profits thereof, and with or without security, and may, when the appointment of the receiver is by instrument, from time to time by similar writing remove any receiver and appoint another in his stead, and that in making any such appointment or removal, the Mortgagee and any person so appointed shall be deemed to be acting as the agent or attorney for the Mortgagor, but no such appointment shall be revocable by the Mortgagor. Upon the appointment of any receiver from time to time the following provisions shall apply:

- (a) Every receiver shall have unlimited access to the Mortgaged Land as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:
 - (v) collect the rents and profits from tenancies whether created before or after this Mortgage;
 - (vi) rent any portion of the Mortgaged Land which may become vacant on such terms and conditions as he considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (vii) complete the construction of any building or buildings or other erections or improvements on the Mortgaged Land left by the Mortgagor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the premises operable or rentable and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
 - (viii) manage, operate, repair, alter or extend the Mortgaged Land or any part thereof and carry on the business of the Mortgagor;
 - (ix) sell or grant options to purchase the Mortgaged Land, or any part thereof, at public auction, by public or private tender, or by private sale, on terms as to credit or otherwise and with or without security as shall appear most advantageous to the receiver;
 - (x) rescind or vary any contract or agreement of sale or lease;
 - (xi) borrow such sum or sums as will in the opinion of the receiver, be required for the purposes of carrying on the receiver's duties and in so doing the receiver may issue receiver certificates; and
 - (xii) employ such assistants as the receiver may consider necessary for carrying out the receiver's duties. The Mortgagor undertakes to ratify and confirm whatever any receiver may do in the premises.

- (b) The Mortgagee at its discretion may vest the receiver with all or any of the rights and powers of the Mortgagee.
- (c) The Mortgagee may from time to time during the currency of the appointment of a receiver fix the reasonable remuneration of the receiver and such remuneration together with all costs and expenses of the receiver when paid by the Mortgagee, shall be added to all other monies owing by the Mortgagor to the Mortgagee under this Mortgage, shall be payable by the Mortgagor to the Mortgagee together with interest at the same rate as applies to the principal secured by this Mortgage and shall be a charge on the Mortgaged Land. The receiver shall be entitled to deduct any remuneration, costs and expenses out of the revenue or out of any sale proceeds realized from the Mortgaged Land. The Mortgagee shall be under no liability to the receiver for his remuneration, costs or expenses.
- (d) All sum or sums of money borrowed by the receiver and secured by receiver certificates shall be a charge on the Mortgaged Land.
- (e) Every receiver shall be deemed the agent or attorney of the Mortgagor for such purposes as the receiver shall deem necessary, including, without limitation, carrying out any sale of all or any part of the Mortgaged Land and affixing the seal of the Mortgagor to any deeds, transfers, conveyances, assignments, assurances and things which the Mortgagor ought to execute to complete any sale of all or any part of the Mortgaged Land or alternatively executing the same under his own seal by conveying in the name of and on behalf of the Mortgagor and under his own seal, and any deed or other instrument signed by him under his seal pursuant hereto shall have the same effect as if it were executed under the common seal of the Mortgagor and in no event shall the receiver be the agent of the Mortgagee and the Mortgagee shall not be responsible for the acts and omissions of the receiver.
- (f) The appointment of any receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Mortgagee a mortgagee in possession of the Mortgaged Land.
- (g) No receiver shall be liable to the Mortgagor to account for monies other than monies actually received by him in respect of the Mortgaged Land or any part thereof and out of such monies so received every receiver shall pay in the following order the following amounts:
 - (xiii) claims of all secured and unsecured creditors ranking in priority to this Mortgage;
 - (xiv) all remuneration, costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authorities hereby conferred, excluding the receiver's borrowings;
 - (xv) to the Mortgagee any sum or sums borrowed by the receiver from the Mortgagee and interest thereon as secured by receiver certificates;
 - (xvi) to the Mortgagee all interest, principal and other monies due hereunder to be paid in such order as the Mortgagee in its sole discretion shall determine;
 - (xvii) any sum or sums borrowed by the receiver from any financial institution, corporation or other person other than the Mortgagee and interest thereon as secured by receiver certificates;
 - (xviii) any surplus shall, subject to the rights of other creditors, be paid to the Mortgagor.
- (h) Save as to its right to obtain from the receiver an accounting under clause (g) of this paragraph 43, the Mortgagor hereby releases and discharges any receiver from every claim of every nature whether sounding in damages or not which may arise or be caused to the Mortgagor or any person claiming through or under him by reason or as a result of anything done by the receiver unless such claim is a direct and proximate result of dishonesty or fraud.
- (i) The Mortgagee may at any time and from time to time terminate any appointment of a receiver by instrument, by notice in writing to the Mortgagor and to any receiver.
- (j) The statutory declaration of an officer of the Mortgagee as to default under the provisions of the Mortgage and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed as regards such person to be valid and effectual notwithstanding any contrary assertion by the Mortgagor.
- (k) The rights and powers conferred herein in respect of the receiver are in addition to and not in substitution for any other rights and powers which the Mortgagee may have.

44. COMPLIANCE WITH THE LAW

The Mortgagor covenants and agrees to at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and of all private covenants and restrictions affecting the Mortgaged Land or any portion thereof and the Mortgagor will from time to time upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the Mortgaged Land structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by law, ordinance, work order or regulation. The Mortgagee whenever it deems necessary may by its surveyor or agent enter upon and inspect the Mortgaged Land and make such improvements and alterations and take all such other action as the Mortgagee deems necessary to render the Mortgaged Land in compliance with such laws, rules, requirements, orders, directions, by laws, ordinances, work orders or regulations and the reasonable cost of such inspection, improvements, alterations and other actions with interest at the rate set forth in this Mortgage shall be payable by the Mortgagor forthwith upon demand and be a charge upon the Mortgaged Land.

45. MORTGAGEE EXPENSES

The Mortgagor agrees to pay the reasonable and necessary costs, charges and expenses incurred by the Mortgagee of and incidental to this Mortgage and any security collateral thereto including the preparation and registration hereof, and thereof, and incidental to any and all other documents required in connection herewith or therewith and of any amendment or renewal hereof or thereof and of anything done in connection with the enforcement of the security granted hereby or thereby or the procuring or the payment of any monies payable under this Mortgage including, without limiting the generality of the foregoing, all solicitors' fees and disbursements, costs and expenses in valuing the Mortgaged Land in connection with the foregoing and all monies advanced by the Mortgagee at its option in order to preserve or protect the Mortgaged Land. The Mortgagor further agrees that, such amounts shall be paid by the Mortgagor forthwith upon demand and until paid shall bear interest at the rate provided for in this Mortgage and shall be a charge on the Mortgaged Land.

46. SALE OF MORTGAGED LAND AND FURTHER ENCUMBRANCES

IT IS AGREED that if the Mortgagor, without the prior written consent of the Mortgagee, further encumbers the Mortgaged Land or sells, conveys, transfers, exchanges, assigns, leases or otherwise disposes of any of its interest therein, or enters into any agreement to effect any of the foregoing, then all monies secured by this Mortgage with interest thereon shall, at the option of the Mortgagee, become immediately due and payable. And it is further understood and agreed that the Mortgagor shall not create nor suffer to be created, any mortgage, charge, lien or encumbrance upon the Mortgaged Land ranking or capable of ranking in priority to or *pari passu* with this Mortgage, AND IT IS HEREBY DECLARED that this provision being a term of this Mortgage shall be notice within the meaning of the *Land Title Act*, R.S.B.C. 1996, c 250 to every person dealing with the Mortgaged Land that any mortgage, charge, lien or encumbrance upon the Mortgaged Land which is registered subsequently to this Mortgage shall be subject to and rank in priority after this Mortgage in all respects to the same extent as if this Mortgage had been executed, delivered and registered and as if all monies hereby secured (regardless of the date of advances or re advances by the Mortgagee) had been advanced prior to the execution, delivery and registration of such subsequently registered mortgage, charge, lien or encumbrance and before the advancement of any part of the monies thereby secured and, without limiting the generality of the foregoing, in the event of this Mortgage being security for a guarantee or guarantees given by the Mortgagor to the Mortgagee, any such subsequently registered mortgage, charge, lien or encumbrance shall rank in priority after this Mortgage to the same extent as if demand by the Mortgagee had been made for payment of the aggregate principal amount secured by this Mortgage in accordance with the terms of this Mortgage and the said guarantee or guarantees prior to the execution, delivery and registration of such subsequently registered mortgage, charge, lien or encumbrance and before the advancement of all or any part of the monies thereby secured.

47. FURTHER ASSURANCES

The Mortgagor will at all times and from time to time, at the request of the Mortgagee, do and execute or cause to be done and executed all things reasonably required for the better assuring to the Mortgagee of a valid charge over the Mortgaged Land.

48. NO DEDUCTIONS

The Mortgagor agrees that notwithstanding anything to the contrary contained herein, all payments due from or made by the Mortgagor shall be made without set off or counterclaim and without any deductions or withholdings whatsoever.

49. MAXIMUM INTEREST RATE

Notwithstanding the rate or rates of interest payable as set forth in this Mortgage, the rate or rates of interest payable hereunder and secured hereby shall in no event exceed the maximum rate permitted under the laws of British Columbia or the laws of Canada having effect in British Columbia.

50. PARAGRAPH HEADINGS

The paragraph headings herein are inserted for convenience of reference only and are deemed not to form part of this Mortgage and are not to be considered in the construction or interpretation of this Mortgage or any part thereof.

51. APPLICABLE LAW

This Mortgage and the rights and obligations hereunder shall be governed and construed according to the laws of the Province of British Columbia.

52. DATE OF MORTGAGE

This Mortgage, unless otherwise specifically provided, shall be deemed to be dated as of the date of execution of Part 1 of this Mortgage by the first named Mortgagor.

53. CONSOLIDATION

This Mortgage is subject to the doctrine of consolidation as and to the extent permitted by Section 31 of the *Property Law Act*, R.S.B.C., 1996, c. 377.

54. TAX ON LOAN

The Mortgagor shall pay to the Mortgagee, on demand, the amount of any taxes (other than the Mortgagee's income taxes) which may be imposed upon or in respect of the principal money advanced on this Mortgage together with interest thereon and which the Mortgagee may be called upon to pay, together with interest from the date on which such taxes are paid by the Mortgagee at the rate and compounded in the manner provided in this Mortgage.

55. EXECUTION UNDER SEAL

If Part 1, Part 2 or a copy of either of them is executed under seal by the Mortgagor or Covenantor such execution shall constitute evidence that the instrument so executed is to take effect as a deed.

56. COVENANTOR

It is agreed that the following paragraph 56 applies only if this Mortgage has been executed by a party as a covenantor:

It being a condition of the making of the loan referred to in this Mortgage that the covenant hereinafter set forth should be entered into by such party (the "Covenantor"), the Covenantor in consideration of the advance in whole or in part of the monies secured by this Mortgage does hereby covenant, promise and agree as principal debtor and not as surety to and with the Mortgagee that he will pay, or cause to be paid, to the Mortgagee the said principal sum and all other monies secured by this Mortgage together with interest thereon, on the days and at the times, and in the manner stated in this Mortgage and shall observe and perform all of the covenants, provisos, conditions, agreements and stipulations in this Mortgage, and shall abide by and submit to and hereby agrees to all conditions, provisos and stipulations in this Mortgage on the part of the Mortgagor set forth, and these covenants shall be binding notwithstanding the giving of time for payment of this Mortgage or the varying of terms of payment thereof or the rate of interest thereon.

57. INTERPRETATION

It is agreed that the expressions "Mortgagor", "Mortgagee" and "Covenantor" wherever used in this Mortgage shall include the heirs, executors, administrators, successors and assigns of the Mortgagor, the Mortgagee and the Covenantor respectively, that in the event of this Mortgage being executed by two or more mortgagors, or two or more covenantors, the covenants on the part of the Mortgagor and the Covenantor herein contained shall be and be deemed to be joint and several covenants, and wherever the singular or masculine is used throughout this Mortgage the same shall be construed as meaning the plural or the feminine or body corporate or politic where the context or the parties to this Mortgage so require.

ACKNOWLEDGEMENT

Each of the undersigned, being a Covenantor, hereby gives the above covenants, promises and agreements under seal and acknowledges receipt at or before the time of execution of this Mortgage of:

- (1) a true copy of this set of standard mortgage terms; and
- (2) a copy of Part I and any schedules thereto including a statement of any modifications (by way of additions, amendments or deletions) to this set of standard mortgage terms.

DATE OF SIGNATURE

	Y M D		(seal)
WITNESS		COVENANTOR	

	Y M D		(seal)
WITNESS		COVENANTOR	

ACKNOWLEDGEMENT

Each of the undersigned, being the Mortgagor, hereby acknowledges receipt at or before the time of execution of this Mortgage of:

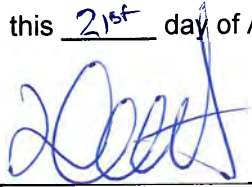
- (1) a true copy of this set of standard mortgage terms; and
- (2) a copy of Part I and any schedules thereto including a statement of any modifications (by way of additions, amendments or deletions) to this set of standard mortgage terms.

DATE OF SIGNATURE

Y M D	
	MORTGAGOR

Y M D	
	MORTGAGOR

This is **Exhibit "E"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.

A handwritten signature in blue ink, appearing to be 'A. [unclear]', written over a horizontal line.

A Commissioner for taking Affidavits within the Province of British Columbia



Royal Bank of Canada General Security Agreement

SRF:
390998813

BRANCH ADDRESS:
1789 LONSDALE AVE
2ND FLR
NORTH VANCOUVER, BC
V7M 2J6

BORROWER:
BLISS BODY & BATH LTD.

1. SECURITY INTEREST

- a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions thereof (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- i) all Inventory of whatever kind and wherever situate;
 - ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
 - iv) all lists, records and files relating to Debtor's customers, clients and patients;
 - v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - vi) all contractual rights and insurance claims;
 - vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
 - viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.
- b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness

of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;
- b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;
- d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and
- e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

- a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;
- b) to notify RBC promptly of:
 - i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
 - ii) the details of any significant acquisition of Collateral,
 - iii) the details of any claims or litigation affecting Debtor or Collateral,
 - iv) any loss or damage to Collateral,
 - v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
 - vi) the return to or repossession by Debtor of Collateral;
- c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

- f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;
- g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;
- i) to deliver to RBC from time to time promptly upon request:
- i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
 - ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
 - iii) all financial statements prepared by or for Debtor regarding Debtor's business,
 - iv) all policies and certificates of insurance relating to Collateral, and
 - v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

- a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- a) Whether or not default has occurred, Debtor authorizes RBC:
 - i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;

- ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;
- h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every

such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

- b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.
- d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.
- e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..
- h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.
- c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.
- d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect

to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

- f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.
- g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.
- h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.
- i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.
- l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.
- q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
- i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
 - ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.
- s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the

laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

- a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

16. Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR BLISS BODY & BATH LTD.			
ADDRESS OF BUSINESS DEBTOR 4555 MARINE AVE	CITY POWELL RIVER	PROVINCE BC	POSTAL CODE V8A 2K5

IN WITNESS WHEREOF executed this 21 day of February, 2023.

BLISS BODY & BATH LTD.

Tod William English



SCHEDULE "B"

1. Locations of Debtor's Business Operations

4555 MARINE AVE

POWELL RIVER

BC

CA

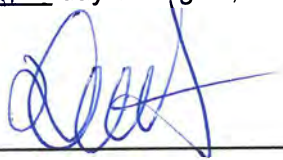
V8A 2K5

2. Locations of Records relating to Collateral (if different from 1. above)

3. Locations of Collateral (if different from 1. above)

2019-01-10 10:10:10 AM

This is **Exhibit "F"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia



Royal Bank of Canada Guarantee and Postponement of Claim

SRF:
390998813

BRANCH ADDRESS:
1789 LONSDALE AVE
2ND FLR
NORTH VANCOUVER, BC
V7M 2J6

BORROWER:
BLISS BODY & BATH LTD.

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **BLISS BODY & BATH LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$2,583,000.00 Two Million Five Hundred Eighty-Three Thousand Dollars** together with interest thereon from the date of demand for payment at a rate equal to the **Prime Interest Rate of the Bank plus 5.000 Five percent per annum** as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

- (1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
- (2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.
- (3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.
- (4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
- (5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

- (6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.
- (7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.
- (8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.
- (9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.
- (10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.
- (11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.
- (12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.
- (13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.
- (14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.
- (15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.
- (16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the **Province of British Columbia** ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other


jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 21 day of February, 2023.

1391598 B.C. LTD.



Todd William English

Insert the full name and address of guarantor (Undersigned above).

Full name and address
1391598 B.C. Ltd.
Unit A, 7024 Tofino Street, Powell River, BC, V8A 1G3

NOTED IN P.P.S.A PROVINCES

This is **Exhibit "G"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within the Province of British Columbia



Royal Bank of Canada Guarantee and Postponement of Claim

SRF:
390998813

BRANCH ADDRESS:
1789 LONSDALE AVE
2ND FLR
NORTH VANCOUVER, BC
V7M 2J6

BORROWER:
BLISS BODY & BATH LTD.

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **BLISS BODY & BATH LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$2,583,000.00 Two Million Five Hundred Eighty-Three Thousand Dollars** together with interest thereon from the date of demand for payment at a rate equal to **the Prime Interest Rate of the Bank plus 5.000 Five percent per annum** as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

- (1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
- (2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.
- (3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.
- (4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
- (5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the **Province of British Columbia** ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other

jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 21 day of February, 2023.

[Signature]
WITNESS **KATYA S. BUCK**
BARRISTER & SOLICITOR
#103 - 7020 DUNCAN STREET
POWELL RIVER, BC V8A 1V9
Insert the full name and address of the witness (Undersigned above).

[Signature]
TOD W ENGLISH

Full name and address
Tod William English
4597 Marine Avenue, Powell River, BC, V8A 2K7

NOT TO BE USED IN BRITISH COLUMBIA (Applicable in all P.R.A. Provinces.)

This is **Exhibit "H"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia

TITLE SEARCH PRINT

File Reference: 318230
Declared Value \$ 360000

2025-08-19, 08:43:47
Requestor: Kristine Jang

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District VANCOUVER
Land Title Office VANCOUVER

Title Number BX213966
From Title Number BK203055

Application Received 2005-02-28

Application Entered 2005-03-07

Registered Owner in Fee Simple
Registered Owner/Mailing Address: BLISS BODY & BATH LTD., INC.NO. 0593955
4448A MARINE AVENUE
POWELL RIVER, BC
V8A 2K2

Taxation Authority Powell River, City of

Description of Land
Parcel Identifier: 010-724-028
Legal Description:
LOT 3 BLOCK 9 DISTRICT LOT 5307 PLAN 7075

Legal Notations
THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE BB280254

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CB487241
Registration Date and Time: 2023-02-23 08:36
Registered Owner: ROYAL BANK OF CANADA

Nature: ASSIGNMENT OF RENTS
Registration Number: CB487242
Registration Date and Time: 2023-02-23 08:36
Registered Owner: ROYAL BANK OF CANADA

TITLE SEARCH PRINT

File Reference: 318230
Declared Value \$ 360000

91
2025-08-19, 08:43:47
Requestor: Kristine Jang

Nature:	MORTGAGE
Registration Number:	CB1100685
Registration Date and Time:	2024-01-03 11:41
Registered Owner:	YORK VENTURES LTD. INCORPORATION NO. BC0072957 AS TO AN UNDIVIDED 1112500/2225000 INTEREST
Transfer Number:	CB1754463
Registered Owner:	VARITY CAPITAL CORPORATION INCORPORATION NO. BC0816449 AS TO AN UNDIVIDED 1112500/2225000 INTEREST
Transfer Number:	CB1754463
Remarks:	INTER ALIA MODIFIED BY CB1159532 EXTENDED BY CB1491104

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB1100686
Registration Date and Time:	2024-01-03 11:41
Registered Owner:	YORK VENTURES LTD. INCORPORATION NO. BC0072957 AS TO AN UNDIVIDED 1112500/2225000 INTEREST
Transfer Number:	CB1754464
Registered Owner:	VARITY CAPITAL CORPORATION INCORPORATION NO. BC0816449 AS TO AN UNDIVIDED 1112500/2225000 INTEREST
Transfer Number:	CB1754464
Remarks:	INTER ALIA EXTENDED BY CB1491105

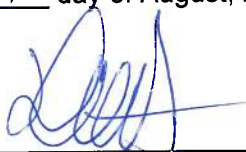
Nature:	MODIFICATION
Registration Number:	CB1159532
Registration Date and Time:	2024-02-12 13:28
Remarks:	INTER ALIA MODIFICATION OF CB1100685

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

This is **Exhibit "I"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia



Land Title Act
Mortgage
Part 1 Province of British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
JAN 03 2024 11:41:52.001
CB1100685-CB1100686

1. Application

Document Fees: \$156.34

REDPOINT LAW LLP
SUITE 660 - 355 BURRARD STREET
VANCOUVER BC V6C 2G8
604.757.3032

File No.: 19014-012 SPICK

2. Description of Land

PID/Plan Number	Legal Description
026-030-101	LOT B DISTRICT LOT 450 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP12952
030-793-823	LOT 3 BLOCK D DISTRICT LOT 1424 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP89199
010-724-028	LOT 3 BLOCK 9 DISTRICT LOT 5307 PLAN 7075

3. Borrower(s) (Mortgagor(s))

SPICK & SPANI PROJECTS LTD. AS TO PID: 026-030-101 4581 MARINE AVENUE POWELL RIVER BC V8A 2K7	BC0581951
1145321 B.C. LTD. AS TO PID: 030-793-823 7362 GLACIER STREET POWELL RIVER BC V8A 5V2	BC1145321
BLISS BODY & BATH LTD. AS TO PID: 010-724-028 C/O 103 - 7020 DUNCAN STREET POWELL RIVER BC V8A 1V9	BC0593955

4. Lender(s) (Mortgagee(s))

YORK VENTURES LTD. 3579 WEST 47TH AVENUE VANCOUVER BC V6N 3N9	BC0072957	As to an undivided 250000/500000 interest
VARSITY CAPITAL CORPORATION 3579 WEST 47TH AVENUE VANCOUVER BC V6N 3N9	BC0816449	As to an undivided 250000/500000 interest



5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$500,000.00	SEE SCHEDULE	JANUARY 1, 2024
Interest Calculation Period	Payment Dates	First Payment Date
MONTHLY	1ST DAY OF EACH MONTH	FEBRUARY 1, 2024
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
SEE SCHEDULE	N/A % per annum	FEBRUARY 1, 2025
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes If yes, page and paragraph number: Page 20 Paragraph 20, MT140022	POSTAL ADDRESS AS SHOWN IN ITEM 4	FEBRUARY 1, 2025

6. Mortgage contains floating charge on land?
No

7. Mortgage secures a current or running account?
Yes

8. Interest Mortgaged
Fee Simple

9. Mortgage Terms
Part 2 of this mortgage consists of:
(b) Filed Standard Mortgage Terms D F Number: **MT140022**
A selection of (a) or (b) includes any additional or modified terms.

10. Additional or Modified Terms
SEE SCHEDULE

Guarantor(s) or Covenantor(s):
LATITUDE HOLDINGS INC., AS COVENANTOR
0696591 B.C. LTD., AS COVENANTOR
1005940 B.C. LTD., AS COVENANTOR
BLISS BODY & BATH LTD., AS COVENANTOR
1145321 B.C. LTD., AS COVENANTOR
SPICK & SPANI PROJECTS LTD., AS COVENANTOR
JOHN DAVID SPICK, AS COVENANTOR
TOD WILLIAM ENGLISH, AS COVENANTOR
LISA JEAN STRIDE, AS COVENANTOR

11. Prior Encumbrances Permitted by Lender
N/A



Land Title Act
Mortgage
Part 1 Province of British Columbia

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYY-MM-DD

2023-12-29

SPICK & SPANI PROJECTS LTD.
By their Authorized Signatory

JOHN DAVID SPICK

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYY-MM-DD

2023-12-29

1145321 B.C. LTD.
By their Authorized Signatory

TOD WILLIAM ENGLISH

Officer Certification

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Land Title Act
Mortgage
Part 1 Province of British Columbia

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD

2023-12-29

BLISS BODY & BATH LTD.
By their Authorized Signatory

TOD WILLIAM ENGLISH

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Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD

2023-12-29

LATITUDE HOLDINGS INC., AS COVENANTOR
By their Authorized Signatory

JOHN DAVID SPICK

Officer Certification

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Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD

2023-12-29

0696591 B.C. LTD., AS COVENANTOR
By their Authorized Signatory

TOD WILLIAM ENGLISH

Officer Certification

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Land Title Act
Mortgage
Part 1 Province of British Columbia

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD
2023-12-29

1005940 B.C. LTD., AS COVENANTOR
By their Authorized Signatory

TOD WILLIAM ENGLISH

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD
2023-12-29

BLISS BODY & BATH LTD., AS COVENANTOR
By their Authorized Signatory

TOD WILLIAM ENGLISH

Officer Certification

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Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD
2023-12-29

1145321 B.C. LTD., AS COVENANTOR
By their Authorized Signatory

TOD WILLIAM ENGLISH

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.



Land Title Act
Mortgage
Part 1 Province of British Columbia

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD

2023-12-29

**SPICK & SPANI PROJECTS LTD., AS
COVENANTOR**
By their Authorized Signatory

JOHN DAVID SPICK

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD

2023-12-29

**JOHN DAVID SPICK, AS
COVENANTOR**

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

YYYY-MM-DD

2023-12-29

**TOD WILLIAM ENGLISH, AS
COVENANTOR**

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.



Land Title Act
Mortgage
Part 1 Province of British Columbia

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

YYY-MM-DD

2023-12-29

LISA JEAN STRIDE, AS COVENANTOR

BRANDON R.S. HENDERSON
Barrister & Solicitor
103 - 7020 DUNCAN STREET
POWELL RIVER BC V8A 1V9

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Yi Shi AVF9SJ

Digitally signed by
Yi Shi AVF9SJ
Date: 2023-12-30
16:36:13 -08:00

5. **PAYMENT PROVISIONS:**

Interest Rate: The Mortgagor shall pay interest on the balance of the Principal Amount outstanding from time to time at the Interest Rate of Royal Bank of Canada Prime Plus 12.80% per annum provided: such rate shall not be less than 20.00% per annum for the first twelve (12) months, and not less than 24.00% per annum commencing on the thirteenth (13) month, calculated and payable monthly, continuing before and after the Balance Due Date as specified in Section 5 on Page 1 of this Form B Mortgage and before and after default, and before and after judgment before and after judgment.

The Mortgagor acknowledges and agrees that the above stepped interest rate is a commercially reasonable and legitimate interest rate structure for this loan transaction and that this rate structure was negotiated, arranged and agreed prior to funding. The Mortgagor acknowledges and agrees that the higher interest rate is intended to compensate the Mortgagee with respect to the loan's risk profile and is not a penalty. In the event that a court of competent jurisdiction does not allow the above minimum rate of 24.00% per annum, then the Mortgagee and the Mortgagor agree that the Interest Rate will be the rate of Prime Plus 12.80%, compounded MONTHLY, not in advance (with the above-noted 20.00% minimum).

The parties all agree that the Standard Mortgage Terms MT140022 references HSBC Bank Canada in the definitions of "Prime", "Prime Rate" and "Prime Lending Rate" and that notwithstanding such reference to HSBC Bank Canada, all such references to HSBC Bank Canada shall be amended to be replaced by the Royal Bank of Canada herein, and the Standard Mortgage Terms MT140022 and all other loan documents in connection with this transaction.

Amount of each periodic payment: The Mortgagor shall make interest only payments, currently determined to be in the amount of \$8,333.33 for the first twelve (12) months and estimated to be in the amount of \$10,000.00 thereafter. The interest only payments are subject to change from time to time if and when the above Interest Rate changes from time to time.

10. **ADDITIONAL OR MODIFIED TERMS:**

- (a) When not in default hereunder the Mortgagor may, on any Payment Date, prepay the Principal Amount then outstanding, in whole or in part, during the first four months of the term of this mortgage provided that the Mortgagee has previously received or the Mortgagor otherwise pays the greater of four months earned interest and \$33,333.33 in interest, on account of this mortgage loan. Thereafter, during the remaining nine months of the term of this mortgage, the Mortgagor may prepay the Principal Amount plus any unpaid interest and all other amounts due hereunder then outstanding, in whole or in part without notice, bonus or penalty interest.
- (b) Any payments made under this Mortgage received by the Mortgagee after 12:00 Noon Vancouver, British Columbia time on any date shall be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following Business Day.
- (c) It is acknowledged and agreed to by the Mortgagee and Mortgagor that if there is an interest rate increase within the term of this Mortgage it is for commercial reasons, including but not limited to mitigation of the risk to the Mortgagee of increasing interest rates during the term of this Mortgage. The Mortgagor expressly acknowledges and agrees that the defined, limited increase in the interest rate for the remainder of the term of this Mortgage has been explained to them prior to funding this mortgage and they have had the opportunity to independently appraise the commercial reasons for such increase in the interest rate.

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Funds must be received by the Mortgagee no later than 12:00 noon or interest will accrue until the next business day.

- (d) Payments:
- (i) Interest on the Principal Amount shall commence to accrue as and from the day the Principal Amount is forwarded to the Mortgagee's Lawyers (the "Funding Date"), notwithstanding that the Principal Amount may not actually be received by the Mortgagor on that day.
 - (ii) The Mortgagor will pay to the Mortgagee a one hundred and fifty (\$150.00) dollar service fee, in each and every instance, when the Mortgage payments hereunder are not received by the Mortgagee on the first day of each month.
 - (iii) The Mortgagor will pay to the Mortgagee a one hundred and fifty (\$150.00) dollar service fee on all monthly payments of interest that are not honoured by the Mortgagor's Bank.
- (e) Fees and Costs:
- (i) The Mortgagor shall pay to the Mortgagee a two hundred and fifty (\$250.00) dollars ("Execution Fee") for each legal title each time the Mortgagee's signature is required in connection with an execution of Strata Plans, execution of Municipal Documentation such as Easements and Right-of-Ways and Priority Agreement etc.
 - (ii) The Mortgagor covenants and agrees to pay the Mortgagee's solicitors their reasonable legal fees and disbursements (not to exceed \$500.00) associated with the preparation, delivery and execution of a Discharge and Priority Agreement of this Mortgage.
 - (iii) In the event that Mortgagee is required to commence proceedings to realize the Principal Amount, the Mortgagor agrees to allow the Mortgagee to commence proceedings in any Registry of the Supreme Court in the Province of British Columbia that it desires.
 - (iv) The Mortgagee shall be entitled to, and the Mortgagor agrees to pay, whenever this Mortgage is paid in full and released from the land, a Discharge fee of SEVENTY-FIVE DOLLARS (\$75.00) for residential mortgages and/or a Discharge fee of TWO HUNDRED FIFTY DOLLARS (\$250.00) for commercial mortgages. There shall be no requirement on the part of the Mortgagee to provide a discharge of the Mortgage prior to full payout of the Mortgage.
- (f) The Mortgagee may require that monthly instalments in an amount equal to 1/12 of the estimated property taxes on the property be paid to the Mortgagee at the time of each interest instalment under this Mortgage so as to enable the Mortgagee to pay the property taxes when due.
- (g) The Mortgagor will not further encumber the lands and premises forming the security for this Mortgage without first obtaining the express written consent of the Mortgagee.
- (h) If the Mortgagor is a corporation, the whole of the Principal Amount outstanding under this Mortgage, including interest and all costs thereon, shall be due and payable at the option of the Mortgagee, if there is, in the opinion of the Mortgagee, an effective change of control of the Mortgagor after the date hereof.

- (i) The Mortgagor covenants and agrees that the obligations of the Mortgagor contained in any commitment letter (the "Commitment Letter") issued in connection with this Mortgage to the extent that such obligations are not repeated in this Mortgage shall survive the execution and registration of this Mortgage and any default made under the terms of such Commitment Letter shall be deemed to be a default under the terms of this Mortgage. In the event of express conflict between the terms of this Mortgage and the Commitment Letter, the Mortgagee shall determine which of the provisions shall prevail.
- (j) NOTICE IS HEREBY GIVEN to every person dealing with title to the Land that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Mortgagor to the Mortgagee under any other Mortgages (the "Other Mortgages"). Any default under the Other Mortgages will be a default under this Mortgage and any default under this Mortgage will be a default under the Other Mortgages and at the option of the Mortgagee the Principal Amount, interest and all other costs then due and owing under this Mortgage and the Other Mortgages will be due and payable. The Mortgagor hereby confirms that the Mortgagee has not given any covenant, express or implied, and is under no obligation to allow the Mortgagor any period of time to remedy any default under this Mortgage or the Other Mortgages prior to the Mortgagee exercising its rights and remedies hereunder.
- (k) Notwithstanding anything to the contrary contained or implied herein, Clause 15 of Schedule 6 of the Land Transfer Form Act is expressly excluded from this Mortgage.
- (l) EXCEPT WHERE clauses in this Form E have specifically replaced clauses in the Standard Filed Terms, any ambiguity or conflict between the clauses contained herein and the clauses in the Standard Filed Terms, shall be resolved at the Mortgagee's option by reference to the Standard Filed Terms or Commitment Letter dated December 19, 2023.
- (m) The parties agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced will be payable in excess of that permitted by the laws of Canada. If the effective annual rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed 60% (or such other rate as the Parliament of Canada may deem from time to time as the criminal rate) on the credit advanced, then:
- (i) the amount of any fees, bonuses, commissions or like charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess;
 - (ii) any remaining excess that has been paid will be credited towards prepayment of the Principal Amount; and
 - (iii) any overpayment that may remain after such crediting will be returned forthwith upon demand.

In this paragraph the terms "interest", "criminal rate" and "credit advanced" have the meanings ascribed to them in s.347 of the Criminal Code.

If at any time any provision of this Mortgage in whole or in part is declared or held illegal, invalid or unenforceable under, or inconsistent with any applicable law or would by reason of any such law render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the loan secured by this Mortgage which it would otherwise be able to collect, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid, unenforceable or inconsistent or would so render the Mortgagee unable to collect any such loss, and this Mortgage will continue in full force and effect and be construed as if it had been executed without such illegal, invalid, unenforceable or inconsistent provision. Further, if

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the aggregate of payments that constitute interest create an effective annual rate of interest that exceeds 60%, the documentation for this mortgage transaction will be modified to negate only that excess.

- (n) The Mortgagee does not have to advance or re-advance all or any part of the Principal Amount to the Mortgagor, if the Mortgagee decides not to, even though:
- (i) the Mortgagor has signed the Mortgage or authorized its registration;
 - (ii) the Mortgage is registered in the land registry office; or
 - (iii) the Mortgagee has advanced part of the Principal Amount.

The Mortgagee may deduct from any advance:

- (i) any Property Taxes that are due;
 - (ii) any interest that is due and payable on the date of the advance; and
 - (iii) any mortgage default insurance premium and application fees.
- (o) Whether or not the Principal Amount is disbursed and notwithstanding retention of the Commitment Fee by the Mortgagee, all of the Mortgagee's costs and expenses, including without limitation all legal fees and disbursement and the cost of all reports, appraisals, inspections and investigations incurred by the Mortgagee in relation to the Loan and / or this Mortgage shall be paid by the Mortgagor. The Mortgagor shall also be responsible for any commission or finder's fee payable in connection with this Mortgage. All such amounts are payable forthwith, on demand by the Mortgagee, and may be added to the principal balance of the Mortgage and shall bear interest at the Interest Rate.
- (p) In addition to the Mortgagee's Expenses, the Mortgagor will be responsible for the Mortgagee's servicing fees to cover the Mortgagee's time and costs for administration of the Mortgage including without limitation, a fee or allowance for:
- (i) dealing with each late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment that does not clear as scheduled;
 - (ii) preparing each assumption, arrears, reinstatement, discharge other than the mortgage statement, whether provided to the Mortgagee, the Mortgagee's agents or solicitors or any other interested person;
 - (iii) processing each application to obtain the Mortgagee's consent to assume the Mortgage or the Mortgagee's approval or consent for any other matter required by the Mortgage whether or not approval or consent is provided or the matter is completed;
 - (iv) processing each extension, renewal restructuring or other amendment of the Mortgage or amounts secured by the Mortgage, whether or not completed;
 - (v) investigating the status of realty tax payment and administering tax payments;
 - (vi) investigating the status of any insurance and administering insurance cancellations and paying insurance premiums;

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- (vii) registering a financing statement or financing change statement or issuing or receiving any notice or information security status or acknowledgement request and conducting any required searches;
- (viii) registering electronically or otherwise or executing and delivering any discharge of the Mortgage (notwithstanding that the discharge may have been prepared by the Mortgagor or other persons on behalf of the Mortgagor);
- (ix) the personal time and trouble of the Mortgagee's employees or agents in collecting any payment or inquiring into compliance or otherwise reviewing or dealing with or enforcing any other obligation contained in the Mortgage or instructing and assisting counsel or other agents with respect to the enforcement of the Mortgage and any litigation in relation thereto or in managing or selling the Property including, without limitation, with respect to taxes, Strata Expenses and matters, insurance, repair and construction, environmental matters, leases and other encumbrances; and
- (x) generally, any matter connected with the proper administration of the Mortgage.

The Mortgagee's administration fees shall be the amounts established and generally applied by the Mortgagee from time to time and may be disclosed in the Mortgage Form or other Credit Documents or ascertained upon inquiry to the Mortgagee.

In the event of an occurrence of an Event of Default, the Mortgagee shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee of Two Thousand (\$2,000.00) Dollars for each month or part thereof for which the Mortgagor remains in default. This administration and management fee is intended to reimburse the Mortgagee for the additional time and effort expended in the management and administration of the Security and of the Land. The said sum or sums are agreed to be a liquidated amount to cover the Mortgagee's administration and management costs and are not intended nor shall be construed to be a penalty. All such sums payable to the Mortgagee shall be a charge upon the Land, secured by the Security and shall bear interest at the interest rate specified in this Agreement until paid in full.

- (q) All demands or notices which may or are required to be given herein shall be in writing and shall be given personally by serving the same upon any officer of the party to be served or by mail by posting the same by prepaid registered mail addressed:
 - (i) to the Mortgagor at the address set out in item 3 of this Mortgage; and
 - (ii) to the Mortgagee at the address set out in item 4 of this Mortgage.
- (r) The Mortgagor and the Covenantor expressly acknowledge and agree that this Mortgage has been executed under seal and shall take effect as a Deed.
- (s) Condition of Discharge:
 - (i) At the Mortgagee's option, if applicable, as a condition of discharge of this mortgage and all related loan security documents, in addition to full payment of all costs due and owing to the Mortgagee including principal and interest, interest on interest, protective disbursements and all costs, as provided for under this Mortgage or in the Commitment Letter, the Mortgagor will provide the Mortgagee with current and up to date clearance letter from:

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- i. Canada Revenue Agency, Income Tax Act (deemed statutory trusts) section 227(4) (payroll deductions);
 - ii. Excise Tax Act (G.S.T.) collected under Section 222(1); and
 - iii. Employment Standards Act, RSBC 1996.
- (ii) As a condition of the Mortgagee providing an executed and registrable discharge of this mortgage, the Mortgagor must provide the Mortgagee with written confirmation from Canada Revenue Agency satisfactory to the Mortgagee that all goods and services tax and payroll source deduction payments and remittances are current and paid in full as of the date of the Mortgagor's request for the discharge of this Mortgage, which written confirmation from Canada Revenue Agency must be dated not more than thirty (30) days before the date that the Mortgage is repaid in full. This clearance certificate process can take a considerable amount of time and therefore the Mortgagor is advised to make arrangements for obtaining this clearance certificate as soon as possible in advance of the anticipated repayment and discharge of this mortgage.
- (t) The term of the mortgage is thirteen (13) months and may be prepaid in full or in part without notice, bonus or penalty provided that the Mortgagee has first earned and received four (4) months interest in the amount of \$33,333.33 (the "Mortgage Term"). However, if the Mortgagor does not pay out this Mortgage at the expiration of the Mortgage Term and the Mortgagee remains satisfied with the Mortgagor's credit and its security, the Mortgagee may at its sole and absolute option automatically renew this Mortgage for further terms of three (3) months each on a payment of a three (3%) percent fee of the Principal Amount (the "Renewal Fee") for each renewal term. This Renewal Fee is split 50/50 between the Mortgagee and Mandate Management Corporation and must be paid to the Mortgagee or to its direction by the Mortgagor on the first day of the renewal term. In the event that such Renewal Fee is not paid by the Mortgagor at the commencement of the renewal term, then such amount shall, at such time, be an amount added to the Principal Amount and shall bear interest thereon as set out herein until paid out.
- (u) FOR the purposes of the Interest Act (Canada) where an interest rate herein is a rate calculated monthly, the equivalent rate of interest, calculated half-yearly not in advance, expressed as percent per annum shall be determined by reference to the following table:

Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)
2.000	2.00835	14.000	14.41474
2.125	2.13443	14.125	14.54724
2.250	2.26057	14.250	14.67981
2.375	2.38678	14.375	14.81244
2.500	2.51306	14.500	14.94514
2.625	2.63940	14.625	15.07791
2.750	2.76580	14.750	15.21075
2.875	2.89228	14.875	15.34366
3.000	3.01881	15.000	15.47664
3.125	3.14542	15.125	15.60968
3.250	3.27208	15.250	15.74279
3.375	3.39882	15.375	15.87597
3.500	3.52562	15.500	16.00922
3.625	3.65249	15.625	16.14254
3.750	3.77942	15.750	16.27593

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Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)
3.875	3.90642	15.875	16.40939
4.000	4.03348	16.000	16.54291
4.125	4.16061	16.125	16.67650
4.250	4.28781	16.250	16.81016
4.375	4.41507	16.375	16.94389
4.500	4.54240	16.500	17.07769
4.625	4.66979	16.625	17.21156
4.750	4.79725	16.750	17.34550
4.875	4.92478	16.875	17.47950
5.000	5.05237	17.000	17.61358
5.125	5.18003	17.125	17.74772
5.250	5.30776	17.250	17.88193
5.375	5.43555	17.375	18.01621
5.500	5.56341	17.500	18.15056
5.625	5.69133	17.625	18.28498
5.750	5.81932	17.750	18.41947
5.875	5.94738	17.875	18.55403
6.000	6.07550	18.000	18.68865
6.125	6.20369	18.125	18.82335
6.250	6.33195	18.250	18.95811
6.375	6.46027	18.375	19.09295
6.500	6.58866	18.500	19.22785
6.625	6.71711	18.625	19.36282
6.750	6.84564	18.750	19.49766
6.875	6.97423	18.875	19.63297
7.000	7.10288	19.000	19.76815
7.125	7.23160	19.125	19.90340
7.250	7.36039	19.250	20.03872
7.375	7.48925	19.375	20.17411
7.500	7.61817	19.500	20.30956
7.625	7.74716	19.625	20.44509
7.750	7.87621	19.750	20.58068
7.875	8.00534	19.875	20.71635
8.000	8.13452	20.000	20.85208
8.125	8.26378	20.125	20.98789
8.250	8.39310	20.250	21.12376
8.375	8.52249	20.375	21.25971
8.500	8.65195	20.500	21.39572
8.625	8.78147	20.625	21.53180
8.750	8.91106	20.750	21.66796
8.875	9.04072	20.875	21.80418
9.000	9.17045	21.000	21.94047
9.125	9.30024	21.125	22.07683
9.250	9.43010	21.250	22.21326
9.375	9.56002	21.375	22.34977
9.500	9.69002	21.500	22.48634
9.625	9.82008	21.625	22.62298
9.750	9.95021	21.750	22.75969

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Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)
9.875	10.08040	21.875	22.89647
10.000	10.21066	22.000	23.03332
10.125	10.34099	22.125	23.17024
10.250	10.47139	22.250	23.30724
10.375	10.60185	22.375	23.44430
10.500	10.73238	22.500	23.58143
10.625	10.86298	22.625	23.71863
10.750	10.99365	22.750	23.85590
10.875	11.12438	22.875	23.99324
11.000	11.25519	23.000	24.13066
11.125	11.38605	23.125	24.26814
11.250	11.51699	23.250	24.40569
11.375	11.64800	23.375	24.54331
11.500	11.77909	23.500	24.68101
11.625	11.91021	23.625	24.81877
11.750	12.04141	23.750	24.95660
11.875	12.17269	23.875	25.09451
12.000	12.30403	24.000	25.23248
12.125	12.43544	24.125	25.37053
12.250	12.56692	24.250	25.50865
12.375	12.69846	24.375	25.64683
12.500	12.83008	24.500	25.78509
12.625	12.96176	24.625	25.92342
12.750	13.09351	24.750	26.06181
12.875	13.22533	24.875	26.20028
13.000	13.35721		
13.125	13.48916		
13.250	13.62118		
13.375	13.75327		
13.500	13.88543		
13.625	14.01766		
13.750	14.14995		
13.875	14.28231		

- (v) Latitude Holdings Inc., 0696591 B.C. Ltd., 1005940 B.C. Ltd., Bliss Body & Bath Ltd., 1145321 B.C. Ltd., Spick & Spani Projects Ltd., John David Spick, Tod William English and Lisa Jean Stride are covenantors under this Mortgage.

END OF DOCUMENT

This is **Exhibit "J"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia

City of Powell River
 6910 Duncan St.
 Powell River BC V8A 1V4
 Phone: (604) 485-6291 Fax: (604) 485-2913

PROPERTY TAX CERTIFICATE

Printed: Jun 12, 2025
 Number: 38823

For BCONLINE
 318230

Owner	Property
BLISS BODY & BATH LTD 4583 WILLINGDON AVE POWELL RIVER BC V8A 2N1	Folio: 3267-000 LTO No.: BX213966 Pid: 010-724-028 MHR No.: Civic: 4555 MARINE AVE Legal: LOT 3 DISTRICT LOT 5307 BLOCK 9 NEW WEST DISTRICT PLAN VAP7075 GROUP 1

2025 Assessments			Land	Improvements	Total
Value Set	Assessment Class	Value Type			
GENERAL	Residential	NET	118,000	360,000	478,000
GENERAL	Business/Other	NET	203,100	621,500	824,600

2025 Levies, Grants, Deferrals		Property Taxes Owing As At Jun 12, 2025		2026 Instalments	
Total Levy	25,373.61	Delinquent (2023)	0.00	Payments Made	0.00
Grant Available		Arrears (2024)	20,594.57	Interest Earned	0.00
65 and over	1,045.00	Interest to Jun 12, 2025	756.55	Adjustments	0.00
Under 65	770.00	Current (2025)	25,373.61	Balance as at	
		Penalties	0.00	Jun 12, 2025	0.00
Grant Claimed	0.00	Total Taxes Owing	46,724.73		
Deferred	0.00				

Utilities Charged on Taxes

The following charges are included in the Total Tax Levy indicated above:

Description of Charge	Amount	Covers
S5 - SEWER HOTELS/MOTELS EACH UNIT	385.00	01-Jan-25 31-Dec-25
S5 - SEWER HOTELS/MOTELS LAUNDRY FACILIT	358.00	01-Jan-25 31-Dec-25
S7 - STORES/OFFICES, FNRL - UP TO 3 EMP	342.25	01-Jan-25 31-Dec-25

Commercial Water Utility Account Number 11361

Unpaid Arrears	0.00	Details of Last Bill	
Balance of Last Bill - Due Jul 2, 2025	734.62	Charges on Last Bill	734.62
Remaining Discount - available until Jul 2, 2025	0.00	Total Discount	0.00
Account Balance as at Jun 12, 2025	734.62	Payments Applied	0.00
		Penalties	0.00
Number of Unit(s) on Premises	9	Adjustments	0.00
Billing Category	COMMERCIAL WATER		

Last Periods Service Charges:

Description	Amount	Discount Available	Units	Covers
Jan 01, 2025 TO Dec 31, 2025				
W7 - WATER STORES AND OFFICES BY FI	734.62	0.00	5.00	06-Feb-25 31-Dec-25

Commercial Water Utility Account Number 11352

Unpaid Arrears	0.00	Details of Last Bill	
Balance of Last Bill - Due Jul 2, 2025	652.00	Charges on Last Bill	652.00
Remaining Discount - available until Jul 2, 2025	0.00	Total Discount	0.00
Account Balance as at Jun 12, 2025	652.00	Payments Applied	0.00
		Penalties	0.00
Number of Unit(s) on Premises	1	Adjustments	0.00
Billing Category	COMMERCIAL WATER		

Last Periods Service Charges:

Description	Amount	Discount Available	Units	Covers
Jan 01, 2025 TO Dec 31, 2025				
W7 - WATER STORES AND OFFICES BY FI	652.00	0.00	4.00	01-Jan-25 31-Dec-25

Commercial Water Utility Account Number 32783

Unpaid Arrears	0.00	Details of Last Bill
----------------	------	-----------------------------

Balance of Last Bill - Due **Jul 2, 2025** 487.00
 Remaining Discount - available until Jul 2, 2025 0.00
Account Balance as at Jun 12, 2025 487.00

Charges on Last Bill 1487.00
 Total Discount 0.00 Claimed 0.00

Payments Applied 0.00
 Penalties 0.00
 Adjustments 0.00

Number of Unit(s) on Premises 7
 Billing Category COMMERCIAL WATER

Last Periods Service Charges:

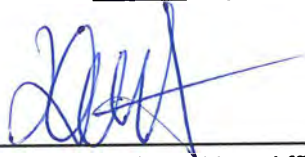
Description	Amount	Discount		Units	Covers
		Available	Units		
Jan 01, 2025 TO Dec 31, 2025					
W5 - WATER HOTELS/MOTELS PER UNIT T	125.00	0.00	1.00	01-Jan-25 31-Dec-25	
W5 - WATER HOTELS/MOTELS LAUNDRY F	362.00	0.00	1.00	01-Jan-25 31-Dec-25	

Important Property Comments

TAX Daily interest on Arrears and Delinquent taxes is \$ 4.486

E & O/E does not subject the municipality to damages.
 Water, Sewer, and Garbage utilities are included in taxes for Residential properties.

This is **Exhibit "K"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.

A handwritten signature in blue ink, appearing to be 'M. Daerendinger', written over a horizontal line.

A Commissioner for taking Affidavits within
the Province of British Columbia

Business Debtor - "BLISS BODY & BATH LTD."

Search Date and Time: August 19, 2025 at 8:48:22 am Pacific time
Account Name: MCMILLAN LLP
Folio Number: 318230

TABLE OF CONTENTS

3 Matches in 3 Registrations in Report

Exact Matches: 3 (*)

Total Search Report Pages: 9

	Base Registration	Base Registration Date	Debtor Name	Page
1	322723P	January 26, 2023	* BLISS BODY & BATH LTD.	2
2	115093Q	January 3, 2024	* BLISS BODY & BATH LTD.	4
3	912495Q	January 30, 2025	* BLISS BODY & BATH LTD.	8

Base Registration Number: 322723P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 26, 2023 at 9:52:37 am Pacific time
Current Expiry Date and Time:	January 26, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 19, 2025 at 8:48:22 am Pacific time)

Secured Party Information

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

Debtor Information

BLISS BODY & BATH LTD.

Address

4555 MARINE AVENUE
POWELL RIVER BC
V8A 2K5 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
MISSISSAUGA ON
L4Z 1H8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 115093Q

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 3, 2024 at 11:42:14 am Pacific time
Current Expiry Date and Time:	January 3, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 19, 2025 at 8:48:22 am Pacific time)

Secured Party Information

YORK VENTURES LTD.

Address

3579 WEST 47TH AVENUE
VANCOUVER BC
V6N 3N9 Canada

VARSITY CAPITAL CORPORATION

Address

3579 WEST 47TH AVENUE
VANCOUVER BC
V6N 3N9 Canada

WIEBE PROPERTIES INC.

Address

203 - 31136 PEARDONVILLE ROAD
ABBOTSFORD BC
V2T 6K7 Canada

KANLYN HOLDINGS LTD.

Address

203 - 31136 PEARDONVILLE ROAD
ABBOTSFORD BC
V2T 6K7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information

SPICK & SPANI PROJECTS LTD.

Address

4581 MARINE AVENUE
POWELL RIVER BC
V8A 2K7 Canada

1145321 B.C. LTD.

Address

7362 GLACIER STREET
POWELL RIVER BC
V8A 5V2 Canada

BLISS BODY & BATH LTD.

Address

C/O 103 - 7020 DUNCAN STREET
POWELL RIVER BC
V8A 1V9 Canada

LATITUDE HOLDINGS INC.

Address

C/O 103 - 7020 DUNCAN STREET
POWELL RIVER BC
V8A 1V9 Canada

0696591 B.C. LTD.

Address

A - 7024 TOFINO STREET
POWELL RIVER BC
V8A 1G3 Canada

SPICK, JOHN DAVID

Address

300 - 7024 TOFINO STREET
POWELL RIVER BC
V8A 1G3 Canada

Birthdate

April 20, 1953

ENGLISH, TOD WILLIAM

Address

3487 TWEEDSMUIR AVENUE
POWELL RIVER BC
V8A 1C4 Canada

Birthdate

March 12, 1964

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

STRIDE, LISA JEAN**Address**3487 TWEEDSMUIR AVENUE
POWELL RIVER BC
V8A 1C4 Canada**Birthdate**

July 3, 1970

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

THE DEBTOR GRANTS TO THE SECURED PARTY A SECURITY INTEREST IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Original Registering Party**REDPOINT LAW LLP****Address**355 BURRARD STREET SUITE 660
VANCOUVER BC
V6C 2G8 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: February 12, 2024 at 1:36:56 pm Pacific time
Registration Number: 187112Q
Description:

Secured Party Information

WIEBE PROPERTIES INC.

ADDED

Address

203 - 31136 PEARDONVILLE ROAD
ABBOTSFORD BC
V2T 6K7 Canada

KANLYN HOLDINGS LTD.

ADDED

Address

203 - 31136 PEARDONVILLE ROAD
ABBOTSFORD BC
V2T 6K7 Canada

Registering Party Information

REDPOINT LAW LLP

Address

355 BURRARD STREET SUITE 660
VANCOUVER BC
V6C 2G8 Canada

Base Registration Number: 912495Q

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: January 30, 2025 at 2:26:20 pm Pacific time
Current Expiry Date and Time: January 30, 2028 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of August 19, 2025 at 8:48:22 am Pacific time)

Secured Party Information

**MERCHANT OPPORTUNITIES
CANADA LIMITED PARTNERSHIP**

Address

200-171 WATER ST.
VANCOUVER BC
V6B 1A7 Canada

Debtor Information

BLISS BODY & BATH LTD.

Address

103 - 7020 DUNCAN STREET
POWELL RIVER BC
V8A 1V9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, INCLUDING, BUT NOT LIMITED TO, THE FUTURE DEBIT/CREDIT CARD RECEIVABLES OF THE DEBTORS



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

MERCHANT GROWTH LTD.

Address

200-171 WATER ST.
VANCOUVER BC
V6B 1A7 Canada

This is **Exhibit "L"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.

A handwritten signature in blue ink, appearing to be 'L. A.', is written over a horizontal line.

A Commissioner for taking Affidavits within
the Province of British Columbia

Business Debtor - "1391598 B.C. LTD."

Search Date and Time: August 19, 2025 at 8:48:50 am Pacific time
Account Name: MCMILLAN LLP
Folio Number: 318230

NO REGISTRATIONS SELECTED

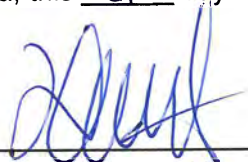
0 Matches in 0 Registrations in Report

Exact Matches: 0 (*)

Total Search Report Pages: 0

No registered liens or encumbrances have been found on file that match EXACTLY to the search criteria listed above and no similar matches to the criteria have been selected by the searching party.

This is **Exhibit "M"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia

mcmillan

Reply to the Attention of: Daniel Shouldice
Direct Line: 604.691.6858
Email Address: daniel.shouldice@mcmillan.ca
Our File No.: 318230
Date: June 27, 2025

DELIVERED BY REGISTERED MAIL

Bliss Body & Bath Ltd.
4555 Marine Drive
Powell River, BC V8A 2K5

Attn: Tod English

Bliss Body & Bath Ltd.
c/o Villani & Company
#103 – 7020 Duncan Street
Powell River, BC V8A 1V9

Dear Sir/Madam,

Re: Business Banking Loan Agreement dated February 6, 2023 and Loan Amendment Agreement dated April 22, 2025 (collectively, the "Loan Agreements") between Bliss Body & Bath Ltd. (the "Borrower") and Royal Bank of Canada (the "Bank")

We are counsel for the Bank with respect to the above-referenced matter.

The Borrower is in default under the Loan Agreements by reason of, among other things, its failure to pay all sums of money when due and failure to comply with all of its reporting obligations thereunder.

On behalf of the Bank, we hereby demand payment by the Borrower of all amounts outstanding under the Loan Agreements, along with any additional amounts for which the Borrower may become liable from time to time, under the Loan Agreements or any deposit account agreement between the Bank and the Borrower.

In particular, we hereby demand payment of \$2,585,484.64 on account of principal and interest outstanding under the Loan Agreements as at June 20, 2025, which is due and payable in full, together with additional accrued and unpaid interest, fees, costs, expenses, and any other indebtedness under or in connection with the Loan Agreements. Interest will continue to accrue on the outstanding amounts in accordance with the Loan Agreements.

McMillan LLP | Royal Centre, 1055 W. Georgia St., Suite 1500, PO Box 11117, Vancouver, BC, Canada V6E 4N7 | t 604.689.9111 | f 604.685.7084

Lawyers | Patent & Trademark Agents | Avocats | Agents de brevets et de marques de commerce
Vancouver | Calgary | Toronto | Ottawa | Montréal | mcmillan.ca

LEGAL_46934610.2

As security for the indebtedness and liabilities of the Borrower under the Loan Agreements, the Bank holds certain security including, without limitation, the security set out in Schedule "A" hereto (the "**Security**"). On behalf of the Bank, we hereby declare that all of the obligations of the Borrower to the Bank pursuant to the Security are now immediately due and payable.

Please be advised that, if payment or arrangements satisfactory to the Bank for payment are not made forthwith, the Bank will take such further steps as it deems necessary to recover the outstanding amounts owing to the Bank. Those steps may include the enforcement of the Security or the appointment of a receiver.

We enclose herewith a Notice of Intention to Enforce Security addressed to the Borrower and issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**Notice**"). We also enclose herewith Consent to the Bank enforcing the Security prior to the expiry of the 10-day period referred to in the Notice. On behalf of the Bank, we hereby request that the Borrower execute the Consent and return it to the attention of the undersigned at the Borrower's earliest convenience. The Bank reserves its rights to proceed with the enforcement of the Security at any time prior to the time period specified in the enclosed Notice in those circumstances where such earlier enforcement may be permitted by law.

Yours truly,



Daniel Shouldice

Encl.

cc: Tod English, via email (tod@englishgroup.ca)

SCHEDULE "A"
SECURITY

1. General Security Agreement between the Bank and Bliss Body & Bath Ltd. dated February 21, 2023;
2. Mortgage between the Bank and Bliss Body & Bath Ltd. in the principal amount of \$4,034,000 dated February 21, 2023;
3. Guarantee and Postponement of Claim in the amount of \$ \$2,583,000 executed by 1391598 B.C. Ltd. in favour of the Bank signed February 21, 2023; and
4. Guarantee and Postponement of Claim in the amount of \$ \$2,583,000 executed by Tod English in favour of the Bank signed February 21, 2023.

FORM 86

Notice of Intention to Enforce Security

(Rule 124)

To: Bliss Body & Bath Ltd. (the "**Debtor**"), an insolvent person

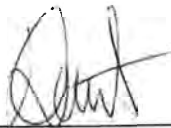
Take notice that:

1. Royal Bank of Canada (the "**Bank**"), a secured creditor, intends to enforce its security on the Debtor's property described in Schedule "A" attached hereto.
2. The security that is to be enforced is in the form of the security listed in Schedule "B" attached hereto (the "**Security**").
3. The total amount of indebtedness secured by the Security, as of June 20, 2025, is \$2,585,484.64 together with additional accrued and unpaid interest and fees, costs, and expenses.
4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, **June 27, 2025**.

ROYAL BANK OF CANADA, by its solicitors
McMillan LLP

Per:



Daniel Shouldice
McMillan LLP

SCHEDULE "A"
DESCRIPTION OF COLLATERAL

1. All the Debtor's present and after acquired personal property including, without limitation, all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, intangibles, money and securities and all other investment property now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and all proceeds and renewals thereof, accretions thereto and substitutions therefore, and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
 - (a) all inventory of whatever kind and wherever situate;
 - (b) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - (c) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured and whether arising in connection with an interest in real or personal property or otherwise, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor;
 - (d) all lists, records and files relating to Debtor's customers, clients and patients;
 - (e) all deeds, documents, writings, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (f) all contractual rights and insurance claims;
 - (g) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing; and
 - (h) all property now or hereafter described in Schedule "C" to the General Security Agreement dated February 21, 2023 between Royal Bank of Canada and the Debtor.

2. Mortgage between the Bank and the Debtor in the principal amount of \$4,034,000 dated February 21, 2023 for the property municipally described as 4555 Marine Avenue, Powell River, British Columbia and legally described as PID: 010-724-028 Lot 3 Block 9 District Lot 5307 Plan 7075.

SCHEDULE "B"
SECURITY

1. General Security Agreement between the Bank and Bliss Body & Bath Ltd. dated February 21, 2023;
2. Mortgage between the Bank and Bliss Body & Bath Ltd. in the principal amount of \$4,034,000 dated February 21, 2023;
3. Guarantee and Postponement of Claim in the amount of \$ \$2,583,000 executed by 1391598 B.C. Ltd. in favour of the Bank signed February 21, 2023; and
4. Guarantee and Postponement of Claim in the amount of \$ \$2,583,000 executed by Tod English in favour of the Bank signed February 21, 2023.

CONSENT AND WAIVER

TO: **Royal Bank of Canada**
(the "**Secured Creditor**")

FROM: Bliss Body & Bath Ltd.
(the "**Debtor**")

DATE: _____, 20__

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the "**Notice**") issued by the Secured Creditor pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of the Secured Creditor. A copy of the Notice is attached as Exhibit "A".

The Debtor hereby consents to the Secured Creditor enforcing the security described in the Notice prior to the expiry of the 10-day period referred to in the Notice or at any time thereafter. The Debtor hereby waives all cure periods to which it may be entitled under the Security (as that term is defined in the Notice).

BLISS BODY & BATH LTD.

By: _____
Name:
Title:

EXHIBIT "A"

See Attached

FORM 86

Notice of Intention to Enforce Security

(Rule 124)

To: Bliss Body & Bath Ltd. (the "**Debtor**"), an insolvent person

Take notice that:

1. Royal Bank of Canada (the "**Bank**"), a secured creditor, intends to enforce its security on the Debtor's property described in Schedule "A" attached hereto.
2. The security that is to be enforced is in the form of the security listed in Schedule "B" attached hereto (the "**Security**").
3. The total amount of indebtedness secured by the Security, as of June 20, 2025, is \$2,585,484.64 together with additional accrued and unpaid interest and fees, costs, and expenses.
4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, **June 27, 2025**.

ROYAL BANK OF CANADA, by its solicitors
McMillan LLP

Per: _____


Daniel Shouldice
McMillan LLP

SCHEDULE "A"
DESCRIPTION OF COLLATERAL

1. All the Debtor's present and after acquired personal property including, without limitation, all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, intangibles, money and securities and all other investment property now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and all proceeds and renewals thereof, accretions thereto and substitutions therefore, and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
 - (a) all inventory of whatever kind and wherever situate;
 - (b) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - (c) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured and whether arising in connection with an interest in real or personal property or otherwise, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor;
 - (d) all lists, records and files relating to Debtor's customers, clients and patients;
 - (e) all deeds, documents, writings, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (f) all contractual rights and insurance claims;
 - (g) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing; and
 - (h) all property now or hereafter described in Schedule "C" to the General Security Agreement dated February 21, 2023 between Royal Bank of Canada and the Debtor.

2. Mortgage between the Bank and the Debtor in the principal amount of \$4,034,000 dated February 21, 2023 for the property municipally described as 4555 Marine Avenue, Powell River, British Columbia and legally described as PID: 010-724-028 Lot 3 Block 9 District Lot 5307 Plan 7075.

SCHEDULE "B"
SECURITY

1. General Security Agreement between the Bank and Bliss Body & Bath Ltd. dated February 21, 2023;
2. Mortgage between the Bank and Bliss Body & Bath Ltd. in the principal amount of \$4,034,000 dated February 21, 2023;
3. Guarantee and Postponement of Claim in the amount of \$ \$2,583,000 executed by 1391598 B.C. Ltd. in favour of the Bank signed February 21, 2023; and
4. Guarantee and Postponement of Claim in the amount of \$ \$2,583,000 executed by Tod English in favour of the Bank signed February 21, 2023.



Reply to the Attention of: Daniel Shouldice
Direct Line: 604.691.6858
Email Address: daniel.shouldice@mcmillan.ca
Our File No.: 318230
Date: June 27, 2025

DELIVERED BY REGISTERED MAIL

Tod William English
4597 Marine Avenue
Powell River, BC V8A 2K7

Dear Sir/Madam,

Re: Guarantee and Postponement of Claim of Bliss Body & Bath Ltd. (the "Borrower") granted by Tod William English up to the maximum principal amount of \$2,583,000 signed February 21, 2023 (the "Guarantee") in favour of Royal Bank of Canada (the "Bank")

We are counsel for the Bank with respect to the above-referenced matter.

Pursuant to the Guarantee, you promised to pay the Bank on its demand, all debts, liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower up to the maximum principal amount of \$2,538,000.

Enclosed is a copy of our demand letter issued to the Borrower (the "**Borrower Demand**") demanding payment of all amounts owing by the Borrower to the Bank pursuant to the loan agreements between the Borrower and the Bank (collectively, the "**Loan Agreements**") as further set out in the enclosed Borrower Demand. As you will note from the enclosed letter, the amount owing to the Bank under the Loan Agreements as at June 20, 2025 is \$2,585,484.64 together with additional accrued and unpaid interest, fees, costs, expenses, and all other amounts payable under or in connection with the Loan Agreements.

Accordingly, on behalf of the Bank, we hereby demand payment by you of \$2,538,000.00, together with interest, legal costs and all other amounts payable under the Guarantee.

Please be advised that, if payment or arrangements satisfactory to the Bank for payment are not made forthwith, the Bank will take such further steps as it deems necessary to recover the amounts outstanding under the Loan Agreements and the Guarantee.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Shouldice', written over a light blue horizontal line.

Daniel Shouldice

Encl.

cc: Tod English, via email (tod@englishgroup.ca)



Reply to the Attention of: Daniel Shouldice
Direct Line: 604.691.6858
Email Address: daniel.shouldice@mcmillan.ca
Our File No.: 318230
Date: June 27, 2025

DELIVERED BY REGISTERED MAIL

1391598 B.C. Ltd.
Unit A, 7024 Tofino Street
Powell River, BC V8A 1G3

Attn: Tod English

Dear Sir/Madam,

Re: Guarantee and Postponement of Claim of Bliss Body & Bath Ltd. (the "Borrower") granted by 1391598 B.C. Ltd. up to the maximum principal amount of \$2,583,000 signed February 21, 2023 (the "Guarantee") in favour of Royal Bank of Canada (the "Bank")

We are counsel for the Bank with respect to the above-referenced matter.

Pursuant to the Guarantee, you promised to pay the Bank on its demand, all debts, liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower up to the maximum principal amount of \$2,538,000.

Enclosed is a copy of our demand letter issued to the Borrower (the "**Borrower Demand**") demanding payment of all amounts owing by the Borrower to the Bank pursuant to the loan agreements between the Borrower and the Bank (collectively, the "**Loan Agreements**") as further set out in the enclosed Borrower Demand. As you will note from the enclosed letter, the amount owing to the Bank under the Loan Agreements as at June 20, 2025 is \$2,585,484.64 together with additional accrued and unpaid interest, fees, costs, expenses, and all other amounts payable under or in connection with the Loan Agreements.

Accordingly, on behalf of the Bank, we hereby demand payment by you of \$2,538,000.00, together with interest, legal costs and all other amounts payable under the Guarantee.

Please be advised that, if payment or arrangements satisfactory to the Bank for payment are not made forthwith, the Bank will take such further steps as it deems necessary to recover the amounts outstanding under the Loan Agreements and the Guarantee.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Shouldice', is written over a light grey rectangular background.

Daniel Shouldice

Encl.

cc: Tod English, via email (tod@englishgroup.ca)

This is **Exhibit "N"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this _____ day of August, 2025.

A Commissioner for taking Affidavits within
the Province of British Columbia

No.
Powell River Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

BLISS BODY & BATH LTD.
1391598 B.C. LTD.

TOD WILLIAM ENGLISH
YORK VENTURES LTD.

VARISTY CAPITAL CORPORATION

WIEBE PROPERTIES INC.

KANLYN HOLDINGS LTD.

MERCHANT OPPORTUNITIES CANADA LIMITED PARTNERSHIP

RESPONDENTS

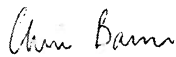
CONSENT TO ACT AS RECEIVER

BDO Canada Limited hereby consents to act as receiver-manager on terms substantially as provided in the draft Order contained in the petition of the Petitioner dated August 20, 2025.

Dated this 20 day of August, 2025

BDO CANADA LIMITED

Per:



Authorized Signatory

This is **Exhibit "O"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.

A handwritten signature in blue ink, appearing to be 'D. [unclear]', written over a horizontal line.

A Commissioner for taking Affidavits within
the Province of British Columbia

Daniel Shouldice

From: Tod English <tod@englishgroup.ca>
Sent: Wednesday, July 9, 2025 4:10 PM
To: Daerendinger, Michael
Cc: Daniel Shouldice
Subject: RE: Call

[External]/[Externe]

Not yet Michael I paid the due diligence fee , has site inspection, waiting on paper, will forward as soon as I get it

From: Daerendinger, Michael <michael.daerendinger@rbc.com>
Sent: July 9, 2025 4:04 PM
To: Tod English <tod@englishgroup.ca>
Cc: Daniel Shouldice (daniel.shouldice@mcmillan.ca) <daniel.shouldice@mcmillan.ca>
Subject: RE: Call

Thanks Tod,
 We will review and follow-up with you early next week.

Re. #3 – have you received a financing proposal from the short-term lender? If yes, please provide. Thank you,

Michael Daerendinger | Sr Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | T. 604.454.8757

From: Tod English <tod@englishgroup.ca>
Sent: Wednesday, July 9, 2025 12:38 PM
To: Daniel Shouldice <daniel.shouldice@mcmillan.ca>; Daerendinger, Michael <michael.daerendinger@rbc.com>
Subject: Call

[External]/[Externe]

Morning as per our call I am taking the quickest route to pay out the 2.5M but also engaging with multiple professionals as we will take first solution. Nick has had an exclusive listing for past few months, have had a group from squamish kicking at it but no offers as of today, we do have a local couple who both have been in the Hospitality Business for decades, they have a skin ware company as well, we have met numerous times and I have offered a large vendor finance , all in all I would bet for a sale I personally would probably get it done the quickest and it's a focus

1. I have engaged a realtor to relist property, and we expect this process to take about a week , we are going to list with Royal LePage commercial and Colliers so we have a local realtor as well, we will list for just under appraisal but will accept any reasonable offer, we were willing to take the accepted offer of 3.9M,
2. We also have engaged Kevin Wilson from Ashdown Capital in Victoria as we are currently working on a term sheet he provided from the Credit Union on properties we own on same street as Bliss, we expect he will be able to finance out the Royal Bank, I will make sure I send the correspondence we have had, this option usually a few months with tier one lending
3. I have engaged a short-term lender and hope to have paper in hand for commitment , this is an expensive option but can happen within 30 days, Lender has done site visit,
4. We have Cunningham Rivard out of Nanaimo doing appraisals on Bliss and our other Marine Ave properties owned by English Enterprises Inc, the Credit Union wants this company as they use them,

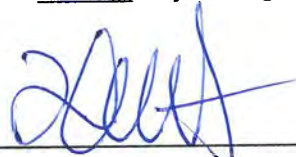
Here is my cell if in fact you want your appraiser to come through, Cunningham is here next week, they are vastly used by many Tier one lenders but up to you, I would imagine I am paying anyway just thought this may be a quicker solution

Tod 604 483 1338

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

This is **Exhibit "P"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.



A Commissioner for taking Affidavits within
the Province of British Columbia

8/19/25, 7:11 AM

Boutique Hotel & Day Spa



BOOK NOW

Welcome

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You have found the Perfect Getaway in Beyond Bliss Spa & Suites. Located in downtown Powell River, the hotel suites and rooms are a wonderful destination for travelers looking for relaxation and comfort.

Beyond Bliss Spa & Suites now has two different accommodation offerings, both are beautifully modern, clean and comfortable.

There are four one bedroom suites with a King Bed and Queen pullout sofa bed, full kitchens, jetted tubs and private balconies. The suites are 700 - 800 sq feet in size and are very comfortable for two and spacious enough for four guests. Two of these suites have an ocean view with a sweeping view of the strait, the mountains and all the local ocean wildlife. Make sure you ask for or select the Ocean view suite when booking.

There are also 3 modern hotel rooms, all with ocean views and a semi private deck. They have no kitchen facilities and no bathtub but a lovely shower, kettle, coffee service and mini fridge. The rooms are well appointed with everything you need including a 50" flat screen television. The rooms are STREET LEVEL entry from Marine Ave and one flight of stairs up from the back parking lot.

The hotel features Beyond Bliss Spa which has been voted Best Spa Services in Powell River for three years in a row. It is walking distance to fabulous restaurants, shopping, museums, and Willingdon Beach. We are also just a few minutes walk from the Vancouver Island Ferry Terminal.

CONTACT INFO

4555 Marine Ave
Powell River, BC
Canada
V8A 2K5

bliss21@telus.net

Tel: 604 485 9521

Toll Free:

1 877 485 9520

There is no elevator
access to suites or
rooms; must use stair

8/19/25, 7:11 AM

Boutique Hotel & Day Spa

Small Heading



ROOMS
MORE INFO >>

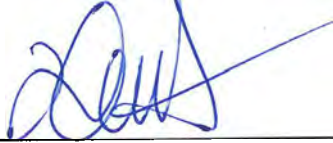


SUITES
MORE INFO >>

Prices are subject to change. Beyond Bliss Spa Gift Cards cannot be used on hotel stays.



This is **Exhibit "Q"** referred to in the Affidavit of Michael Daerendinger, sworn (or affirmed) before me at Vancouver, British Columbia, this 21st day of August, 2025.

A handwritten signature in blue ink, appearing to be 'D. Smith', written over a horizontal line.

A Commissioner for taking Affidavits within
the Province of British Columbia

Daniel Shouldice

From: Daerendinger, Michael <michael.daerendinger@rbc.com>
Sent: Wednesday, July 30, 2025 4:29 PM
To: Tod English
Subject: Bliss Body & Bath
Attachments: PSOA 2016.pdf

Hi Tod,

Thank you for taking the time to meet with the appraiser from Garnett Wilson last week. Your cooperation is appreciated.

We understand from your discussion with the appraiser that the Bliss Body property has some commercial tenants as well as short term residential rental units. In order to assess the bank's position, we require further information regarding any other tenants or business being operated at the property or by Bliss Body. Please provide the following:

- (a) Copies of any leases or rental agreements with any third parties occupying any part of the property; and
- (b) September 30 2023 accountant prepared year-end financial statements for Bliss Body & Bath Ltd.
- (c) February 28 2024 accountant prepared year-end financial statements for Bliss Body & Bath Ltd.
- (d) February 28 2025 accountant prepared year-end financial statements for Bliss Body & Bath Ltd.
- (e) February 28 2025 accountant prepared year-end financial statements for 1391598 BC Ltd.
- (f) Updated PSOA (personal statement of affairs) for Tod English. Shell enclosed.
- (g) Confirmation that 2024 & 2025 taxes; local, provincial & federal, as well as employee source deductions are up to date.

We further understand that Bliss Body may have contracted with a third party for the operation of the spa business, without any prior consent of the bank. Please confirm and provide a copy of any such contract or any other contract with a third party for the operation of the spa business.

Please provide this information no later than Tuesday August 5.

The bank reserves all of its rights and remedies and nothing in this email should be construed as a waiver of any events of default under the loan and security agreements with the bank.

Please contact me if you have any questions. I look forward to a reply at your earliest convenience.

Michael Daerendinger | Sr Manager, Special Loans and Advisory Services | **Royal Bank of Canada** | T. 604.454.8757 |
 E. michael.daerendinger@rbc.com