



H-210155
Court File No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

PETITIONER

AND:

WESTRIDGE MECHANICAL LTD.
KEITH RICHARD WHITE
VINCENT GRAHAM WHITE
MNP LTD.

RESPONDENTS

AFFIDAVIT

I, ANDREW MASSE, Business Specialist, of Suite 200, 505 Burrard Street, in the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Business Specialist employed by Business Development Bank of Canada, the Petitioner herein, and as such have personal knowledge of the facts and matters hereinafter deposed to save and except where stated to be upon information and belief and where so stated I verily believe them to be true.
2. I am authorized by the Petitioner to make this Affidavit.
3. I have read the petition herein (the "**Petition**") and the facts stated in paragraphs 1 to 7 and 13 to 16 therein are true.

4. Attached as **Exhibit "A"** to this my Affidavit is a true copy of the Letter of Offer, as defined in the Petition.
5. Attached as **Exhibit "B"** to this my Affidavit is a true copy of the Mortgage, as defined in the Petition (which Mortgage exceeds [10] pages in length and a true copy may be viewed at the offices of Kornfeld LLP, 1100 One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, during normal business hours).
6. Attached as **Exhibit "C"** to this my Affidavit is a true copy of the Security Agreement, as defined in the Petition (which Security Agreement exceeds [10] pages in length and a true copy may be viewed at the offices of Kornfeld LLP, 1100 One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, during normal business hours).
7. Attached as **Exhibit "D"** to this my Affidavit is a true copy of the Guarantee, as defined in the Petition.
8. I know of no fact which would constitute a defence to the Petitioner's claim or any part of the Petitioner's claim.

SWORN BEFORE ME at the City
of Vancouver, in the Province of
British Columbia, this 22nd
day of March, 2021.

A Commissioner for taking Affidavits
for British Columbia.

Douglas B. Hyndman
Barrister & Solicitor
1100 - 505 Burrard Street
Vancouver, B.C. V7X 1M5
Telephone: (604) 331-8300



ANDREW MASSE



BDCID: 10021065692

Letter of Offer dated June 12, 2020

Westridge Mechanical Ltd.
32952 Unger Crt
Mission, BC
V4S 0B9

This is Exhibit " A " referred to in the affidavit of Andrew Masse sworn before me at ... Vancouver in the Province of British Columbia this 22nd day of March A.D. 2021
.....
A Commissioner for taking Affidavits within British Columbia

Attention of: Mr. Keith White

Re: Loan(s) No. 166109-02

Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "Loan") according to the terms of this letter (the "Letter of Offer"):

Loan 166109-02 in the amount of \$637,400.00

The Letter of Offer is open for acceptance until June 22, 2020 (the "Acceptance Date") after which date it will become null and void.

Loan 166109-02 supersedes the existing loan(s) 166109-01 on which \$527,400.00 is outstanding. Payment of interest on the superseded loan(s) will continue at its existing rate until first disbursement of the Loan 166109-02 when the Loan 166109-02 interest rate will take effect. The amount required to pay out the superseded loan(s) will be adjusted to the amount of principal outstanding on the superseded loan(s) at disbursement.

This Loan is in addition to the existing CDN dollar loan(s) on which \$527,400.00 is outstanding.

LOAN PURPOSE AND FUNDING

Loan Purpose

Supersede BDC Loan 166109 - 01	\$527,400.00
Construction Cost Overrun	\$95,410.00
Contingency	\$14,590.00
	\$637,400.00

Funding

BDC 166109-02	\$637,400.00
	\$637,400.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

Business Development Bank of Canada
32555 Avenue Simon, Suite 100
Abbotsford, BC V2T4Y2
www.bdc.ca

BORROWER

Westridge Mechanical Ltd. (the "**Borrower**")

GUARANTOR

Keith Richard White

Vincent Graham White

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

INTEREST RATE

Loan 166109-02

Floating Rate: BDC's Floating Base Rate plus a variance of 0.20% per year (the "**Variance 02**"). On the date hereof, BDC's Floating Base Rate is 4.55% per year.

BDC's Floating Base Rate is defined as the annual rate of interest announced from time to time as BDC's floating rate then in effect for determining floating interest rates for Canadian dollar loans. It shall vary automatically without notice to BDC clients upon each change in BDC's Floating Base Rate.

INTEREST CALCULATION

Calculated monthly on each Loan from the date of disbursement. Interest on arrears is calculated and compounded monthly at the rate applicable to each Loan .

REPAYMENT

All payments must be made by pre-authorized debit from your bank account and will be applied in the following order: 1) prepayment indemnity, 2) protective disbursement, 3) standby fees, 4) arrears of fees, interest and principal, 5) current balances of fees, interest and principal, 6) cancellation fees and 7) other amounts.

The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan shall become due and payable on the Maturity Date (the "**Maturity Date**").

Loan 166109-02

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	3,520.00	01-06-2021	01-06-2021
299	Monthly	2,120.00	01-07-2021	01-05-2046

In addition, interest is payable monthly on the 1st day of the month (the "Payment Date 02") commencing on the next occurring Payment Date 02 following the first advance on the Loan.

Maturity Date: May 1, 2046 (the "Maturity Date 02").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after June 11, 2020. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

Partial Indemnity: At any time, if your loan is on a floating interest rate, three months further interest on the principal prepaid, or if the Loan is on a fixed interest rate, three months further interest together with an Interest Differential Charge. The Interest Differential Charge is a present value amount calculated by determining the difference between BDC's Base Rate then applicable to the Loan and the corresponding BDC Base Rate at the time of prepayment multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date or the maturity of the principal if earlier.

SECURITY

The Loan, interest on the Loan and all other amounts owing under the Loan shall be secured by the following (the "Security"):

Loan 166109-02

1. First mortgage, including an assignment of rents, on condominium property legally described as PL BCS3384, LT3, LD 36, SEC 19, TWP 17, Group 1 together with an interest in the common property in the proportion to the unit entitlement located at Unit #3 - 7252 River Place, Mission BC. Property is owned by Westridge Mechanical Ltd. Estoppel Certificate issued by condominium corporation required. Existing mortgage to stand as security for this loan.

2. General Security Agreement from Westridge Mechanical Ltd providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of these persons have an interest.
Existing GSA to stand as security for this loan.
3. Joint and Several Guarantee of Keith Richard White and Vincent Graham White for 100% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.

DISBURSEMENT

Funds shall be disbursed to solicitor or notary unless otherwise authorized and as follows:

Loan 166109-02

1. Funds will be disbursed when security is in place and when all the conditions of the letter of offer have been met.

Funds in the amount of \$527,400 will be used to pay out the BDC 01 loan in full

Funds in the amount of \$550 will be withheld from the loan proceeds to pay the for the BDC loan processing fee.

Following the Borrower's full contribution, if applicable, BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose (excluding applicable taxes), less any applicable holdbacks required by BDC.

A physical inspection by a BDC representative of the expenditures under the Loan Purpose is to be done when 40% to 60% of construction project is completed

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Security in form and substance satisfactory to BDC.
2. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
3. No material adverse change.
4. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer .
5. No Default shall have occurred.
6. The processing fees associated with the Loan in the amount of \$550 shall be withheld from the Loan proceeds upon the first disbursement.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

- 1. On demand, you agree to provide BDC with written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the demand. Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt. Funds in this reserve account will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing responsibility to pay the taxing authorities and any funds in the reserve account may be applied towards any amounts owing to BDC.

COVENANTS

The Borrower:

- Confirms that the information in the Application for Financing and all information provided to BDC by the Borrower or on the Borrower's behalf is true.
- Agrees to comply with laws and regulations, including but not limited to environmental laws, applicable to the Borrower and its business.
- Authorizes BDC to obtain relevant information from any party for the purpose of evaluating the financial condition of the Borrower or its business.
- Agrees to obtain BDC's prior written consent a) to change the nature of the business; b) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliated company; c) to sell or transfer shares or any interest in a partnership or limited partnership or trust or change the effective voting control (as determined by BDC).
- Agrees to refrain from conducting, or permitting to be conducted, any activity which BDC has described as an "Ineligible Activity" in the Application for Financing and acknowledges that this covenant applies to any entity that controls, is controlled by, or is under common control with, the Borrower.
- Agrees to keep secured assets insured against physical damage and other losses on an "All-Risks" Basis including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and to name BDC as loss payee as its interests may appear and to ensure that a standard mortgage clause be included in all policies insuring real property and to maintain all policies of insurance in effect for the duration of the Loan.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
Westridge Mechanical Ltd.	Notice to Reader prepared by a CPA	Annual	August

and such other financial and operating statements and reports as and when BDC may reasonably require.

DEFAULT

- Any representation to BDC is false.
- Failure to make any payment or to comply with the terms of this Letter of Offer or any Security or any other agreement between the Borrower and/or the Guarantor and BDC in respect of this loan or any other loan.
- Insolvency or bankruptcy or failure to perform obligations to other creditors.
- Cessation of business.

The occurrence of any of the above events by the Borrower constitutes a Default at which time BDC may demand immediate payment of the Loan and enforce the Security.

FEES

PAYABLE BY BORROWER AND GUARANTOR:

Cancellation: If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "Lapsing Date"), the Loan shall lapse and be cancelled and the Borrower and the Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and the Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

Loan 166109-02

Lapsing Date: June 11, 2021 (the "Lapsing Date 02").
Cancellation Fee: \$3,300.00 (the "Cancellation Fee 02").

Standby: Commencing on the date indicated below, and payable monthly, a fee calculated at a rate indicated below on the portion of the Loan which has not been advanced or cancelled. This date is subject to change if you change your interest rate plan.

Loan 166109-02

Rate: 1.50% per annum
Date: December 11, 2020

Legal: Fees and expenses, payable on demand, incurred by BDC in connection with the placing of the Loan and the Security including the enforcement of the Loan and the Security, whether or not any documentation is entered into or any advances made.

PAYABLE BY BORROWER:

Loan Management: Payable annually on the Payment Date immediately following each anniversary of the first disbursement date.

Loan 166109-02

\$500.00 per year (the "Management Fee 02")

Transaction and Administration: The Standard Loan Amendment, Security Processing and administration fees for the handling of the Loan.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall be binding on the Borrower and its respective successors and assigns. BDC may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under the Letter of Offer to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer.

ANTI-MONEY LAUNDERING / KNOW YOUR CLIENT

The Borrower and each Guarantor acknowledge that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Borrower and each Guarantor, their directors, authorized signing officers, shareholders and other Persons in control of the Borrower and each Guarantor. The Borrower and each Guarantor agree to promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

ACCEPTANCE

By original signature, fax, or any other electronic means acceptable to BDC.

LANGUAGE CLAUSE

The parties have expressly requested that this Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.

Jimmy Sandhu

Jimmy Sandhu
Senior Account Manager, Small Business
Phone: (604) 425-0792
Jimmy.SANDHU@bdc.ca

Miranda Lau

Miranda Lau
Senior Client Relationship Officer
Phone: (604) 676-7059
Miranda.LAU@bdc.ca

ACCEPTANCE

We accept the terms and conditions this _____ day of _____ 20____.

Westridge Mechanical Ltd.

E-SIGNED by Keith White
on 2020-06-24 20:12:11 GMT

_____, Authorized Signing Officer

Name: _____

[Please print name of signing party]

GUARANTOR(S)

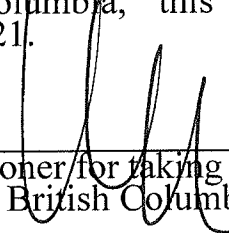
E-SIGNED by Keith White
on 2020-06-24 20:12:18 GMT

Keith Richard White

E-SIGNED by Vincent White
on 2020-06-24 20:20:46 GMT

Vincent Graham White

This is Exhibit "B" to Affidavit #1 of Andrew Masse sworn before me at the City of Vancouver, in the Province of British Columbia, this 2nd day of March, 2021.



Commissioner for taking Affidavits for
British Columbia.

LAND TITLE ACT
FORM B (Section 225)

Jul-05-2019 15:13:28.001

CA7606567 CA7606568

MORTGAGE - PART 1 Province of British Columbia

LOCK

PAGE 1 OF 3 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Magdalena Agnieszka Grala
APUEX9
Digitally signed by Magdalena Agnieszka Grala
APUEX9
Date: 2019.07.05 12:01:39 -07'00'

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

Import Profile

WATERSTONE LAW GROUP LLP
202 - 32625 SOUTH FRASER WAY

LTO #: 11382
PHONE #: 604-744-4600
FILE #: 147806-392

ABBOTSFORD BC V2T 1X8

Document Fees: \$148.32

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

027-862-551 STRATA LOT 3 SECTION 19 TOWNSHIP 17 GROUP 1 NWD STRATA PLAN

No PID NMBR

BCS3384

STC? YES

Pick up STC?

Use 30 Parcel Schedule

Use 3 Parcel Schedule

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

Use Schedule

WESTRIDGE MECHANICAL LTD.

32751 UNGER COURT
MISSION

BRITISH COLUMBIA
CANADA

Incorporation No
BC1030555

V4S 0B9

Joint Tenants?

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

Use Schedule

Institution Profile

BUSINESS DEVELOPMENT BANK OF CANADA, INCORPORATED BY SPECIAL ACT OF
the Parliament of Canada, and having its head office in Montreal Quebec, with a business centre at
Suite 100, 32555 SIMON AVENUE
ABBOTSFORD BRITISH COLUMBIA
CANADA V2T 4Y2

5. PAYMENT PROVISIONS:

(a) Principal Amount: See Schedule	(b) Interest Rate: See Schedule	(c) Interest Adjustment Date: N/A	Y	M	D
(d) Interest Calculation Period: N/A	(e) Payment Dates: See Schedule	(f) First Payment Date: N/A			
(g) Amount of each periodic payment: N/A	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date: N/A			
(j) Assignment of Rents which the applicant wants registered? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page and paragraph number: Pages 8-9, Paragraph 7 D.F. MT060099	(k) Place of payment: Postal Address in Item 4	(l) Balance Due Date: See Schedule			

Use Schedule

MORTGAGE – PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:
Fee Simple
Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms
- (b) Filed Standard Mortgage Terms
- (c) Express Mortgage Terms

D F Number: MT060099

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

Use Schedule

N/A

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

Use Schedule

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.

Officer Signature(s)

Gurminder S. Gobindpuri
Barrister & Solicitor
32086 South Fraser Way
Abbotsford, B.C. V2T 1V7
Tel: 604-859-5565

Execution Date		
Y	M	D
19	07	04

Borrower(s) Signature(s)

WESTRIDGE MECHANICAL LTD.
by its authorized signatory(ies):

Print Name: Vincent White

Print Name: Keith White

More Signatures

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
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 DOCUMENT FORM.

5. PAYMENT PROVISIONS

(a) Principal Amount:

This Mortgage secures payment, observance, performance and satisfaction of all of your present and future debts, liabilities and obligations to us (including all future advances and re-advances, interest, and interest on overdue interest), whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatsoever nature or kind, whether or not provided for herein, and whether owed by you to us as principal, guarantor, indemnitor or otherwise, including all of your present and future debts, liabilities and obligations to us hereunder.

The following terms will have the following meanings in this Mortgage unless the context otherwise requires.

- (i) "Secured Obligations" means all of the debts, liabilities and obligations referred to in this item 5(a).
- (ii) "We", "our" and "us" means or refers to Business Development Bank of Canada, its successors and assigns; and
- (iii) "You" and "your" means or refers to each person described in item 3 of this Part 1 and includes any heirs, personal representatives, successors or permitted assigns of each person, as the case may be, whether immediate or derivative.

(b) Interest Rate:

Such rate or rates of interest as may be agreed to between you and us in writing from time to time with respect to the Secured Obligations, and payable after as well as before maturity, default and judgment.

(e) Payment Dates:

The dates when the Secured Obligations are required to be paid, observed, performed and satisfied.

(l) Balance Due Date:

The last of the dates on which the Secured Obligations are required to be paid, observed, performed and satisfied.

END OF DOCUMENT

**LAND TITLE ACT
FORM B (Section 225)**

MORTGAGE - PART 1 Province of British Columbia

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

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

WATERSTONE LAW GROUP LLP
202 - 32625 SOUTH FRASER WAY

LTO #: 11382
PHONE #: 604-744-4600
FILE #: 147806-392

ABBOTSFORD BC V2T 1X8

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

**027-862-551 STRATA LOT 3 SECTION 19 TOWNSHIP 17 GROUP 1 NWD STRATA PLAN
BCS3384**

STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

WESTRIDGE MECHANICAL LTD.

32751 UNGER COURT
MISSION

BRITISH COLUMBIA
CANADA

Incorporation No
BC1030555

V4S 0B9

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

BUSINESS DEVELOPMENT BANK OF CANADA, INCORPORATED BY SPECIAL ACT OF
the Parliament of Canada, and having its head office in Montreal Quebec, with a business centre at
Suite 100, 32555 SIMON AVENUE

ABBOTSFORD
CANADA

BRITISH COLUMBIA
V2T 4Y2

5. PAYMENT PROVISIONS:

(a) Principal Amount:	(b) Interest Rate:	(c) Interest Adjustment	Y	M	D
See Schedule	See Schedule	Date: N/A			
(d) Interest Calculation Period:	(e) Payment Dates:	(f) First Payment			
N/A	See Schedule	Date: N/A			
(g) Amount of each periodic payment:	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment			
N/A		Date: N/A			
(j) Assignment of Rents which the applicant wants registered ? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page and paragraph number:	(k) Place of payment: Postal Address in Item 4	(l) Balance Due			
Pages 8-9, Paragraph 7 D.F. MT060099		Date: See Schedule			

MORTGAGE - PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:

Fee Simple
Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms
- (b) Filed Standard Mortgage Terms
- (c) Express Mortgage Terms

D F Number: MT060099
(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:


N/A

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.

Officer Signature(s)



 Gurminder S. Gohil
 Barrister & Solicitor
 32086 South Fraser Way
 Abbotsford, BC, V2T 1V7
 Tel: 604 859 5565

Execution Date

Y	M	D
19	07	04

Borrower(s) Signature(s)

WESTRIDGE MECHANICAL LTD.
by its authorized signatory(ies):


 Keith White
 Print Name:


 Vincent White
 Print Name:

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
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 DOCUMENT FORM.

5. PAYMENT PROVISIONS

(a) Principal Amount:

This Mortgage secures payment, observance, performance and satisfaction of all of your present and future debts, liabilities and obligations to us (including all future advances and re-advances, interest, and interest on overdue interest), whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatsoever nature or kind, whether or not provided for herein, and whether owed by you to us as principal, guarantor, indemnitor or otherwise, including all of your present and future debts, liabilities and obligations to us hereunder.

The following terms will have the following meanings in this Mortgage unless the context otherwise requires.

- (i) **"Secured Obligations"** means all of the debts, liabilities and obligations referred to in this item 5(a).
- (ii) **"We", "our" and "us"** means or refers to Business Development Bank of Canada, its successors and assigns; and
- (iii) **"You" and "your"** means or refers to each person described in item 3 of this Part 1 and includes any heirs, personal representatives, successors or permitted assigns of each person, as the case may be, whether immediate or derivative.

(b) Interest Rate:

Such rate or rates of interest as may be agreed to between you and us in writing from time to time with respect to the Secured Obligations, and payable after as well as before maturity, default and judgment.

(e) Payment Dates:

The dates when the Secured Obligations are required to be paid, observed, performed and satisfied.

(l) Balance Due Date:

The last of the dates on which the Secured Obligations are required to be paid, observed, performed and satisfied.

END OF DOCUMENT

STANDARD MORTGAGE TERMS

FILED BY: BUSINESS DEVELOPMENT BANK OF CANADA

MORTGAGE

FILING DATE – APRIL 7 , 2006

FILING NUMBER – MT060099

The following set of standard mortgage terms is considered to be included in and form a part of every mortgage in which this set is referred to by its filing number.

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For good and valuable consideration, the receipt and sufficiency of which you hereby acknowledge, you warrant, represent, covenant and agree with us as follows:

1. INTERPRETATION

1.1 **Definitions.** In this Mortgage:

- (a) **"Assigned Leases"** means every existing and future Lease and any guarantee of any such Lease;
- (b) **"Assigned Rents"** means all rents, benefits and other monies payable from time to time under the Assigned Leases;
- (c) **"Charge"** means any mortgage, charge (fixed or floating), pledge, lien (statutory or otherwise), assignment, lease, security interest, title retention agreement, trust, or other encumbrance of any nature however arising;
- (d) **"Environmental/Hazardous Materials Claims"** means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental/Hazardous Materials Laws, together with claims made or threatened by any third party against you or in respect of the Mortgaged Property relating to the environment, health, safety, any Wastes/Hazardous Materials or any Environmental/Hazardous Materials Laws;

- (e) **"Environmental/Hazardous Materials Laws"** means laws, bylaws, rules, ordinances, regulations, notices, approvals, orders, licences, permits, standards, guidelines and policies from time to time of any level of government or other authorized agency relating to the environment, health, safety or any Wastes/Hazardous Materials;
- (f) **"Event of Default"** means any event referred to in paragraph 10.1 hereof, or otherwise herein, as constituting an Event of Default;
- (g) **"Improvements"** means each and every building, structure, erection, improvement, fixture or replacement thereof affixed or attached in, on, or under the Mortgaged Property or any part thereof which now or hereafter constitutes part of Your Interest;
- (h) **"Lease"** means a lease, sub-lease, agreement to lease or sub-lease, right of use or occupation, licence or sub-licence, or other agreement as to the use or occupation of Your Interest, or any part thereof, as the case may be, and includes any renewal, replacement or extension of any of the foregoing;
- (i) **"Mortgage"** means the Mortgage Form and these mortgage terms read together, as amended and extended from time to time;
- (j) **"Mortgage Form"** means the Form B under the *Land Title (Transfer Forms) Regulation* (British Columbia), as amended or replaced from time to time, which refers to these mortgage terms and is executed by you and all schedules and addenda attached to such Form B;
- (k) **"Mortgaged Property"** means the land(s) described or referred to in item 2 of the Mortgage Form together with the Improvements, appurtenances and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia), as amended or replaced from time to time, and whether now or hereafter existing or acquired, in connection with such land(s);
- (l) **"Permitted Charges"** means:
 - (i) charges that are expressly subordinate in priority to the Charges created hereby;
 - (ii) charges in our favour; and
 - (iii) charges disclosed in item 11 of the Mortgage Form or approved in writing by us prior to their creation or assumption;
- (m) **"Receiver"** includes a receiver, manager, receiver and manager or receiver-manager however appointed;
- (n) **"Secured Obligations"** has the meaning given to it in item 5(a) of the Mortgage Form;
- (o) **"Taxes"** means all taxes, assessments, rates, duties, levies, government fees, utility charges, claims and dues levied, assessed or imposed on Your Interest or on you in respect of Your Interest;
- (p) **"Wastes/Hazardous Materials"** means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which is prohibited, controlled or licensed under any Environmental/Hazardous Materials Laws, or the remediation or release of which into the environment is likely to immediately or in the future to cause harm or degradation to any of the Mortgaged Property or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls;

(q) **"Your Interest"** means:

- (i) the estate, right, title and interest in and to the Mortgaged Property mortgaged by you in item 8 of the Mortgage Form; and
- (ii) any other estate, right, title or interest in and to the Mortgaged Property hereafter acquired by you, or in your name.

- 1.2 **Our Certificate Conclusive.** Every certificate signed by one of our representatives purporting to show the amount of monies at any particular time due and payable under this Mortgage shall, in the absence of manifest error, be conclusive evidence as against you of the amount due and payable at such time under this Mortgage.
- 1.3 **Invalidity.** The invalidity or unenforceability of the whole or any part of any paragraph of this Mortgage shall not affect the validity or enforceability of any other paragraph or the remainder of such paragraph.
- 1.4 **Headings.** The headings used in this Mortgage have been inserted for convenience of reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage.
- 1.5 **Jurisdiction.** This Mortgage will be governed by and construed in accordance with the laws of British Columbia.
- 1.6 **Time of the Essence.** Time shall be of the essence of this Mortgage.
- 1.7 **Consolidation.** The doctrine of consolidation shall apply to this Mortgage notwithstanding Section 27 of the *Property Law Act* (British Columbia) as amended or replaced from time to time.
- 1.8 **Interpretation.** Whenever in this Mortgage the singular or neuter pronoun is used the same shall be respectively construed as the plural, masculine, feminine or body corporate as the context may require.
- 1.9 **Joint and Several Liability.** If you are comprised of more than one person, the liability of such persons is joint and several and every reference in this Mortgage to you shall be construed as meaning each person who executed this Mortgage as a mortgagor as well as all of them.
- 1.10 **Conflict with Mortgage Form.** If there is any conflict between these mortgage terms and the Mortgage Form, the provisions of the Mortgage Form shall govern.
- 1.11 **Conflict with Agreement.** If you have entered into a commitment letter, loan agreement or guarantee (the "Agreement") with us dealing with, or relating to, the Secured Obligations, or any of them, then, in the event of any discrepancy between any term of this Mortgage and any term of the Agreement, the term of the Agreement shall apply and take precedence over the terms of this Mortgage.
- 1.12 **Enurement.** This Mortgage shall enure to the benefit of and be binding upon you and us and our respective heirs, personal representatives, successors and permitted assigns.

2. GRANT OF SECURITY

- 2.1 **Mortgage.** As security for the Secured Obligations, you hereby grant and mortgage Your Interest to us, forever, subject to Permitted Charges and the provisions hereof, and subject to paragraph 3.1, you release all claims to Your Interest to us.
- 2.2 **Title.** If you are not the beneficial owner of Your Interest or any part of Your Interest, you have the right and authority to grant this Mortgage as a charge against both the legal and beneficial title to all of Your Interest.

3. DISCHARGE OF MORTGAGE

3.1 This Mortgage will be redeemed and you will be entitled to a discharge of this Mortgage only upon the latest of:

- (a) full payment and satisfaction of the Secured Obligations;
- (b) our receipt of your written request for a discharge of this Mortgage; and
- (c) our receipt of payment of an administrative fee, to be fixed by us, for the preparation or execution of a discharge of this Mortgage.

No discharge will be effective unless it is in writing and is executed by us.

You will pay an administrative fee, to be fixed by us, for the preparation or execution of any partial release of this Mortgage. No partial release of any of Your Interest will affect our rights under this Mortgage with respect to the remainder of Your Interest.

4. GENERAL REPRESENTATIONS

4.1 **Title.** You own and possess and have good title to all of Your Interest and you will defend Your Interest for our benefit against the claims and demands of all other persons.

4.2 **Authority to Charge.** You have good right, full power and lawful authority to enter into this Mortgage, to create the Charges provided for herein and to convey all of Your Interest to us subject only to Permitted Charges.

4.3 **Quiet Possession.** On default we shall have possession of Your Interest free from all Charges, except Permitted Charges.

4.4 **Permitted Charges.** You have done no act to encumber Your Interest, save for Permitted Charges.

4.5 **No Litigation.** There is no litigation, governmental proceeding, complaint, prosecution or investigation, with respect to environmental matters or otherwise, commenced or pending against you or otherwise affecting Your Interest and you agree to promptly notify us of any such future litigation, proceeding, complaint, prosecution or investigation.

4.6 **General.** Each statement made by you in this Mortgage is true, complete and accurate and no investigation by us will diminish our right to rely on such statements, all of which will survive until we have discharged this Mortgage.

5. COVENANTS

5.1 **Secured Obligations.** You will pay, observe, perform and satisfy all of the Secured Obligations as and when the same are required to be paid, observed, performed and satisfied.

5.2 **Taxes.** You will promptly pay all Taxes when due and deliver to us a receipt therefor forthwith upon each payment.

5.3 **Other Charges.** If this Mortgage is now or at any time hereafter subject to any Permitted Charge(s):

- (a) you will duly observe, perform and comply with the covenants, provisos and agreements contained in each Permitted Charge (including the punctual payment of any money payable under the same) and you agree to indemnify and save us harmless from and against any and all loss and liability thereunder; and
- (b) any default under any Permitted Charge shall be deemed to be an Event of Default hereunder.

5.4 **No Charges.** You will not create, assume or permit the existence of any Charge affecting any of Your Interest except for (but we do not grant priority to) Permitted Charges.

5.5 **Miscellaneous Fees.** You shall pay to us on demand the following, all of which shall constitute a Secured Obligation and be payable immediately with interest at the highest rate of interest then in effect with respect to any part of the Secured Obligations, until paid:

- (a) a reasonable servicing fee to process each application for approval as herein contemplated; and
- (b) all fees, costs, charges and expenses (including legal fees and expenses on a solicitor and his own client basis, Receiver's, bailiff's or other fees, commissions and expenses, and any fine, cost or penalty we may be obliged to incur by reason of any statute, order or direction by competent authority) incurred by us, or on our behalf, whether before or after court proceedings are commenced, in connection with:
 - (i) the preparation, issue, registration, modification and extension of this Mortgage, recovering, collecting, procuring or enforcing payment or performance of the Secured Obligations, in any way enforcing or protecting the security of this Mortgage, or enforcing any of the terms of this Mortgage or otherwise exercising our rights and powers hereunder (including all of our travelling expenses and those of our employees and agents);
 - (ii) any inspection, appraisal, investigation or environmental audit of the Mortgaged Property or Your Interest;
 - (iii) any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the Mortgaged Property or Your Interest; and
- (c) all other amounts paid or incurred by us generally in any other measure or proceeding taken by us or on our behalf to realize or collect the Secured Obligations or to defend or perfect the title of Your Interest.

5.6 **Maintain Insurance.** While this Mortgage is in effect you will:

- (a) maintain or cause to be maintained insurance on Your Interest with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as we may require;
- (b) cause the insurance policy or policies required by this Mortgage to name us as a loss payee as our interest may appear in respect of Your Interest, and include a standard mortgage clause or a mortgage endorsement;
- (c) pay all premiums respecting such insurance, and deliver all policies to us if required;
- (d) upon request, immediately assign, transfer and deliver over to us each and every policy or policies of insurance and all receipts pertaining to same;

- (e) on the happening of any loss or damage to the Mortgaged Property or any of Your Interest, immediately notify and furnish to us, at your expense, all necessary proofs and do all necessary acts to enable us to obtain payment of any insurance monies otherwise payable to you, but nothing shall limit our right to submit to the insurer a proof of loss on our own behalf; and
- (f) authorize and direct the insurer under any required policy of insurance to include our name as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by us to any insurer of a certified copy of this Mortgage shall be its complete authority for so doing.

If you fail to maintain insurance as required, we may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as we consider necessary for our protection. If proceeds of any required insurance become payable, we may, in our absolute discretion, apply these proceeds to the Secured Obligations as we see fit or release any insurance proceeds to you to repair, replace or rebuild, but any release of insurance proceeds to you shall not operate as a payment on account of the Secured Obligations or in any way affect this Mortgage or the Charges created hereby. To ensure that we may apply such insurance monies in the manner herein contemplated, you also assign and release to us all of your rights to receive the insurance monies and expressly waive all your rights and benefits under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act 1774* each as amended or replaced from time to time.

5.7 Use, Maintenance and Alteration of Improvements. You will:

- (a) promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental, municipal and civil authority or agency concerning any part of the Mortgaged Property that constitutes part of Your Interest;
- (b) not permit or commit any act of waste on any part of the Mortgaged Property that constitutes part of Your Interest;
- (c) not change, or agree to any change of, the present use of Your Interest without our prior express written consent;
- (d) keep all Improvements in good condition and repair;
- (e) not permit any Improvements to be unoccupied or unused without our prior express written consent;
- (f) not permit any of the following activities to occur in, on or under the Improvements:
 - (i) businesses that are sexually exploitive or that are inconsistent with generally accepted community standard of conduct and propriety, including those that feature sexually explicit entertainment, products or services;
 - (ii) businesses trading with countries that are proscribed by the Federal Government;
 - (iii) businesses which operate as a separate and sole entity nightclubs, bars, lounges, cabarets, casinos, discotheques and similar operations; or
 - (iv) businesses that are engaged in or associated with illegal activities.

You also agree that if following the grant of this Mortgage, your business or the business of a tenant of yours fails to comply with this paragraph, the same may, at our discretion, constitute an Event of Default.

- 5.8 **Right to Inspect and Repair.** We and any of our agents, may at such time and from time to time, as we deem necessary and without the concurrence of any person, enter upon any part of the Mortgaged Property and make any arrangement for completing the construction, repairing or putting in of Improvements, or for inspecting, appraising, taking care of, leasing, collecting the rents of, and generally managing any or all of Your Interest, as we may deem expedient.
- 5.9 **No Dividends, etc.** If you are a corporation, you will not, without our prior written consent issue, purchase or redeem any of your shares, permit any of your shareholders to sell, transfer or dispose of their shares, declare or pay any dividends on any of your issued shares, or amalgamate, merge, consolidate or enter into any business combination with any other person.

6. ENVIRONMENTAL MATTERS

6.1 **No Environmental Risks.** You represent and agree that:

- (a) you are not aware of any environmental risks or liabilities in connection with the Mortgaged Property which have not been disclosed to us and approved by us in writing;
- (b) the operations on the Mortgaged Property are and will be kept in compliance with all Environmental/Hazardous Materials Laws and you will ensure your staff is trained as required for such purpose;
- (c) you have an environmental emergency response plan and all your officers and employees are familiar with that plan and their duties under it;
- (d) you possess and will maintain all environmental licences, permits and other governmental approvals as may be necessary for the conduct of your business;
- (e) the Mortgaged Property is and will remain free of environmental damage or contamination;
- (f) you will provide us with copies of all communications from or to any person relating to Environmental/Hazardous Materials Laws and any Environmental/Hazardous Materials Claim in connection with the Mortgaged Property that become known to you, and all environmental studies or assessments prepared for you, and you consent to us contacting and making enquiries of environmental officials or assessors;
- (g) you will advise us immediately upon becoming aware of any environmental problem relating to the Mortgaged Property or your business;
- (h) without limiting the above, you will not install on or under the Mortgaged Property storage tanks for any Wastes/Hazardous Materials without our prior written consent and only upon full compliance with our requirements and the standards and requirements of all boards and governmental authorities having jurisdiction over the Mortgaged Property, and your activities and assets.

6.2 **Indemnity.** You agree to assume and be responsible for any and all environmental liabilities relating to the Mortgaged Property, including any liability for the clean-up of any Wastes/Hazardous Materials in, on or under the Mortgaged Property, and you agree to protect, save harmless and indemnify us, and any Receiver, and our respective directors, officers, employees and agents, direct and indirect successors and assigns, and our interest in the Mortgaged Property, from and against any and all claims, demands, liabilities, losses, damages and expenses suffered by any of such persons arising out of or in connection with any and all environmental liabilities relating to the Mortgaged Property. Your liability will arise upon the earlier of the discovery of any Wastes/Hazardous Materials, and the institution of any Environmental/Hazardous Materials Claims, and will not be dependent upon the realization of any loss or damage or the determination of any liability. This indemnity and your liability hereunder will survive after this Mortgage and the Charges created hereby have been discharged.

7. ASSIGNMENT OF RENTS

7.1 Unless the Mortgage Form indicates this Mortgage contains an Assignment of Rents, this paragraph shall have no force or effect. You hereby assign the Assigned Rents to us, together with the benefit of all covenants, rights and agreements contained in the Assigned Leases and you agree as follows;

- (a) to execute and deliver such further assignments, notices or other documents as may be required to render this assignment effective;
- (b) we are not obliged to collect any Assigned Rents, nor to comply with any covenant, agreement or term of any Assigned Lease;
- (c) the tenants shall pay the Assigned Rents as we may from time to time direct, and in the absence of direction, may pay them to you;
- (d) none of the Assigned Leases or your rights thereunder including the right to receive the Assigned Rents, has been or will be amended, assigned, encumbered, terminated, discounted or anticipated without our prior written consent;
- (e) no tenant, sub-tenant, licensee or sub-licensee, as the case may be, may make, and you may not accept, a prepayment of Assigned Rents without our prior written consent and where any such person under any Assigned Lease registered prior to this Mortgage has a contractual right to prepay Assigned Rents, such prepayment will, if made, be paid to us and applied as prepayment on the Secured Obligations or any of them, or held as security for the Secured Obligations, as we may determine, unless we have, in writing, waived our right to receive such prepayment;
- (f) there is no existing default in payment of Assigned Rents or otherwise under any of the Assigned Leases by any of the parties thereto and no outstanding dispute under any of the Assigned Leases;
- (g) you will observe and perform all of your obligations under each of the Assigned Leases and deliver to us a true copy of each of the Assigned Leases upon demand;
- (h) all Assigned Leases will contain terms and conditions and be with tenants, sub-tenants, licensees or sub-licensees (as the case may be), which are not less favourable or desirable to you than those which a prudent landlord would expect to receive for the premises to be leased or sub-leased;
- (i) nothing we do pursuant to this paragraph will deem us to be a mortgagee in possession of Your Interest and we need account only for such monies as we actually receive and we are entitled to charge a reasonable collection fee against such receipts for the collection thereof; and

- (j) we may recover and apply Assigned Rents to such part of the Secured Obligations as may be then due and unpaid without accelerating due dates of the Secured Obligations or any part thereof, or otherwise realizing on our security.

Provided that a discharge of this Mortgage will constitute a re-assignment of the Assigned Rents to you.

8. ASSIGNMENT OF RIGHTS OF INDEMNITY

- 8.1 You hereby assign to us all and any rights of indemnification you now have, or which you may hereafter have, arising or existing by reason of or with respect to Your Interest and the Improvements to have and to hold, take and receive the same to our use absolutely, provided that a discharge of this Mortgage will constitute a re-assignment of such rights to you.

9. MORTGAGES OF SPECIAL INTERESTS

- 9.1 **Fee Simple.** If Your Interest is a fee simple estate in and to the Mortgaged Property, this Mortgage is made under Part 3 of the *Land Transfer Form Act* (British Columbia) as amended or replaced from time to time.
- 9.2 **Leasehold Mortgage.** If Your Interest is as a lessee, sub-lessee, licensee or sub-licensee (collectively a "lessee") of the whole or any portion of the Mortgaged Property pursuant to a Lease:
 - (a) you hereby demise, sub-lease and mortgage Your Interest and the Lease to us, by way of a sub-lease, except for the last 10 days of the term of the Lease (the "reversion") which is excepted out of the Charge created by this Mortgage;
 - (b) if the Lease cannot be effectively charged without consent, any Charge intended to be created by this Mortgage upon Your Interest in the Lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such Charge have been obtained or waived by all appropriate persons;
 - (c) you represent to us that the Lease is in good standing, you have the right to mortgage Your Interest and the Lease to us, all rents or other monies payable under the Lease have been paid and all other obligations under the Lease, whether of you or your landlord, have been performed or complied with;
 - (d) you will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by you under the Lease, including payment of rent;
 - (e) you shall take no action or be guilty of any default which shall or may cause the Lease to be terminated or forfeited, or, without our prior written consent, surrender or give any notice which would have the effect of terminating, or permitting the termination of, the Lease;
 - (f) you will promptly notify us in writing of any default or of any condition that with or without the passage of time or the giving of any notice might result in a default under, or the termination of, the Lease, and you will promptly cause a copy of each notice you receive under the Lease to be delivered to us;
 - (g) in the event of any renewal, extension, replacement or substitution of the Lease being created, you will immediately so advise us, and provide us with particulars of the same and a true copy of the subject instrument, and when we request, you will execute such further instrument as we may require;

- (h) you will not during the continuance of this Mortgage, without our prior written consent, modify, alter or suffer or permit any modification or alteration of the Lease;
- (i) you will promptly obtain from the lessor under the Lease and deliver to us, a certificate stating that the Lease is in full force and effect, is unmodified or modified as the case may be, that no notice of termination thereon has been served on you thereunder, stating the date to which the rent has been paid and stating whether or not there are any defaults thereunder and specifying the nature of such defaults, if any;
- (j) you shall not consent to the subordination of the Lease to any mortgage of the interest of the lessor (or leasehold interest of the sub-lessor) thereof in the Mortgaged Property; and
- (k) you will hold the reversion and any renewals, extensions, replacements or substitutions thereof in trust for us and you will assign and dispose of the same in such manner as we may direct by notice in writing.

9.3 Strata Lot. If Your Interest is comprised of one or more strata lots:

- (a) you shall comply with, observe and perform all provisions of the *Strata Property Act*, its regulations and the by-laws, rules and regulations of the strata corporation (the "Strata Corporation") or any special interest section thereof of which you are a member by virtue of your ownership of the strata lot hereby charged, constituted by the deposit of the appropriate strata plan from time to time in force;
- (b) you shall pay, on or before the due date thereof, each and every assessment, contribution, expense, fine or levy made by or on behalf of the Strata Corporation in respect of Your Interest;
- (c) you will forward to us within 10 days of our demand a certificate in any form required by the *Strata Property Act* certifying that no monies are owing by you to the Strata Corporation;
- (d) you will not, without our prior written consent:
 - (i) assign any right, power, duty or obligation under the *Strata Property Act* or the by-laws created under it; or
 - (ii) give possession of the strata lot hereby charged to any person on the basis of an agreement for the purchase of the strata lot by the occupier or on the basis of a lease, sub-lease or assignment of lease for a term of three years or more;
- (e) you hereby grant to us your power and right to vote conferred on you by or under the *Strata Property Act* in respect of all matters in relation to which the *Strata Property Act* allows or provides that we may vote, such power and rights being hereby assigned, transferred and set over unto us, and in respect of all other matters, you hereby irrevocably appoint us as your proxy to attend, speak and vote for and on your behalf but in our discretion at all meetings of the Strata Corporation; provided we shall not be obliged to vote or to protect Your Interests and shall not be liable to you in connection with any consequences of our exercise or failure to exercise such right to vote and that if we, by our authorized representative, agent or proxy, are not present at any duly called meeting of the Strata Corporation of which we have received written notice, you may exercise the right to vote. You agree that neither this clause nor anything done by virtue of it shall render us a mortgagee in possession;
- (f) if for any reason whatsoever you vote at any meeting of the Strata Corporation, you shall, if directed by us, vote in such manner as we direct with respect to each and every matter to be voted;

- (g) at least five days prior to each general meeting of the Strata Corporation, you shall deliver to us written notice of the meeting specifying the place, date, hour and purpose of the meeting;
- (h) you hereby authorize any of our officers to apply at any time and from time to time during the term of this Mortgage to the Strata Corporation:
 - (i) to have any bylaw for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by such officer;
 - (ii) for certification to us of the amount of any contribution determined as your contribution, the manner in which any contribution is payable, the extent to which you have paid any contribution and the amount of money expended by the Strata Corporation on your behalf under the *Strata Property Act* and not recovered by it; and
- (i) at our request, you will deliver to us copies of all notices, financial statements and other documents given by the Strata Corporation to you.

9.4 Mortgage of Mortgage. If Your Interest is as a mortgagee of a mortgage (in this clause called the "Head Mortgage"):

- (a) you transfer and assign to us absolutely all of your right, title and interest in and to the Head Mortgage and the monies now and hereafter owing thereunder, together with the full benefit of all powers and all covenants and provisions in the Head Mortgage, including any guarantee contained in the Head Mortgage, and also, full power and authority to use your name for enforcing the performance of the covenants and other matters and things contained in the Head Mortgage;
- (b) you represent and warrant to us that the Head Mortgage is good and valid security;
- (c) you represent and warrant to us that you have not done, nor permitted any act, matter or thing whereby the Head Mortgage has been released or discharged, either in whole or in part;
- (d) you covenant and agree that default of any kind under the Head Mortgage or your becoming entitled to take any action or proceeding under the Head Mortgage shall be an Event of Default under this Mortgage;
- (e) you shall not accept any prepayment of the monies owing under the Head Mortgage other than in accordance with the terms thereof; provided that, if you are obliged to accept a prepayment, the amount thereof shall be paid to us as a prepayment on account of the Secured Obligations unless we waive such prepayment; and
- (f) we shall be under no obligation to commence action or take any proceeding or step to enforce the Head Mortgage and shall not be liable for any loss arising from any omission by us to take any such action, proceeding or step.

9.5 Vendor's Interest in Right to Purchase. If Your Interest is the full fee simple subject to a right to purchase (in this clause called the "Right to Purchase"):

- (a) you transfer and assign to us absolutely all of your right, title and interest in and to the Right to Purchase and the monies now and hereafter owing thereunder, together with the full benefit of all powers and all covenants and provisions in the Right to Purchase, and full power and authority to use your name for enforcing the performance of the covenants and other matters and things contained in the Right to Purchase; and

- (b) you shall not accept any prepayment of the Right to Purchase other than in accordance with the terms thereof; provided that, if you are obliged to accept a prepayment, the amount thereof shall be paid to us as a prepayment on account of the Secured Obligations unless we waive such prepayment; and
- (c) we shall be under no obligation to commence action or take any proceeding or step to enforce the Right to Purchase and shall not be liable for any loss arising from any omission by us to take any such action, proceeding or step.

9.6 **Purchaser's Interest in Right to Purchase.** If Your Interest is as a purchaser's interest in an agreement for sale, then the Charge created hereby to secure the Secured Obligations is to attach to your increasing equity in the Mortgaged Property to the intent that when you obtain the fee simple to the Mortgaged Property, this Mortgage shall become a Mortgage of the full fee simple.

10. EVENTS OF DEFAULT

10.1 The occurrence of any of the following events will constitute an Event of Default:

- (a) if you fail, or threaten to fail, to observe or perform any covenant, agreement, condition or obligation in our favour, whether or not herein contained, including your failure to pay any of the Secured Obligations when due;
- (b) if any representation, warranty or statement made to us either by you or on your behalf and whether or not contained herein or elsewhere, is not or ceases to be true;
- (c) if you, or any other obligant to us, or any other person liable, in respect of any of the Secured Obligations, ceases or threatens to cease to carry on your or its business, as the case may be, or any material part thereof or to sell all or substantially all of your or its assets, or becomes insolvent or files a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation, or if a petition is filed, an order is made, a resolution is passed, or any other step is taken for your, or such other person's, bankruptcy, liquidation, dissolution, winding-up or reorganization or for any arrangement or composition of your or its debts or any protection from your or its creditors;
- (d) if you are in default under any other Charge of Your Interest or in relation to any indebtedness other than Secured Obligations or you accelerate or permit to accelerate the maturity of any material indebtedness to any creditor other than us;
- (e) if a Receiver, trustee or similar official of any of Your Interest is appointed;
- (f) if you are a corporation and any member or shareholder commences an action against you or gives a notice of dissent to you in accordance with the provisions of any applicable legislation;
- (g) if the holder of any other Charge on, or claim against, any of Your Interest does anything to enforce or realize on such Charge or claim, or any execution, sequestration, or other process becomes enforceable against you, or if a distress, seizure or similar process is levied upon or exercised against any of Your Interest;
- (h) if the lessor under any lease to you or of any of Your Interest takes any step to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default or alleged default by you under such lease;

- (i) if any of Your Interest is destroyed, substantially damaged, expropriated, or designated or considered for designation as a contaminated site;
- (j) if any permit, licence, certification, quota or order granted to or held by you is cancelled, reduced or revoked, or any order against you is enforced, with the effect of preventing your business from being carried on for more than five days or materially adversely changing the condition (financial or otherwise) of your business;
- (k) if you sell, lease, assign, release, surrender or otherwise dispose of or part with possession of any of Your Interest or agree to do so; or
- (l) if there is a deemed Event of Default pursuant to this Mortgage.

11. ENFORCEMENT

11.1 **Enforcement.** Upon the occurrence of an Event of Default we may declare any or all of the Secured Obligations immediately due and payable, and our security will immediately become enforceable. To enforce and realize on the Charges created hereby we may take (or refrain from taking) any action permitted by law or in equity as we may deem expedient, including any of the following:

- (a) enter upon, take possession of, occupy, use, preserve and protect Your Interest, with power to exclude you, your agents and employees therefrom;
- (b) maintain, repair, replace and complete Improvements in accordance with existing plans or otherwise as we, in our absolute discretion, may determine;
- (c) collect the Assigned Rents and other assets we hold as security for the Secured Obligations;
- (d) sell, lease or otherwise dispose of all or part of Your Interest and other assets of yours over which we hold security, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions as we may consider reasonable, provided that if any sale, lease or other disposition is on credit you will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received. No purchaser shall be bound to inquire into the legality or propriety of any such sale or be affected by notice of any irregularity or impropriety. We may take sale proceedings hereunder even if other mortgage proceedings have been taken or are pending;
- (e) exercise any or all of your rights and remedies in respect of Your Interest;
- (f) as your agent, appoint by instrument a Receiver of Your Interest and of all your properties, assets, effects and undertakings (collectively called the "Undertakings") related to or arising out of Your Interest with or without bond as we may determine, and in our absolute discretion and from time to time, remove any Receiver so appointed and appoint another in its stead, but we shall be under no liability for the remuneration, acts or omissions of the Receiver, its employees and agents;
- (g) exercise any other rights and remedies under this Mortgage; or
- (h) exercise any other right and power a Receiver could exercise.

We shall not be liable for any debts we contract during enforcement of this Mortgage, for damages to persons or property, salaries or non-fulfilment of contracts during any period when we take any action referred to above, for any misconduct, negligence or misfeasance by us, or any employee or agent of ours, and neither the provisions of this Mortgage nor the exercise of any of the powers provided in this Mortgage shall render us a mortgagee in possession, and we shall not be accountable except for the monies we actually receive. You waive any provision of law which may be waived which imposes any greater obligations on us than described above.

11.2 **Receiver.** A Receiver appointed pursuant to this Mortgage shall be your agent and not ours, and, to the extent permitted by law or its appointment, shall, in our discretion, have all of our rights and powers (including those under this Mortgage), including the power to:

- (a) take possession of and enter upon the Mortgaged Property which constitutes part of Your Interest and the Undertakings;
- (b) sell or lease or concur in selling or leasing Your Interest and the Undertakings;
- (c) make any arrangement or compromise which it shall think expedient;
- (d) carry on, or concur in the carrying on of, any development then in progress or otherwise contemplated by you with respect to Your Interest or your business relating to Your Interest and for such purposes from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of Your Interest and the Undertakings, such security may rank before or pari passu with or behind this Mortgage; and
- (e) commence, continue or defend proceedings in the name of the Receiver or in your name, which the Receiver considers necessary or advisable for the proper protection of the whole or any portion of Your Interest or the enforcement of this Mortgage.

We may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the proceeds of the receivership. The rights and powers conferred by this paragraph are in addition and not in substitution for any right we may from time to time possess.

11.3 **Application of Proceeds.** Any money from time to time received by the Receiver shall, subject to the claims of creditors, if any, which are secured by any Charges ranking in priority to this Mortgage, be paid, subject to our direction otherwise, by it **Firstly**, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by it, **Secondly**, in or towards payment to us of the amounts comprised in the Secured Obligation in such manner and order as we shall, in our absolute discretion, deem advisable, and **Thirdly**, any surplus shall be paid to you provided that in the event any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or any portion of the surplus as the Receiver deems appropriate in the circumstances.

11.4 **Appointment of Attorney.** You irrevocably appoint us or the Receiver, as the case may be, with full power of substitution, as your attorney for and in your name to do everything necessary or incidental to the exercise of any or all of the powers conferred on us or the Receiver, as the case may be, pursuant to this Mortgage.

12. OTHER RIGHTS

- 12.1 **No Liability to Advance.** None of the preparation, execution or registration of this Mortgage, nor any advance or re-advance of money under it, nor any course of conduct by us, obligates us to advance or re-advance any money, or extend time for payment of a Secured Obligation, all of which remain in our absolute discretion.
- 12.2 **Continuing Security.** This Mortgage shall be general and continuing security for the Secured Obligations and any ultimate unpaid balance thereof, including a current or running account. The Secured Obligations may be reduced to zero from time to time without affecting the continuing nature of this Mortgage as security for any Secured Obligations thereafter incurred. Without limiting the foregoing, no payment, observance, performance or satisfaction of the Secured Obligations, nor any ceasing by you to be indebted or liable to us, will be deemed a redemption or discharge of this Mortgage.
- 12.3 **Security in Addition.** The provisions of this Mortgage and the security of this Mortgage are in addition to, but not in substitution for, any other security now or hereafter held by us for the Secured Obligations or any part thereof. This Mortgage shall not in any way affect or prejudice any security now or hereafter held by us for the whole or any part of the Secured Obligations. Any act done or omitted to be done by us:
 - (a) regarding any other securities held by us for the Secured Obligations or any part thereof shall not in any way affect or prejudice this Mortgage; or
 - (b) regarding this Mortgage shall not in any way affect or prejudice any other securities held by us for the Secured Obligations or any part thereof.
- 12.4 **Multiple Securities.** The occurrence of an Event of Default under this Mortgage constitutes default under all other agreements and security held by us in relation to the Secured Obligations and default under such other agreements or security constitutes an Event of Default hereunder.
- 12.5 **Performance of Obligations.** If you fail to perform any of your obligations hereunder or fail, upon request, to give us proof thereof, we may (but will not be obligated to) perform any or all of such obligations or cause them to be performed, without prejudice to our other rights and remedies.
- 12.6 **Indulgences.** We may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges, refrain from registering or maintaining registration of Charges, and otherwise deal with you, other obligants to us, your other creditors, sureties and other persons and with Your Interest and other security, all as we see fit in our absolute discretion and without prejudice to your liability or our rights or remedies. You agree that you will not be released nor your liability in any way reduced because we have done, not done, or concurred in doing or not doing, anything whereby a surety would or might be released in whole or in part.
- 12.7 **Waiver.** We may waive any default hereunder provided that no such waiver, nor any failure to enforce at any time or from time to time any of the our rights hereunder, shall be effective unless in writing or prejudice our rights in the event of any future default or breach.
- 12.8 **Remedies Cumulative.** We may in our sole discretion realize on various securities (including this Mortgage) and any parts thereof in any order that we consider advisable and no realization or exercise by us of any power or right under this Mortgage or other security shall in any way prejudice any further realization or exercise until all Secured Obligations are satisfied. All rights and remedies available to us are cumulative and not restrictive of remedies at law and in equity and by statute.

12.9 **Application of Payments.** We may, both before and after default, apply all payments made in respect of the Secured Obligations from time to time, and any monies realized from any security held therefor, to such parts of the Secured Obligations (whether or not then due) as we see fit.

13. PRESERVATION OF MORTGAGE AND OTHER SECURITY

13.1 **No Dealing With Equity of Redemption.** No extension of time given by us to you, or anyone claiming under you, or any other dealing by us with the owner(s) of the equity of redemption of Your Interest, shall in any way affect or prejudice our rights or remedies against you or any other person liable either in whole or in part for the payment of or performance of the Secured Obligations.

13.2 **No Merger.** Neither this Mortgage nor anything contained herein shall operate so as to create any merger, rebate or discharge of any of your representations, obligations (including debts owing to us) or covenants to us under any Agreement, any amendment to it, or other document or security now or hereafter held by us from you or any other person, all of which survive the execution and delivery of this Mortgage and our advance of money. The taking of a judgment on any covenant herein shall not operate as a merger of the said covenant, or affect our right to receive any interest when due.

14. MISCELLANEOUS

14.1 **Payment.** We may require payment of the Secured Obligations at any place in Canada as we may direct.

14.2 **Strict Observance.** You will strictly observe and perform each of your agreements set out herein.

14.3 **Further Assurances.** You will execute such further assurances of Your Interest as we may require.

14.4 **No Representations.** We have not made and you do not rely on any representations, warranties, covenants, agreements, conditions or provisos, oral or otherwise, whether made by us or any person acting actually or ostensibly on our behalf, other than those contained in this Mortgage unless those representations, warranties, covenants, agreements, conditions and provisos are contained in a supplementary contract in writing duly executed by both you and us and expressed to be collateral to this Mortgage.

14.5 **Assignment.** You will not assign any of your rights or obligations under this Mortgage, and no such purported assignment shall be effective, without our prior written consent, which may be arbitrarily withheld.

14.6 **Notice.** Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the address of such party provided on the Mortgage Form or at such other address as may be given in writing by one party to the others, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery. Delivery by fax transmission is deemed to be received on the day of transmission.

14.7 **Modification.** No amendment of this Mortgage will be effective unless it is in writing and signed by all parties to this Mortgage.



This is Exhibit " C " referred to in the affidavit of ... Andrew ... Masse ... sworn before me at ... Vancouver ... in the Province of British Columbia this 22nd day of March ... A.D. 20 21

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated July 04, 2019

FROM:

WESTRIDGE MECHANICAL LTD. (Incorporation No. BC1030555), a company duly incorporated under the laws of the Province of British Columbia, having an address at 32952 Unger Court, Mission, B.C. V4S 0B9

(the "Debtor")

TO:

BUSINESS DEVELOPMENT BANK OF CANADA, incorporated by Special Act of the Parliament of Canada, and having its head office in Montreal, Quebec, with a business centre at Business Development Bank of Canada, Abbotsford, BC V2T 4Y2

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking and real property interests. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
(i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
(ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
(iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
(iv) all documents of title, chattel paper, instruments, securities and money, and all other personal

property, of the Debtor that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is hereinafter collectively called the "Intellectual Property");
 - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule A attached to this Security Agreement;
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Debtor's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the "Real Property") and excluding the personal property described in Clause 1.1(a); and
 - (ii) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property and real property interests are subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests; provided that for the purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Debtor.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that monies advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constituting documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constituting documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;

- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;
- (d) if the Debtor is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office are correctly described in Schedule A.

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) promptly pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter or the Loan Agreement between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) promptly pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) any sums BDC pays as fines, clean up costs because of contamination of or from your assets. Further you will indemnify BDC and its employees and agents from any liability or costs incurred

including legal defence costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;

- (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and Insolvency Act* (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Debtor will render all assistance necessary;
- (m) permit and does consent to BDC contacting and making enquiries of the Debtor's lessors as well as assessors, municipal authorities and any taxing body;
- (n) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;

- (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (o) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (q) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (r) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if required.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

- 8.3 The Debtor will promptly, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Debtor authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- 8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2;
- (c) where the Debtor is a corporation:
 - (i) issue, purchase or redeem its shares;
 - (ii) change its voting control;
 - (iii) permit any of its shareholders to sell, transfer or dispose of its shares;
 - (iv) declare or pay any dividends on any of its shares; or
 - (v) repay or reduce any shareholders loans or other debts due to its shareholders;
- (d) change its name, merge with or amalgamate with any other entity.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

- 10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:
 - (a) sell, lease, license or otherwise dispose of the Collateral;
 - (b) release, surrender or abandon possession of the Collateral; or
 - (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 So long as the Debtor is not in default under this Security Agreement the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared Bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or

- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or a part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

14.2 The floating charge created by this Security Agreement over Real Property shall become a fixed charge upon the earliest of:

- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
- (b) BDC taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to BDC repayment of the Obligations the Debtor mortgages to BDC all of the Debtor's estate and interest in the Real Property.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 If the Debtor is in default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under the *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
 - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

- 16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.
- 16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.
- 16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to the Debtor and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral. The Debtor shall not be released nor shall its liability be in any way reduced because BDC has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.
- 16.4 Notwithstanding anything to the contrary in any security held by BDC for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. BDC in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of

any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

- 16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter or Loan Agreement with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.
- 16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY
 (You appoint BDC your attorney for specific matters.)

The Debtor irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall survive any mental infirmity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION
 (Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE
 (BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER
 (Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Security Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defense, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon

written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will not install on or under any land mortgaged to BDC storage tanks for petroleum products or any hazardous substance without BDC's prior written consent and only upon full compliance with BDC's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the jurisdiction in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

- 29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.
- 29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.
- 29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.
- 29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in Subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. SASKATCHEWAN LAW

If the Debtor is a corporation, the Debtor agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement as BDC is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Debtor.


34. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

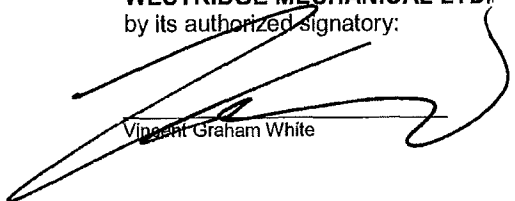
35. THE LOAN AGREEMENT

If the Debtor has entered into a commitment letter or a written loan agreement (the "Loan Agreement") with BDC dealing with, or relating to, the loan facilities secured by this Security Agreement, the Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the Loan Agreement, the terms of the Loan Agreement shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement.

Officer Signature(s)  Execution Date
 Y M D
 19 07 04

Gurinder S. Gobindpuri
 Barrister & Solicitor
 32086 South Fraser Way
 Abbotsford, BC, V2T 1V7
 Tel: 604 859 5565

Debtor(s) Signature(s)
WESTRIDGE MECHANICAL LTD.
 by its authorized signatory:

 Vincent Graham White

(as to all signatures)

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.

SCHEDULE A

Subclause 1.1 (a) (vii):

the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model

Subclause 6.1 (c):

Date of Birth of Debtor (if an individual):
Month Day Year

Subclause 6.1 (i):

Location(s) of the Collateral:
32952 Unger Court, Mission, B.C. V4S 0B9

Subclause 6.1 (k):

The Debtor's place(s) of business ("POB") and chief executive office ("CEO")

Chief Executive Office:	32952 Unger Court, Mission, B.C. V4S 0B9
Place of Business:	32952 Unger Court, Mission, B.C. V4S 0B9
And:	

SCHEDULE B

[The provisions of this Schedule B apply in those jurisdictions where the Act or its regulations defines "Licenses"]

Additional Covenants (Forest Licenses)

- 7.1 (t) so long as the Collateral includes any licence as defined in the Act, and more particularly described in Clause 1 (the "Licences"), the Debtor shall:
- (i) pay all costs of its logging operations including, without limitation, all related stumpage, royalties and all other charges, and all fees, rentals, taxes permits, leases or other rights requisite for the purposes of logging operations;
 - (ii) pay all assessments, damages, penalties or other liabilities arising by reason of default in compliance with the provisions of the Licences or of the *Forest Act* (British Columbia), the *Forests Act* (Alberta), the *Public Lands Act* (Alberta) [or other legislation in other jurisdictions] or of any regulation thereunder;
 - (iii) observe and perform all the requirements of the Licences, of the *Forest Act* [or other legislation in other jurisdictions], and any government regulations relating to logging and fire protection and will dispose of slash to the satisfaction of the responsible ministry;
 - (iv) conduct all logging and related operations in a manner to preserve and maintain in good standing the Licenses, and all of the rights and privileges attached to the Licenses and, without limitation, so as to enable the licensee to recover any refundable deposit paid under the Licenses; and
 - (i) should the Licenses involve products not falling within the forestry industry, comply with all **applicable** laws and regulations, pay all costs and assessments required by the responsible ministry and take all steps necessary to preserve and maintain in good standing the Licenses.



S

Loan No. 166109-02

GUARANTEE

GUARANTOR: Vincent Graham White and Keith Richard White the "Guarantor"

CREDITOR: BUSINESS DEVELOPMENT BANK OF CANADA "BDC"

DEBTOR: Westridge Mechanical Ltd. the "Borrower"

DEBT: \$637,400.00 the "Principal Sum"

LIMIT OF LIABILITY: 100% of the Outstanding Balance on the date BDC demands payment under this guarantee the "Limited Amount"

DATED: Aug
June 18, 2020

BDC BUSINESS CENTRE: British Columbia (Province/Territory) the "Governing Jurisdiction"

This is Exhibit " D " referred to in the affidavit of Andrew..... Masse..... sworn before me at Vancouver..... in the Province of British Columbia this 22nd day of March, A.D. 2021

[Signature]

A Commissioner for taking Affidavits within British Columbia

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

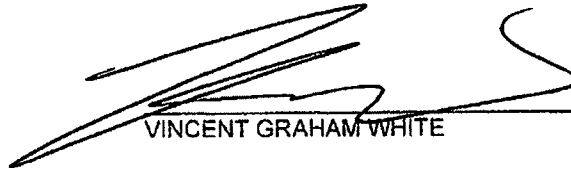
This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. BDC may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Executed, Sealed and Delivered by
VINCENT GRAHAM WHITE
in the presence of:

Name



VINCENT GRAHAM WHITE

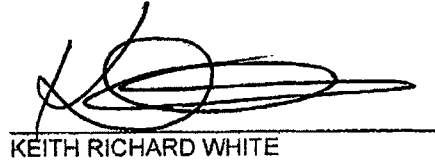
Gurminder S. Gobindpuri

Barrister & Solicitor
101-2860 Trethewey Street
Abbotsford, B.C. V2T0G5

Occupation

Executed, Sealed and Delivered by
KEITH RICHARD WHITE
in the presence of:

Name



KEITH RICHARD WHITE

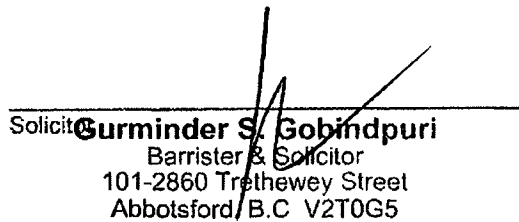
Gurminder S. Gobindpuri

Barrister & Solicitor
101-2860 Trethewey Street
Abbotsford, B.C. V2T0G5

Occupation

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor **Gurminder S. Gobindpuri**
Barrister & Solicitor
101-2860 Trethewey Street
Abbotsford, B.C. V2T0G5

ALBERTA

Please Note: This Form is only required for Personal Guarantees:

- (1) Executed by Alberta Residents regardless of jurisdiction in which the Loan originated; or
- (2) That are in connection with any Loan originating in Alberta.

FORM

GUARANTEES ACKNOWLEDGMENT ACT (Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. _____, (one of) the Guarantor(s) in the guarantee dated _____, 20____, made between BUSINESS DEVELOPMENT BANK OF CANADA and _____ which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____, Lawyer, at the City of _____, in the Province of _____, this _____ day of _____, 20____.

Signature

I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

STATEMENT OF GUARANTOR

I am the person named in this certificate.

(Signature of Guarantor)

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

PETITIONER

AND:

WESTRIDGE MECHANICAL LTD.
KEITH RICHARD WHITE
VINCENT GRAHAM WHITE
MNP LTD.

RESPONDENTS

AFFIDAVIT

KORNFELD LLP

Barristers & Solicitors

1100 One Bentall Centre

505 Burrard Street

Box 11

Vancouver, British Columbia, Canada V7X 1M5

Telephone: (604) 331-8300

Fax: (604) 683-0370

D.B. Hyndman

File: BDC001/WES211
