

Affidavit #1 of Lisa Maddess
Sworn on April 15, 2019

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, [S.B.C. 2002] c. 57
and *THE BUSINESS CORPORATIONS ACT*, R.S.A 2000, c. B-9**

-AND-

IN THE MATTER OF THE LOUIS RACZ CO. LTD.

-AND-

Between

1012109 B.C. Ltd. and LISA MADDESS

Petitioners

and

ETHEL MARY RACZ a/k/a ETUS MARIA RACZ
and MICHAEL SIWIK

Respondents

AFFIDAVIT

I, Lisa Maddess, of West Vancouver, British Columbia, make oath and say as follows:

1. I am a shareholder of the Louis Racz Co. Ltd. (the "Company") and, as such, I have personal knowledge of the matters hereinafter deposed to.
2. I have read the Petition in support of which this Affidavit is sworn. Capitalized terms used in this Affidavit and not otherwise defined have the meaning ascribed to them in the Petition.
3. The facts set out in paragraphs 1-60 of Part 2 of the Petition are, to my knowledge, true.

Assets of the Company

4. With respect to paragraph 10 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibit "A"** are copies of title searches for the two parcels that comprise the Property dated as of March 29, 2018, showing that the Property was then owned by the Company.

5. Now shown to me, marked and attached to this my Affidavit as **Exhibit "B"** are copies of title searches for the two parcels that comprise the Property, showing that, as and from January 31, 2019, the Property had been sold to, and is now owned by, 1575E Holdings Ltd.
6. With respect to paragraphs 12 and 13 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibits "C", "D" and "E"** are copies of the Company's most recent financial statements for the years ended June 30, 2016, 2017 and 2018, respectively.
7. The figure provided for the Company's cash on hand as at January 31, 2019, as set out in paragraph 13, was provided to me by Darlene Riordan, of KPMG, who are the Company's external accountants. I believe the total to be accurate.

Sale of the Cedar Terrace Apartment

8. With respect to paragraphs 14 and 45 - 49 of the Petition, now shown to me, marked and attached to this my Affidavit as Exhibits are the following:

Exhibit "F": Original offer for the purchase of the Property dated September 28, 2018.

Exhibit "G": Fully executed final agreement dated October 17, 2018

Exhibit "H": Reporting letter package re Sale of 1575 Esquimalt Avenue, dated January 31, 2019

Share Capital

9. With respect to paragraphs 15 – 19 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibit "I"** is a copy of a letter dated April 21, 1998, from Adrian & Co. to my late father, Ernest Racz, and my aunt, Ethel Racz, explaining the reorganization of the Company at that time.
10. With respect to paragraph 18 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibit "J"** is a copy of the Articles of the Company.
11. With respect to paragraph 19 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibit "K"** is a copy of the Central Securities Register of the Company, showing the various share transactions described in this Petition, except for the most recent allocations described in paragraphs 54 and 55 of the Petition.

The Racz Family Trust

12. With respect to the Racz Family Trust (paragraphs 20-25 of the Petition), now shown to me, marked and attached to this my Affidavit as **Exhibit "L"** is a copy of a document called a "Settlement", dated as of March 31, 1998.
13. With respect to the appointment of Michael Siwik as a Trustee of the Trust in place of Ernest Racz, as described in paragraph 26 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibit "M"** is a copy of a Deed of Resignation, Appointment and Release dated March 19, 2001.

Share Redemptions – 1998 – 2000

14. With respect to paragraph 27 of the Petition, now shown to me, marked and attached to this my Affidavit as **Exhibits "N", "O" and "P"** are copies of Resolutions dated June 30, 1998, 1999 and 2000, approving certain dividends and share redemptions.

Death of Ernest Racz

15. My father died in December 2000. He left his entire estate to my mother, Rita Racz. In this regard, now shown to me, marked and attached to this my Affidavit as **Exhibit "Q"** is a copy of my father's Will as it was probated in 2001.

Litigation Relating to the Estate of Rozalia Racz

16. My aunt, Ethel Racz, lives in a suburb of Montreal. After my father died in 2000, communication between us decreased.
17. My father was survived by his mother, Rozalia Racz. Until his death, my father looked after his mother's business affairs. (I note that my grandmother's name was sometimes spelled as Rosalia, rather than Rozalia. In fact, it is spelled that way in several court decisions. However, her name as it appeared on her birth certificate was Rozalia.)
18. At the time of my father's death, Rozalia was 90 years old. In 2001, as a result of the deterioration of her mental faculties, I applied to have her declared incapable of managing her person and her affairs. That application was heard by Madam Justice Loo of the Supreme Court of British Columbia in August 2001. It was supported by the Public Trustee, but vigorously opposed by Ethel, who argued that my grandmother was not incapable of managing her person and that, furthermore, an institutional committee should be appointed over her estate.
19. In reasons for judgment delivered in September 2001 [2001 BCSC 1310], Madam Justice Loo rejected Ethel's position, making me committee over both my grandmother's person and her estate.

20. As a result of this decision, relations between myself and my mother, Rita, on the one hand, and Ethel and her sister Johanne, on the other, deteriorated to the point where, essentially, we no longer communicated except through lawyers.
21. Ultimately, I placed Rozalia into a care home, and this led to further litigation wherein Johanne's daughters, Elizabeth and Anne Gidney, sought a variety of relief, including my removal as committee. In reasons for judgment dated March 24, 2004 [2004 BCSC 464], Mr. Justice Groberman denied that application.
22. Rozalia died in 2004. She left a will bequeathing her estate to various beneficiaries.
23. My aunts, Ethel and Johanne, attacked the validity of Rozalia's will. The matter ultimately went to trial in 2008. In reasons for judgment dated November 17, 2008, Madam Justice Gray found the will to be valid and proved in solemn form: *Maddess v. Racz*, 2008 BCSC 1550, aff'd 2009 BCCA 539.
24. I was subsequently awarded special costs of that proceeding: 2009 BCSC 1550.
25. Subsequently, my aunt Ethel commenced yet another legal proceeding, challenging the interpretation of the Rozalia's will. Her claims in that proceeding were eventually dismissed: 2012 BCSC 1810.
26. My aunt has also accused me of "criminal" conduct, and to this day blames me for the death of her mother. These are not rational claims; but, because my aunt maintains a deep-seated, if irrational, animosity, if not hatred, towards me (and my mother), it is difficult to deal with her on a practical level.

2014 Resolutions and Subsequent Redemptions

27. In 2014, after the litigation surrounding Rozalia's will had finally come to an end, the court-appointed Administrator of Rozalia's estate, Colin Topley, obtained advice from tax professionals to the effect that, in order to reduce the tax burden on Rozalia's estate, a plan known as a "Pipeline Plan" should be implemented, resulting in the transfer of the Company's Class D shares to a new numbered company (which became the Petitioner 1012109 B.C. Ltd. ("101 Co.")), followed by the redemption of those shares and payment out to the transferors over time.
28. With regard to the proposed Pipeline Plan, now shown to me, marked and attached to this my Affidavit as **Exhibit "R"** is a copy of a letter dated May 15, 2014, from Barbara Janzen of Bull Housser & Tupper LLP ("Bull Housser"), addressed to different Racz family members, including the Respondents Ethel Racz and Michael Siwik.

29. The steps that were proposed by Bull Housser for the implementation of the Pipeline Plan are set out in Ms. Janzen's letter. I do not pretend to fully understand all of the transactions that were proposed, nor why they were proposed. In a general way, I understood that the idea was to minimize the tax implications arising from the sale or redemption of Rozalia Racz's Class D shares.

30. I do know that, following the receipt of Ms. Janzen's letter, steps were taken to implement her Pipeline Plan. In this regard, now shown to me, marked and attached to this my Affidavit as Exhibits are the following:

Exhibit "S": Resolutions of 101 Co.

Exhibit "T": Resolutions of the Company dated July 3, 2014

Exhibit "U" Three consent resolutions of the Director of the Company dated October 22, 2014

Exhibit "V": Consent resolutions of the Director of the Company dated November 28, 2014;

Exhibit "W": Resolution of the sole director of the Company dated September 4, 2015

31. Subsequent to these Resolutions being passed, shares were exchanged and, in September 2015, the Company borrowed \$2,000,000 from VanCity to pay for the redemption of the Class D shares. In this regard, now shown to me, marked and attached to this my Affidavit as **Exhibit "X"** is a copy of the VanCity Mortgage.

32. My aunt, for her part, refused to participate in the Pipeline Plan. On June 2, 2014, she sent a letter to Ms. Janzen on June 2, 2014, and another to the Company's lawyer at the time, Ken Friesen, accusing me and my mother of criminal conduct and otherwise taking the position that the redemption of shares was "premature". Copies of these letters are attached to a letter from my aunt to my counsel, Scott Turner, dated March 18, 2019, which I have attached below as Exhibit "JJ".

Resolutions of June 7, 2018

33. As set out in paragraph 43 of the Petition, the Company held its most recent Annual General Meeting on June 7, 2018.

34. Notice of the meeting was given to my aunt Ethel who, along with 101 Co., holds the only voting shares of the Company. Now shown to me, marked and attached to this my Affidavit as **Exhibit "Y"** are copies of the Notices that were delivered to Ethel Racz.

35. My aunt did not respond directly to the notice of the Company's 2018 AGM; however, she did respond to my mother's lawyer's letter to her enclosing the Notice. In this regard, now shown to me, marked and attached to this my Affidavit

as **Exhibit “Z”** is a copy of a letter from Ethel Racz to Scott Turner dated may 30, 2018.

36. I attended the meeting of June 7, 2018, with my mother, Rita Racz, who was there as the sole director of the Company and as the representative of 101 Co., the sole voting shareholder present. Now shown to me, marked and attached to this my Affidavit as **Exhibit “AA”** is a copy of the Resolutions passed at the Annual General Meeting on June 7, 2018.

Distribution of Racz Family Trust Assets

37. With respect to the distributions of the assets of the Racz Family Trust, I received an email communication from Marissa Lydynia of Spiegel Sohmer on February 19, 2019. I attach a copy that email as **Exhibit “BB”**.
38. I responded to Ms. Lydynia through counsel, who subsequently advised me that the Trustees of the Trust, Ethel Racz and Michael Siwik, had decided to distribute the Class C shares to the beneficiaries of the Trust in the manner set out in the Petition. Because this results in a 50/50 split between Michael on the one hand, and me and my mother, on the other, my mother and I agreed to it.
39. At all times relating to the distribution of the Class C shares of the Trust, Ethel and Michael were represented by counsel.
40. Now shown to me, marked and attached to this my Affidavit as **Exhibit “CC”** are copies of various corporate documents that were executed, giving effect to the transfer of the Trust’s Class C shares.

Subsequent Events

41. With respect to paragraphs 56 – 60 of the Petition, now shown to me, marked and attached to this my Affidavit as Exhibits are the following:
- Exhibit “DD”:** Email dated March 1, 2019 from Scott Turner to Marissa Lydynia
 - Exhibit “EE”:** Email dated March 1, 2019 from Moe Liebman to Scott Turner and reply
 - Exhibit “FF”:** Letter dated March 1, 2019 from Scott Turner to Moe Liebman
 - Exhibit “GG”:** Email dated March 5, 2019 from Moe Liebman to Scott Turner and others
 - Exhibit “HH”:** Email dated March 7, 2019 from Moe Liebman to Scott Turner
 - Exhibit “II** Letter dated March 8, 2019 from Scott Turner to Moe Liebman
42. Mr. Liebman did not respond to Mr. Turner’s letter. Instead, my aunt wrote directly to Mr. Turner on March 18, 2019. A copy of that letter is now shown to me, marked and attached to this my Affidavit as **Exhibit “JJ”**.

43. In her letter, my aunt says that she does not want to redeem her Class D shares "at this time". She also asks Mr. Turner to send her the documents that he had already sent to Mr. Liebman on March 1, 2019 (Exhibit "CC").
44. Given my aunt's refusal to accept the redemption of her shares, her failure or refusal to attend corporate meetings, her and my mother's advancing ages (Ethel is 78; my mother is 85), her threats (whether rational or irrational), and the great difficulty that my mother and I have in communicating with her; and given the fact that the Company's only asset has been sold, I ask that the Company be wound up and the cash assets of the Company be distributed in the manner contemplated by the Resolutions.

SWORN BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 15th day of ~~March~~ April, 2019.

A Commissioner for Taking Affidavits for the Province of British Columbia



LISA MADDESS

SCOTT A. TURNER
Barrister & Solicitor
1400-510 BURRARD STREET
VANCOUVER, B.C. V6C 3A8

TITLE SEARCH PRINT

File Reference: 20694

2018-03-29, 10:42:48

Requestor: Cathy Flores

****CURRENT AND CANCELLED INFORMATION SHOWN****

Title Issued Under SECTION 172 LAND TITLE ACT

Land Title District VANCOUVER
Land Title Office VANCOUVER

Title Number 571591
From Title Number 496941

This is Exhibit " A " referred to in the
affidavit of LISA MADDESS
sworn before me on 4 / APR / 20 19

Application Received 1968-06-03

Application Entered 1968-06-07

Registered Owner in Fee Simple
Registered Owner/Mailing Address: LOUIS RACZ CO. LTD., INC.NO. 72725
21 285 17TH STREET
WEST VANCOUVER, BC

Taxation Authority West Vancouver, The Corporation of the District of

Description of Land
Parcel Identifier: 010-793-763
Legal Description:
LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902

Legal Notations NONE

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: 403021M
Registration Date and Time: 1965-04-29 11:33
Registered Owner: THE MANUFACTURERS LIFE INSURANCE COMPANY
Remarks: INTER ALIA
Cancelled By: BM89662
Cancelled Date: 1998-03-26

Nature: MORTGAGE
Registration Number: CA4672521
Registration Date and Time: 2015-09-14 08:44
Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
INCORPORATION NO. FI-97
Remarks: INTER ALIA

TITLE SEARCH PRINT

2018-03-29, 10:42:48
Requestor: Cathy Flores

File Reference: 20694

| | |
|-----------------------------|--|
| Nature: | ASSIGNMENT OF RENTS |
| Registration Number: | CA4672522 |
| Registration Date and Time: | 2015-09-14 08:44 |
| Registered Owner: | VANCOUVER CITY SAVINGS CREDIT UNION INCORPORATION NO. FI-97 |
| Remarks: | INTER ALIA |

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections NONE

TITLE SEARCH PRINT

File Reference: 20694

2018-03-29, 10:42:48

Requestor: Cathy Flores

****CURRENT AND CANCELLED INFORMATION SHOWN****

| | |
|--|--|
| Title Issued Under | SECTION 172 LAND TITLE ACT |
| Land Title District Land Title Office | VANCOUVER VANCOUVER |
| Title Number From Title Number | 571590 548523 |
| Application Received | 1968-06-03 |
| Application Entered | 1968-06-07 |
| Registered Owner in Fee Simple Registered Owner/Mailing Address: | LOUIS RACZ CO. LTD., INC.NO. 72725 21 - 285 17TH STREET WEST VANCOUVER, BC |
| Taxation Authority | West Vancouver, The Corporation of the District of |
| Description of Land Parcel Identifier: Legal Description: | 008-837-368 LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 12609 |
| Legal Notations | NONE |
| Charges, Liens and Interests | |
| Nature: | RIGHT OF WAY |
| Registration Number: | 361509M |
| Registration Date and Time: | 1963-03-27 15:08 |
| Registered Owner: | THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER |
| Remarks: | OVER PART IN EXPLANATORY PLAN 7364 WITH SUBORDINATE RIGHTS OVER THE BALANCE OF SAID LOT |
| Nature: | MORTGAGE |
| Registration Number: | 403021M |
| Registration Date and Time: | 1965-04-29 11:33 |
| Registered Owner: | THE MANUFACTURERS LIFE INSURANCE COMPANY |
| Remarks: | INTER ALIA |
| Cancelled By: | BM89295 |
| Cancelled Date: | 1998-03-26 |

TITLE SEARCH PRINT

File Reference: 20694

2018-03-29, 10:42:48

Requestor: Cathy Flores

Nature: MORTGAGE
Registration Number: CA4672521
Registration Date and Time: 2015-09-14 08:44
Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
INCORPORATION NO. FI-97
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA4672522
Registration Date and Time: 2015-09-14 08:44
Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
INCORPORATION NO. FI-97
Remarks: INTER ALIA

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections NONE

TITLE SEARCH PRINT

File Reference: 20694

2019-03-08, 16:20:01

Requestor: Anna Lee

****CURRENT AND CANCELLED INFORMATION SHOWN****

Land Title District VANCOUVER
Land Title Office VANCOUVER

Title Number CA7325916
From Title Number 571591

This is Exhibit " B " referred to in the affidavit of LISA MANDRESS sworn before me on 15 / APR / 20 19

Application Received 2019-01-31

Application Entered 2019-02-06

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1575E HOLDINGS LTD., INC.NO. BC1190589
1551 VINSON CREEK ROAD
WEST VANCOUVER, BC
V7S 2Y4

Taxation Authority West Vancouver, The Corporation of the District of

Description of Land
Parcel Identifier: 010-793-763
Legal Description:
LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902

Legal Notations
NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA7325917
FILED 2019-01-31

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA4672521
Registration Date and Time: 2015-09-14 08:44
Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
INCORPORATION NO. FI-97
Remarks: INTER ALIA
Cancelled By: CA7380901
Cancelled Date: 2019-03-06

TITLE SEARCH PRINT

2019-03-08, 16:20:01

File Reference: 20694

Requestor: Anna Lee

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA4672522
 Registration Date and Time: 2015-09-14 08:44
 Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
 INCORPORATION NO. FI-97
 Remarks: INTER ALIA
Cancelled By: CA7380902
Cancelled Date: 2019-03-06

Nature: MORTGAGE
 Registration Number: CA7325918
 Registration Date and Time: 2019-01-31 09:02
 Registered Owner: BRAVCO ENTERPRISES INC.
 INCORPORATION NO. A0081905
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7325919
 Registration Date and Time: 2019-01-31 09:02
 Registered Owner: BRAVCO ENTERPRISES INC.
 INCORPORATION NO. A0081905
 Remarks: INTER ALIA

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections NONE

TITLE SEARCH PRINT

File Reference: 20694
Declared Value \$17200000

2019-03-08, 16:20:01
Requestor: Anna Lee

****CURRENT AND CANCELLED INFORMATION SHOWN****

Land Title District VANCOUVER
Land Title Office VANCOUVER

Title Number CA7325915
From Title Number 571590

Application Received 2019-01-31

Application Entered 2019-02-06

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1575E HOLDINGS LTD., INC.NO. BC1190589
1551 VINSON CREEK ROAD
WEST VANCOUVER, BC
V7S 2Y4

Taxation Authority West Vancouver, The Corporation of the District of

Description of Land
Parcel Identifier: 008-837-368
Legal Description:
LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 12609

Legal Notations
NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA7325917
FILED 2019-01-31

Charges, Liens and Interests
Nature: RIGHT OF WAY
Registration Number: 361509M
Registration Date and Time: 1963-03-27 15:08
Registered Owner: THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER
Remarks: OVER PART IN EXPLANATORY PLAN 7364 WITH
SUBORDINATE RIGHTS OVER THE BALANCE OF SAID LOT

TITLE SEARCH PRINT

2019-03-08, 16:20:01

File Reference: 20694

Requestor: Anna Lee

Declared Value \$17200000

Nature: MORTGAGE
 Registration Number: CA4672521
 Registration Date and Time: 2015-09-14 08:44
 Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
 INCORPORATION NO. FI-97
 Remarks: INTER ALIA
Cancelled By: CA7380901
Cancelled Date: 2019-03-06

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA4672522
 Registration Date and Time: 2015-09-14 08:44
 Registered Owner: VANCOUVER CITY SAVINGS CREDIT UNION
 INCORPORATION NO. FI-97
 Remarks: INTER ALIA
Cancelled By: CA7380902
Cancelled Date: 2019-03-06

Nature: MORTGAGE
 Registration Number: CA7325918
 Registration Date and Time: 2019-01-31 09:02
 Registered Owner: BRAVCO ENTERPRISES INC.
 INCORPORATION NO. A0081905
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7325919
 Registration Date and Time: 2019-01-31 09:02
 Registered Owner: BRAVCO ENTERPRISES INC.
 INCORPORATION NO. A0081905
 Remarks: INTER ALIA

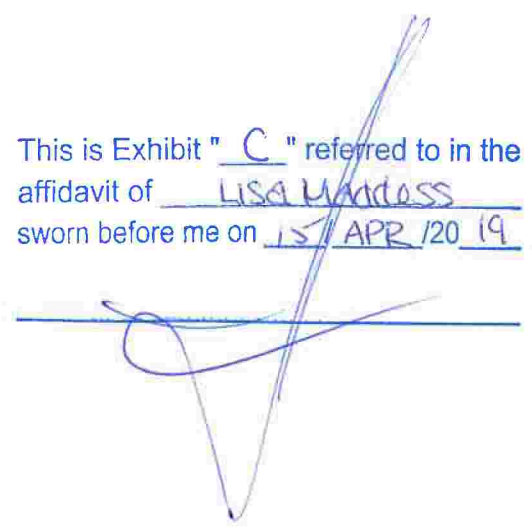
Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections NONE

This is Exhibit " C " referred to in the
affidavit of LISA MADROSS
sworn before me on 15 / APR / 20 19



Financial Statements of

LOUIS RACZ CO. LTD.

Year ended June 30, 2016
(Unaudited - see Notice to Reader)



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Tel (604) 691-3000
Fax (604) 691-3031

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Louis Racz Co. Ltd. as at June 30, 2016 and the statement of earnings and deficit for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these financial statements may not be appropriate for their purposes.

KPMG LLP

Chartered Professional Accountants

August 29, 2016

Vancouver, Canada

LOUIS RACZ CO. LTD.

Balance Sheet

June 30, 2016, with comparative information for 2015
(Unaudited - see Notice to Reader)

| | 2016 | 2015 |
|---|--------------------|--------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 602,890 | \$ 298,540 |
| Short-term investments | 62,951 | 62,972 |
| Income taxes recoverable | - | 171,052 |
| Prepaid expenses | 33,931 | 19,475 |
| | <u>699,772</u> | <u>552,039</u> |
| Property and equipment (note 2) | 214,823 | 222,252 |
| | <u>\$ 914,595</u> | <u>\$ 774,291</u> |
| Liabilities and Shareholders' Deficiency | | |
| Current liabilities: | | |
| Accounts payable | \$ 9,929 | \$ 14,860 |
| Income taxes payable | 44,182 | - |
| Security deposits | 17,500 | 15,899 |
| Current portion of long-term debt (note 3) | 76,372 | - |
| Due to shareholders | 116,289 | 2,028,289 |
| | <u>264,272</u> | <u>2,059,048</u> |
| Long-term debt (note 3) | 1,868,094 | - |
| Shareholders' deficiency: | | |
| Share capital (note 4) | 204 | 204 |
| Deficit | (1,217,975) | (1,284,961) |
| | <u>(1,217,771)</u> | <u>(1,284,757)</u> |
| | <u>\$ 914,595</u> | <u>\$ 774,291</u> |

See accompanying notes to financial statements.

LOUIS RACZ CO. LTD.

Statement of Earnings and Deficit

Year ended June 30, 2016, with comparative information for 2015
(Unaudited - see Notice to Reader)

| | 2016 | 2015 |
|---|-----------------------|-----------------------|
| Revenue: | | |
| Rental revenue | \$ 418,858 | \$ 417,127 |
| Interest income | 560 | 3,118 |
| | <u>419,418</u> | <u>420,245</u> |
| Expenses: | | |
| Amortization | 8,870 | 9,124 |
| Insurance | 19,389 | 10,405 |
| Interest and bank charges | 44,131 | - |
| Management fees | 17,984 | 17,604 |
| Office and general | 5,178 | 318 |
| Professional fees | 17,922 | 7,266 |
| Property taxes | 24,614 | 27,510 |
| Repairs and maintenance | 68,355 | 82,499 |
| Salaries and benefits | 28,208 | 28,544 |
| Utilities | 25,380 | 32,475 |
| Water and scavenging | 2,619 | 35,556 |
| | <u>262,650</u> | <u>251,301</u> |
| Earnings before income taxes | 156,768 | 168,944 |
| Income taxes | 35,795 | 31,943 |
| Net earnings | 120,973 | 137,001 |
| Retained earnings (deficit), beginning of year | (1,284,961) | 341,264 |
| Excess of redemption price of Class D shares over carrying value | - | (1,911,981) |
| Refundable taxes paid | (53,987) | (44,834) |
| Refundable dividend tax recovered | - | 193,589 |
| Deficit, end of year | <u>\$ (1,217,975)</u> | <u>\$ (1,284,961)</u> |

See accompanying notes to financial statements.

LOUIS RACZ CO. LTD.

Notes to Financial Statements

Year ended June 30, 2016
(Unaudited - see Notice to Reader)

1. Basis of presentation:

The recognition, measurement, presentation and disclosure principles in these financial statements may not be in accordance with the requirements of any of the financial reporting frameworks in the CPA Canada Handbook – *Accounting*.

2. Property and equipment:

| | | | 2016 | 2015 |
|------------------------|------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Building | \$ 595,621 | \$ 427,024 | \$ 168,597 | \$ 175,622 |
| Computer | 4,808 | 4,804 | 4 | 6 |
| Furniture and fixtures | 34,139 | 26,047 | 8,092 | 8,494 |
| Land | 38,130 | - | 38,130 | 38,130 |
| | \$ 672,698 | \$ 457,875 | \$ 214,823 | \$ 222,252 |

3. Long-term debt:

| | 2016 | 2015 |
|--|--------------|------|
| Long-term debt payable, bearing interest at 3% per annum, repayable in blended monthly instalments of principal and interest of \$11,074 due September 14, 2020. | \$ 1,944,466 | \$ - |
| Less current portion of long-term debt | 76,372 | - |
| | \$ 1,868,094 | \$ - |

LOUIS RACZ CO. LTD.

Notes to Financial Statements (continued)

Year ended June 30, 2016

(Unaudited - see Notice to Reader)

3. Long-term debt (continued):

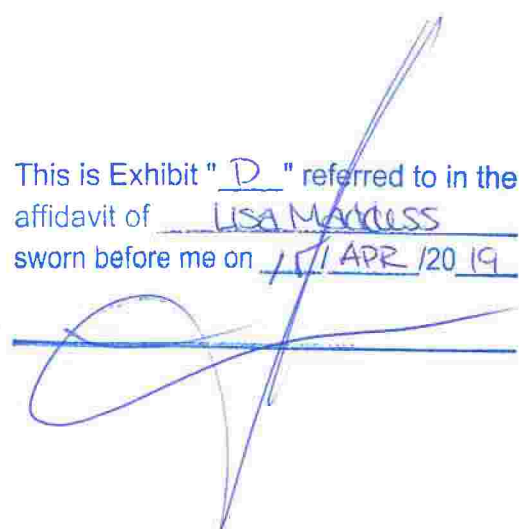
Principal repayments due over the next five years are as follows:

| | | |
|------|----|-----------|
| 2017 | \$ | 76,372 |
| 2018 | | 78,663 |
| 2019 | | 81,023 |
| 2020 | | 83,453 |
| 2021 | | 1,624,955 |
| | \$ | 1,944,466 |

4. Share capital:

| | 2016 | 2015 |
|--|--------|--------|
| Authorized: | | |
| 1,000 Class A voting common shares without par value | | |
| 10,000 Class B voting common shares with a par value of \$1.00 per share | | |
| 10,000 Class C non-voting common shares with a par value of \$1.00 per share | | |
| 10,000 Class D preferred shares with a par value of \$0.01 per share redeemable at \$1,000 per share | | |
| 10,000 Class E preferred redeemable shares without par value | | |
| Issued: | | |
| 100 Class B common shares | \$ 100 | \$ 100 |
| 100 Class C common shares | 100 | 100 |
| 415 Class D preferred shares | 4 | 4 |
| | \$ 204 | \$ 204 |

This is Exhibit " D " referred to in the
affidavit of LISA MACKUSS
sworn before me on 15/1 APR 2019



Financial Statements of

LOUIS RACZ CO. LTD.

Year ended June 30, 2017
(Unaudited - see Notice to Reader)



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Tel (604) 691-3000
Fax (604) 691-3031

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Louis Racz Co. Ltd. as at June 30, 2017 and the statement of earnings and deficit for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these financial statements may not be appropriate for their purposes.

KPMG LLP

Chartered Professional Accountants

October 24, 2017

Vancouver, Canada

LOUIS RACZ CO. LTD.

Balance Sheet

June 30, 2017, with comparative information for 2016
(Unaudited - see Notice to Reader)

| | 2017 | 2016 |
|---|--------------------|--------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 363,883 | \$ 602,890 |
| Short-term investments | 62,920 | 62,951 |
| Accounts receivable | 823 | - |
| Prepaid expenses | 22,817 | 33,931 |
| | <u>450,443</u> | <u>699,772</u> |
| Property and equipment (note 2) | 476,494 | 214,823 |
| | <u>\$ 926,937</u> | <u>\$ 914,595</u> |
| Liabilities and Shareholders' Deficiency | | |
| Current liabilities: | | |
| Accounts payable | \$ 39,275 | \$ 9,929 |
| Income taxes payable | 43,305 | 44,182 |
| Security deposits | 19,365 | 17,500 |
| Current portion of long-term debt (note 3) | 78,663 | 76,372 |
| Due to shareholders | 116,289 | 116,289 |
| | <u>296,897</u> | <u>264,272</u> |
| Long-term debt (note 3) | 1,789,778 | 1,868,094 |
| Shareholders' deficiency: | | |
| Share capital (note 4) | 204 | 204 |
| Deficit | (1,159,942) | (1,217,975) |
| | <u>(1,159,738)</u> | <u>(1,217,771)</u> |
| | <u>\$ 926,937</u> | <u>\$ 914,595</u> |

See accompanying notes to financial statements.

LOUIS RACZ CO. LTD.

Statement of Earnings and Deficit

Year ended June 30, 2017, with comparative information for 2016
(Unaudited - see Notice to Reader)

| | 2017 | 2016 |
|------------------------------|-----------------------|-----------------------|
| Revenue: | | |
| Rental revenue | \$ 435,295 | \$ 418,858 |
| Interest income | 1,686 | 560 |
| | <u>436,981</u> | <u>419,418</u> |
| Expenses: | | |
| Amortization | 13,946 | 8,870 |
| Insurance | 17,170 | 19,389 |
| Interest and bank charges | 56,863 | 44,131 |
| Management fees | 19,305 | 17,984 |
| Office and general | 1,705 | 5,178 |
| Professional fees | 7,720 | 17,922 |
| Property taxes | 23,315 | 24,614 |
| Repairs and maintenance | 71,383 | 68,355 |
| Salaries and benefits | 33,003 | 28,208 |
| Utilities | 25,684 | 25,380 |
| Water and scavenging | 16,149 | 2,619 |
| | <u>286,243</u> | <u>262,650</u> |
| Earnings before income taxes | 150,738 | 156,768 |
| Income taxes | 35,465 | 35,795 |
| Net earnings | 115,273 | 120,973 |
| Deficit, beginning of year | (1,217,975) | (1,284,961) |
| Refundable taxes paid | (57,240) | (53,987) |
| Deficit, end of year | <u>\$ (1,159,942)</u> | <u>\$ (1,217,975)</u> |

See accompanying notes to financial statements.

LOUIS RACZ CO. LTD.

Notes to Financial Statements

Year ended June 30, 2017

(Unaudited - see Notice to Reader)

1. Basis of presentation:

The recognition, measurement, presentation and disclosure principles in these financial statements may not be in accordance with the requirements of any of the financial reporting frameworks in the CPA Canada Handbook – *Accounting*.

2. Property and equipment:

| | | | 2017 | 2016 |
|------------------------|------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Building | \$ 870,358 | \$ 439,263 | \$ 431,095 | \$ 168,597 |
| Computer | 4,808 | 4,805 | 3 | 4 |
| Furniture and fixtures | 35,020 | 27,754 | 7,266 | 8,092 |
| Land | 38,130 | - | 38,130 | 38,130 |
| | \$ 948,316 | \$ 471,822 | \$ 476,494 | \$ 214,823 |

3. Long-term debt:

| | 2017 | 2016 |
|--|--------------|--------------|
| Long-term debt payable, bearing interest at 3% per annum, repayable in blended monthly instalments of principal and interest of \$11,074 due September 14, 2020. | \$ 1,868,441 | \$ 1,944,466 |
| Less current portion of long-term debt | 78,663 | 76,372 |
| | \$ 1,789,778 | \$ 1,868,094 |

LOUIS RACZ CO. LTD.

Notes to Financial Statements (continued)

Year ended June 30, 2017

(Unaudited - see Notice to Reader)

3. Long-term debt (continued):

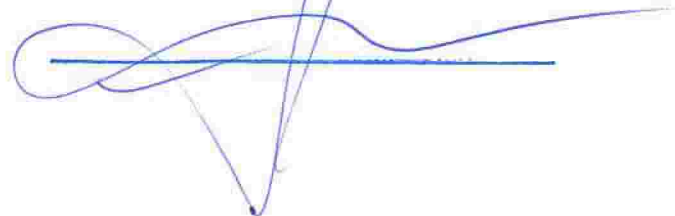
Principal repayments due over the next four years are as follows:

| | | |
|------|----|-----------|
| 2018 | \$ | 78,663 |
| 2019 | | 81,023 |
| 2020 | | 83,453 |
| 2021 | | 1,625,302 |
| | \$ | 1,868,441 |

4. Share capital:

| | 2017 | 2016 |
|--|--------|--------|
| Authorized: | | |
| 1,000 Class A voting common shares without par value | | |
| 10,000 Class B voting common shares with a par value of \$1.00 per share | | |
| 10,000 Class C non-voting common shares with a par value of \$1.00 per share | | |
| 10,000 Class D preferred shares with a par value of \$0.01 per share redeemable at \$1,000 per share | | |
| 10,000 Class E preferred redeemable shares without par value | | |
| Issued: | | |
| 100 Class B common shares | \$ 100 | \$ 100 |
| 100 Class C common shares | 100 | 100 |
| 415 Class D preferred shares | 4 | 4 |
| | \$ 204 | \$ 204 |

This is Exhibit " E " referred to in the
affidavit of Lisa Maddess
sworn before me on 15 / APR / 20 19



Financial Statements of

LOUIS RACZ CO. LTD.

Year ended June 30, 2018
(Unaudited - see Notice to Reader)



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Tel (604) 691-3000
Fax (604) 691-3031

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Louis Racz Co. Ltd. as at June 30, 2018 and the statement of earnings and deficit for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these financial statements may not be appropriate for their purposes.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

December 13, 2018

LOUIS RACZ CO. LTD.

Balance Sheet

June 30, 2018, with comparative information for 2017
(Unaudited - see Notice to Reader)

| | 2018 | 2017 |
|---|--------------------|--------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 285,700 | \$ 363,883 |
| Short-term investments | 63,014 | 62,920 |
| Accounts receivable | 500 | 823 |
| Income taxes recoverable | - | |
| Prepaid expenses | 24,751 | 22,817 |
| | <u>373,965</u> | <u>450,443</u> |
| Property and equipment (note 2) | 487,710 | 476,494 |
| | <u>\$ 861,675</u> | <u>\$ 926,937</u> |
| Liabilities and Shareholders' Deficiency | | |
| Current liabilities: | | |
| Accounts payable | \$ 17,839 | \$ 39,275 |
| Income taxes payable | 45,022 | 43,305 |
| Security deposits | 17,865 | 19,365 |
| Current portion of long-term debt (note 3) | 81,023 | 78,663 |
| Due to shareholders | 68,289 | 116,289 |
| | <u>230,038</u> | <u>296,897</u> |
| Long-term debt (note 3) | 1,709,175 | 1,789,778 |
| Shareholders' deficiency: | | |
| Share capital (note 4) | 204 | 204 |
| Deficit | (1,077,742) | (1,159,942) |
| | <u>(1,077,538)</u> | <u>(1,159,738)</u> |
| | <u>\$ 861,675</u> | <u>\$ 926,937</u> |

See accompanying notes to financial statements.

LOUIS RACZ CO. LTD.

Statements of Earnings and Deficit

Years ended June 30, 2018, with comparative information for 2017
(Unaudited - see Notice to Reader)

| | 2018 | 2017 |
|------------------------------|-----------------------|-----------------------|
| Revenue: | | |
| Rental revenue | \$ 481,402 | \$ 435,295 |
| Interest income | 5,324 | 1,686 |
| | <u>486,726</u> | <u>436,981</u> |
| Expenses: | | |
| Amortization | 19,651 | 13,946 |
| Insurance | 18,547 | 17,170 |
| Interest and bank charges | 54,646 | 56,863 |
| Management fees | 20,272 | 19,305 |
| Office and general | 2,344 | 1,705 |
| Professional fees | 5,250 | 7,720 |
| Property taxes | 23,945 | 23,315 |
| Repairs and maintenance | 57,688 | 71,383 |
| Salaries and benefits | 41,398 | 33,003 |
| Utilities | 26,938 | 25,684 |
| Water and scavenging | 15,377 | 16,149 |
| | <u>286,056</u> | <u>286,243</u> |
| Earnings before income taxes | 200,670 | 150,738 |
| Income taxes | 46,044 | 35,465 |
| Net earnings | 154,626 | 115,273 |
| Deficit, beginning of year | (1,159,942) | (1,217,975) |
| Refundable taxes paid | (72,426) | (57,240) |
| Deficit, end of year | <u>\$ (1,077,742)</u> | <u>\$ (1,159,942)</u> |

See accompanying notes to financial statements.

LOUIS RACZ CO. LTD.

Notes to Financial Statements

Years ended June 30, 2018
(Unaudited - see Notice to Reader)

1. Basis of presentation:

The recognition, measurement, presentation and disclosure principles in these financial statements may not be in accordance with the requirements of any of the financial reporting frameworks in the CPA Canada Handbook – *Accounting*.

2. Property and equipment:

| | | | 2018 | 2017 |
|------------------------|------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Building | \$ 897,059 | \$ 457,040 | \$ 440,019 | \$ 431,095 |
| Computer | 4,808 | 4,808 | - | 3 |
| Furniture and fixtures | 39,184 | 29,623 | 9,561 | 7,266 |
| Land | 38,130 | - | 38,130 | 38,130 |
| | \$ 979,181 | \$ 491,471 | \$ 487,710 | \$ 476,494 |

3. Long-term debt:

| | 2018 | 2017 |
|--|--------------|--------------|
| Long-term debt payable, bearing interest at 3% per annum, repayable in blended monthly instalments of principal and interest of \$11,074 due September 14, 2020. | \$ 1,790,198 | \$ 1,868,441 |
| Less current portion of long-term debt | 81,023 | 78,663 |
| | \$ 1,709,175 | \$ 1,789,778 |

LOUIS RACZ CO. LTD.

Notes to Financial Statements (continued)

Years ended June 30, 2018

(Unaudited - see Notice to Reader)

3. Long-term debt (continued):

Principal repayments due over the next three years and thereafter are as follows:

| | | |
|------------|----|-----------|
| 2019 | \$ | 81,023 |
| 2020 | | 83,453 |
| 2021 | | 85,957 |
| Thereafter | | 1,539,765 |
| | \$ | 1,790,198 |

4. Share capital:

| | 2018 | 2017 |
|--|--------|--------|
| Authorized: | | |
| 1,000 Class A voting common shares without par value | | |
| 10,000 Class B voting common shares with a par value of \$1.00 per share | | |
| 10,000 Class C non-voting common shares with a par value of \$1.00 per share | | |
| 10,000 Class D preferred shares with a par value of \$0.01 per share redeemable at \$1,000 per share | | |
| 10,000 Class E preferred redeemable shares without par value | | |
| Issued: | | |
| 100 Class B common shares | \$ 100 | \$ 100 |
| 100 Class C common shares | 100 | 100 |
| 415 Class D preferred shares | 4 | 4 |
| | \$ 204 | \$ 204 |

**OFFER TO PURCHASE
CEDAR TERRACE**

This is Exhibit "E" referred to in the
affidavit of LISA MADDESS
sworn before me on 11 APR 2019

DATE: September 28, 2018

BETWEEN: **URSULA VERTONE**

(the "Purchaser")

AND: **LOUIS RACZ CO. LTD.**

(the "Vendor")

1. BASIC TERMS

The basic terms of this Offer to Purchase are:

(a) **Address of Purchaser:** 1551 Vinson Creek Road
West Vancouver, BC

Attention: Ursula Vertone
Telephone: (604) 926-3806
Email Address: fred.vertone@shaw.ca

(b) **Address of Vendor:** 1575 Esquimalt Avenue, Suite 101
West Vancouver, BC

Attention: Rita Racz
Telephone: (604) 926-8764
Email Address: rrloves25@hotmail.com

(c) **Cushman:** **Cushman & Wakefield ULC**
Address of Cushman: P.O. Box 10023, Pacific Centre
Suite 700, 700 West Georgia Street
Vancouver, British Columbia
V7Y 1A1

Attention: Don Duncan
Telephone: (604) 683-3111
Email Address: don.duncan@cushwake.com

(d) **Lands:**
Municipal Address: 1575 Esquimalt Avenue, West Vancouver, BC

Cushman & Wakefield ULC
Pacific Centre, PO Box 10023
Suite 700, 700 West Georgia Street
Vancouver, BC V7Y 1A1
(604) 683 3111 Tel
(604) 683 0432 Fax
www.cushmanwakefield.com
145911/350943
DOCS 17998605v4



- 2 -

- Legal Description:** Parcel Identifier: 010-793-763 & 008-837-368
 Lot 2 & Lot B
 Block 3
 District Lot 1055
 Land District 36
 Plan VAP6902
- (e) **Purchase Price:** Seventeen Million Dollars (\$17,000,000.00) CAD, being the total price for the Property (as defined in section 2)
- (f) **Deposits:**
- Initial Deposit:** One Hundred Thousand Dollars (\$100,000.00) CAD paid within 2 days after the Purchaser has toured the building. This tour to occur within 5 days of the offer acceptance date
- Additional Deposit:** Nine Hundred Thousand Dollars (\$900,000.00) CAD, to a total of One Million Dollars (\$1,000,000.00) CAD
- (the Initial Deposit and the Additional Deposit are together referred to as the “**Deposit**”)
- (g) **Deposit To Be Paid In Trust To:** Cushman & Wakefield ULC (the “**Deposit Holder**”)
- (h) **Completion Date:** May 15, 2019 or such other date as the Vendor and the Purchaser may mutually agree upon in writing
- (i) **Warranty Survival Date:** That day which is 180 days after the Completion Date
- (j) **Acceptance Date:** October 4, 2018
- (k) **Purchaser’s Condition Waiver Date:** 35 days after the property tour
- (l) **Commission:** The Vendor agrees that it will be responsible for commissions payable to Cushman in respect of this transaction.

The foregoing basic terms are approved by the parties. Any reference in this Offer to Purchase to a basic term shall be construed to include the provision set forth above as well as any additional terms and conditions of this Offer to Purchase where the basic term is more fully set forth.

2. AGENCY DISCLOSURE

| | |
|--|--|
| | |
|--|--|

INITIALS

- A. The Vendor acknowledges having received, read and understood the Real Estate Council of British Columbia ("**RECBC**") form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Vendor has an agency relationship with

Don Duncan *PREC as the designated agent/licensee who is licensed in relation to Cushman & Wakefield ULC as the brokerage.

| | |
|--|--|
| | |
|--|--|

INITIALS

- ~~B. The Purchaser acknowledges having received, read and understood RECBC form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Purchaser has an agency relationship with~~

~~as designated agent(s)/licensee(s) who is/are licensed in relation to _____ as the brokerage.~~

| | |
|--|--|
| | |
|--|--|

INITIALS

- C. If only (A) above has been completed, the Purchaser acknowledges having received, read and understood RECBC form "*Disclosure of Risks to Unrepresented Parties*" from the Vendor's agent listed in (A) above and hereby confirms that the Purchaser has no agency relationship.

| | |
|--|--|
| | |
|--|--|

INITIALS

- ~~D. If only (B) above has been completed, the Vendor acknowledges having received, read and understood RECBC form "*Disclosure of Risks to Unrepresented Parties*" from the Purchaser's agent listed in (B) above and hereby confirms that the Vendor has no agency relationship.~~

3. OFFER

The Purchaser hereby offers to purchase from the Vendor all of the Vendor's right, title and interest in the Lands, including all of the Vendor's right, title and interest in all buildings, structures and improvements thereon (collectively the "**Building**"), in all service contracts, equipment leases and other agreements related thereto which under their terms can be assigned to and assumed by the Purchaser (collectively the "**Contracts**"), in all leases, offers to lease and other agreements in the nature of a tenancy or a right to occupy premises (including every addendum, amendment, extension, renewal or supplement thereto or thereof) (collectively, the "**Leases**") and in all chattels, tools, equipment, furniture and other personal property owned by the Vendor, located on the Lands on the date of this Offer to Purchase and used solely or primarily in connection with the operation of the Lands and the Building (the "**Equipment**"), free and clear of all liens, charges, encumbrances, save and except for the charges and encumbrances listed in Schedule A attached hereto (the "**Permitted Encumbrances**"), for the Purchase Price and upon the

- 4 -

terms and conditions herein set forth. The Lands, the Building, the Leases, the Contracts and the Equipment are herein collectively called the “**Property**”.

4. **PURCHASE PRICE**

The Purchase Price for the Property will be paid by the Purchaser to the Vendor as follows:

- (a) by payment of the Initial Deposit by the Purchaser to the Deposit Holder forthwith upon acceptance by the Vendor of this Offer to Purchase, to be deposited and held by the Deposit Holder in trust in an interest bearing account as a stakeholder on behalf of the parties, pending completion of the sale and purchase of the Property or other termination of this Offer to Purchase;
- (b) by payment of the Additional Deposit by the Purchaser to the Deposit Holder forthwith upon the satisfaction or waiver of all of the Purchaser’s Conditions (as defined in Schedule B), to be deposited and held by the Deposit Holder in trust in an interest bearing account as a stakeholder on behalf of the parties, pending completion of the sale and purchase of the Property or other termination of this Offer to Purchase; and
- (c) by payment of the balance of the Purchase Price, subject to adjustment as provided in section 13, by payment of such amount by the Purchaser to the Vendor on the Completion Date in accordance with the provisions of this Offer to Purchase.

The Deposit will be credited to the Purchase Price and will be paid to the Vendor if the sale and purchase is completed in accordance with the terms hereof. The Deposit paid, together with all interest accrued thereon, will be forfeited to the Vendor if the Purchaser is in default of its obligation to complete the sale and purchase of the Property hereunder as liquidated damages (the parties hereby agreeing that such amount constitutes a genuine pre-estimate of damages) and as the Vendor’s sole and exclusive remedy, or will be paid in full to the Purchaser, without prejudice to any other right or remedy of the Purchaser, in the event that the Purchaser elects to terminate this Offer to Purchase due to the Vendor being in default of its obligation to complete the sale and purchase of the Property hereunder.

5. **ALLOCATION OF PURCHASE PRICE**

The parties will use reasonable efforts to agree upon an allocation of the Purchase Price between the Lands, the Building, the Equipment and the other components of the Property prior to the Completion Date, but failure to agree upon the same will not affect the enforceability of this Offer to Purchase.

6. **CONDITIONS PRECEDENT**

The obligation of the parties to complete the purchase of the Property on the Completion Date is subject to and conditional upon the conditions precedent set out in Schedule B attached hereto being satisfied or waived by the appropriate party within the time or times specified in Schedule B.

7. PURCHASER'S DUE DILIGENCE

The Vendor will, within three business days after the Vendor accepts this Offer to Purchase, deliver to the Purchaser the following:

- (a) true copies of any studies, tests, audits, surveys, investigations, reports (including environmental reports), plans and other information concerning the Property which are in the possession or control of the Vendor;
- (b) true copies of all Contracts and Leases and copies of the operating statements for the latest two years of the operation of the Property;
- (c) a current "rent roll" for the Property, certified correct by the Vendor setting out a list of tenants and occupants, the monthly rent payable, the date the tenancy commenced, particulars of guarantees or indemnities or assignments or subletting, the date of the last rental increase and the amount thereof, particulars of any arrears of rent, prepayments or abatements, particulars of any security, damage or other deposits held or owing and the date of receipt thereof;
- (d) a reasonably detailed list of the Equipment; and
- (e) true copies of all other plans, specifications, surveys and financial statements within the Vendor's possession or control and pertaining to the Property.

The Purchaser agrees to maintain the confidentiality of all such documents and instruments so delivered, and to return all copies of the same to the Vendor forthwith if the conditions precedent set out in Schedule B attached hereto are not satisfied or waived within the time or times provided therein or if the Purchaser fails to complete its purchase of the Property.

The Purchaser will be entitled to enter onto the Lands and the Building as reasonably required in order to carry out such due diligence investigations of the Property as it reasonably requires, provided that any inspections of the Lands, the Building and the Equipment by the Purchaser or its agents, employees or consultants will be carried out during normal business hours, will not unduly interfere with any tenants of the Lands or Building, will be subject to the rights of the tenants under the Leases and will not injure the Lands, the Building or the Equipment. The Purchaser will be responsible for and will indemnify the Vendor and/or the tenants for all damages, costs, expenses and other adverse consequences of the Purchaser's actions.

8. SITE PROFILE

The Purchaser hereby waives any requirement for the Vendor to provide to the Purchaser a "site profile" for the Property under the *Environmental Management Act* (British Columbia) or any regulation in respect thereto.

9. VENDOR'S COVENANTS

The Vendor covenants and agrees with the Purchaser that the Vendor will:

- (a) execute, or cause to be executed, and return to the Purchaser or the Purchaser's solicitors as soon as is reasonably possible all consents or letters of authority which

- 6 -

have been prepared by or on behalf of the Purchaser and which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches or cause such inspections or tests to be made with respect to the purchase of the Property as are in accordance with standard real estate practice in the Province of British Columbia and as are reasonably required in order to assure the Purchaser that it will be acquiring the Property free and clear of all liens, charges and encumbrances save and except for the Permitted Encumbrances;

- (b) carry on its business at the Lands and the Building in the ordinary course, and cause the Lands, the Building and the Equipment to be properly kept, repaired, maintained and insured at the Vendor's cost and expense so that, on the Completion Date, the Purchaser will acquire the same in substantially the same condition and state of repair as of the date of this Offer to Purchase, subject to reasonable wear and tear and save as otherwise provided for herein;
- (c) from and after the satisfaction or waiver by the Purchaser of the Purchaser's Conditions, not enter into any new offer to lease, lease or other occupancy agreement in respect of the Lands or the Building or any part thereof, not modify the Leases and not enter into any financial commitments for the Property which would be binding upon the Purchaser without the prior written consent of the Purchaser (which consent may be arbitrarily withheld); and
- (d) terminate (with effect prior to the Completion Date) all Contracts which are not assignable to and assumable by the Purchaser as well as any property management agreement.

10. REPRESENTATIONS AND WARRANTIES

The Vendor hereby makes the representations and warranties set out in Schedule C attached hereto.

11. GOODS AND SERVICES TAX

The Vendor represents and warrants that the Property is used residential property and the sale of the Property pursuant to this Offer to Purchase is an exempt supply for the purposes of the federal goods and services tax (the "GST"). The Vendor will provide the Purchaser with a certificate, in the customary form, on the Completion Date pursuant to which the Vendor will certify that the Property is an exempt supply for the purposes of the GST.

The Vendor will indemnify and save harmless the Purchaser from and against any and all GST, penalties, costs and/or interest which may become payable by or assessed against the Purchaser as a result of any inaccuracy of the foregoing representation and warranty and such indemnity will survive and not merge upon closing of the sale of the Property contemplated herein.

12. COMPLETION DATE

The sale and purchase of the Property will be completed on the Completion Date.

13. ADJUSTMENTS

- (a) Adjustment Date. Adjustments for the Property will be made as of the Completion Date and the payment due pursuant to section 4(c) will be adjusted accordingly. Except as otherwise provided in this Offer to Purchase, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Property for the period ending on the day before the Completion Date and, for the period from and including the Completion Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Property.
- (b) Adjustment Items. The adjustments with respect to the Leases will include all current rents (including current basic rent, current additional rent, current percentage rent and other current charges), prepaid rents and other prepaid charges, security deposits and all other items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Property. The amount payable by a tenant in respect of percentage rent will be adjusted between the Vendor and the Purchaser based on a pro rata sharing of the Sales for the full calendar year in which the Completion Date occurs calculated when the appropriate information is available as part of the readjustment provided for in accordance with section 13(d). "Sales" means the sale proceeds and/or revenue referred to in the respective Leases as the basis for the calculation of percentage rent.
- (c) Statement of Adjustments. A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least five (5) business days prior to the Completion Date and shall have annexed to it details of the calculations used to arrive at all debits and credits on the Statement of Adjustments. The Vendor will give the Purchaser and its representatives reasonable access to all working papers and back-up materials in order to verify the Statement of Adjustments.
- (d) Readjustment. If the final cost or amount of an item which is to be adjusted has not been determined as of the Completion Date, then an initial calculation or adjustment for such item shall be made as of the Completion Date, such amount to be estimated by the Vendor and agreed to by the Purchaser, each acting reasonably, as of the Completion Date on the basis of the best evidence available at the Completion Date as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined (such determination to be made as soon as possible and in any event prior to that day which is one year after the Completion Date), the Purchaser will, within 30 days of determination, provide a complete statement thereof to the Vendor and, within 30 days thereafter, the Vendor and the Purchaser will make a final adjustment as of the Completion Date for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by independent auditors, acceptable to the Vendor and the Purchaser, acting reasonably, with the cost of such auditors' determination being shared equally between the Vendor and the Purchaser. On closing, the parties will execute an undertaking to further adjust between themselves to confirm the agreement set out in this section 13.

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- (e) Commissions, Tenant Inducements and Landlord's Work. With respect to any Lease (including a binding offer to lease) entered into prior to the Vendor's acceptance of this Offer to Purchase, the Vendor will be responsible for the payment of 100% of all third party leasing commissions whether payable or accrued before or after the Vendor's acceptance of this Offer to Purchase, of all tenant inducements and allowances, including lease take-over obligations and free rent, payable or accrued with respect to such Lease, and of all costs and expenses of any landlord's work or improvements pursuant to such Lease, provided that the agreement to pay or carry out such commissions, tenant inducements and allowances and work or improvements was entered into by the Vendor or by any other person on the Vendor's behalf. To the extent that any such leasing commissions, tenant inducements and allowances, free rent and costs of landlord's work or improvements for which the Vendor is responsible have not been paid by the Vendor as of the Completion Date (and the transaction contemplated hereunder is completed), the Purchaser will be credited with respect thereto on the Statement of Adjustments. In the event a new Lease is entered into after the Vendor's acceptance of this Offer to Purchase and before the Completion Date, the Purchaser will be responsible for the payment of 100% of all third party leasing commissions, tenant inducements and allowances, lease takeover obligations and free rent, payable or accrued with respect to such Lease, costs and expenses of any landlord's work or improvements pursuant to such Lease and the Purchaser will not receive any credit with respect thereto on the Statement of Adjustments.
- (f) Tenant Receivables. Any rental arrears and accounts receivable and any other claims against a tenant payable or accrued prior to the Completion Date and unpaid on the Completion Date (the "Tenant Receivables") will remain the property of the Vendor and there will be no adjustment in favour of the Vendor on the Statement of Adjustments for such amounts. Any amount of rent received or collected by the Purchaser or the Vendor after the Completion Date from a tenant that owes Tenant Receivables to the Vendor will be credited, first, to current month's rent, second, to any arrears of rent owing and accruing from and after the Completion Date, and third, to any Tenant Receivables owed to the Vendor.

14. RISK

The Property will be and remain at the Vendor's risk until the Transfer (as defined in section 16(a)(i)) is filed for registration in the applicable Land Title Office, and the Vendor will hold all insurance policies and the proceeds thereof in trust for the parties as their respective interest may appear pending the Completion Date. Notwithstanding the foregoing, if the Property or any material part thereof is destroyed or expropriated prior to the Completion Date, the Purchaser will have the option in its sole discretion of completing the sale and purchase and accepting from the Vendor an assignment of the proceeds of insurance (and an adjustment to the Purchase Price in an amount equal to the deductible under the relevant insurance policy) or expropriation award or other compensation as well as the balance of the Property, or of not completing the sale and purchase (in which case the Deposit paid, together with all accrued interest thereon, will be returned to the Purchaser forthwith and the parties will have no further obligations hereunder except for the obligation of the Purchaser to maintain the confidentiality of all disclosed documents

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and instruments delivered to it, to return all copies of such documents and instruments and to indemnify the Vendor and/or tenants of the Property as contemplated in section 7).

15. VACANT POSSESSION

The Purchaser will have vacant possession of the Lands and Building free and clear of all charges, liens and encumbrances save for the Permitted Encumbrances outlined in Schedule A immediately upon completion of the sale and purchase of the Property.

16. DELIVERY OF CLOSING DOCUMENTS

- (a) On or before the Completion Date, the Vendor will cause the Vendor's solicitors to deliver to the Purchaser's solicitors the following items, duly executed by the Vendor and in registrable form whenever appropriate, to be dealt with in accordance with section 17:
- (i) a Form A - Freehold Transfer(s), conveying the Lands to the Purchaser (the "Transfer"), executed by the Vendor or any other person which holds registered title to the Lands on behalf of the Vendor;
 - (ii) a Vendor's Statement of Adjustments;
 - (iii) an assignment and assumption agreement in respect of all Contracts and guarantees thereof to the extent being assigned to and assumed by the Purchaser;
 - (iv) an assignment and assumption agreement in respect of all Leases and guarantees thereof;
 - (v) directions to all tenants of the Property directing the tenants to pay future rentals to the Purchaser or as directed by the Purchaser;
 - (vi) an updated rent roll containing current information referred to in section 7;
 - (vii) a bill of sale with respect to the Equipment;
 - (viii) an assignment of any subsisting warranties or guarantees in respect of the Equipment and in respect of the Lands and the Building and any work performed in respect thereof;
 - (ix) a certificate of the Vendor, dated as of the Completion Date, that certifies that the Vendor has complied with all its obligations under this Offer to Purchase in all material respects and that each of the warranties and representations of the Vendor set out herein is true and accurate on the Completion Date in all material respects; and
 - (x) such further deeds, acts, things, certificates and assurances as may be requisite in the reasonable opinion of the Purchaser's solicitors and the Vendor's solicitors for more perfectly and absolutely assigning, transferring, conveying and assuring to and vesting in the Purchaser, title to

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the Property free and clear of any lien, charge, encumbrance or legal notation other than the Permitted Encumbrances as contemplated herein.

- (b) All documents referred to in section 16(a) will be prepared by the Purchaser's solicitors to the extent that preparation is required (except for the Vendor's Statement of Adjustments, which will be prepared by the Vendor or its solicitors pursuant to section 13(c)), in a form reasonably satisfactory to the Purchaser and the Vendor and, where applicable, in a form suitable for registration in the appropriate offices of public record. The Vendor and the Purchaser will each deliver to or cause to be delivered to the other all such further documents and assurances as may be reasonably required to give full effect to the intent and meaning hereof.
- (c) As soon as reasonably possible after the completion of the sale and purchase of the Property, the Vendor will deliver to the Purchaser the following (to the extent that such items have not previously been delivered to the Purchaser and are in the Vendor's possession or control):
 - (i) originally executed copies of the Leases;
 - (ii) originally executed copies of the Contracts to be assigned to and assumed by the Purchaser; and
 - (iii) all keys and like devices for the Building including, without limitation, master keys to all rentable space located within the Building.

17. CLOSING PROCEDURE

- (a) On or before the Completion Date, the Purchaser will pay to the Purchaser's solicitors in trust the amount provided for in section 4(c) of this Offer to Purchase, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.
- (b) Forthwith following receipt by the Purchaser's solicitors of the payment pursuant to section 17(a) and the documents and items referred to in section 16(a), the Purchaser will cause the Purchaser's solicitors to file the Transfer in the appropriate Land Title Office on the Completion Date concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.
- (c) Forthwith following the filing referred to in section 17(b) and upon the Purchaser's solicitors being satisfied as to the Purchaser's pending title to the Lands after conducting a post filing registration check of the property index disclosing only the following:
 - (i) the existing title number(s) to the Lands;
 - (ii) the Permitted Encumbrances;
 - (iii) pending number(s) assigned to the Transfer;

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- (iv) pending numbers assigned to any charges granted by the Purchaser including any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
- (v) any charges with respect to which the Vendor's solicitors have extended satisfactory undertakings regarding the discharge and release of the same;

the Purchaser will cause the Purchaser's solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the sale and purchase of the Property, to deliver to the Vendor's solicitors on the Completion Date. Any document referred to in section 16(a) which has not previously been provided to the Vendor in a form executed by the Purchaser, executed by the Purchaser, and a trust cheque for the balance due to the Vendor pursuant to section 4(c), and to instruct the Deposit Holder to release the Deposit to the Vendor or the Vendor's solicitors and all accrued interest on the Deposit to the Purchaser.

18. DISCHARGE OF VENDOR'S ENCUMBRANCES

The Purchaser acknowledges and agrees that if the Vendor's title to the Property is subject to any financial encumbrance which the Vendor is required to discharge pursuant to this Offer to Purchase, the Vendor will not be required to clear title prior to the receipt of the net sales proceeds but will be obligated to do so within a reasonable time following closing and the Purchaser will pay, or cause its solicitors to pay the balance of the adjusted Purchase Price to the Vendor's solicitors in trust on their undertaking to discharge any such financial encumbrance from the adjusted Purchase Price and obtain and register a discharge thereof within a reasonable time.

19. FEES AND EXPENSES

All documents as are necessary to complete the sale and purchase of the Property including the Transfer will be prepared at the expense of, and registered at the expense of, the Purchaser and all documents required to clear title to the Property of any of the Vendor's financial encumbrances will be prepared and registered by and at the expense of the Vendor. The Purchaser will pay the expense of registering the Transfer and any property transfer tax due in respect of the transfer of the Property to the Purchaser.

20. TENDER

Any tender of documents or money pursuant to this Offer to Purchase may be made upon the solicitor or notary public acting for the party on whom tender is desired, and it will be sufficient that a certified or trust account cheque is tendered instead of cash.

21. ENTIRE AGREEMENT

This Offer to Purchase (including the Schedules attached hereto) constitutes the entire agreement between the parties in respect of the Property, and it is understood and agreed that there are no representations, warranties or guarantees or promises affecting the Property or this Offer to Purchase except for those contained herein. It is further understood and agreed that there are no covenants, agreements, collateral agreements or

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conditions affecting the Property or this Offer to Purchase other than as expressed in writing in this Offer to Purchase.

22. TIME

Time shall be of the essence hereof.

23. NOTICES

Any notices, requests or demands which may or are required to be given or made hereunder will be in writing and served personally, faxed or e-mailed as follows:

- (a) if to the Purchaser, to the address, fax number or e-mail address and to the person set out in section 1(a);
- (b) and if to the Vendor, to the address, fax number or e-mail address and to the person set out in section 1(b); and
- (c) with copies to Cushman at the address, fax number or e-mail address and to the person set out in section 1(c);

provided that either party may change its address, fax number or e-mail address by written notice to the other and in such event this section will be deemed to be amended accordingly. Any notice, request or demand given or made hereunder by personal delivery, fax or e-mail will be conclusively deemed to have been given or made on the day it is actually delivered, faxed or e-mailed unless it is delivered, faxed or e-mailed after 5:00 p.m. (Vancouver time) or on a day other than a business day, in which case it will be deemed to have been given or made on the next business day.

24. INDEPENDENT EXPERT ADVICE

Each of the Purchaser and the Vendor acknowledges and agrees that the real estate agents and brokerages involved in the transaction contemplated in this Offer to Purchase have been retained solely to provide real estate services and not as lawyers, tax advisors, lenders, certified appraisers, surveyors, structural engineers, building inspectors or other professional service providers and that it has been afforded the opportunity to seek other independent expert advice prior to its execution of this Offer to Purchase.

25. GOVERNING LAW

This Offer to Purchase and the agreement resulting therefrom will be construed according to and governed by the laws of the Province of British Columbia.

26. BINDING EFFECT

This Offer to Purchase will enure to the benefit of and be binding upon the Vendor and the Purchaser and their representative administrators, successors and permitted assigns.

27. BUSINESS DAY

- (a) In this Offer to Purchase, “**business day**” means a day other than a Saturday, Sunday or statutory holiday in British Columbia.

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- (b) If the date for the performance of any act or thing falls on a day which is a Saturday, Sunday or statutory holiday in British Columbia, then the date for the performance of such act or thing will be extended to the next business day.

28. JOINT AND SEVERAL

If either the Vendor or the Purchaser is comprised of more than one party, then all of the covenants, agreements, representations and warranties of each of the parties comprising the Vendor or the Purchaser, as the case may be, will be joint and several covenants, agreements, representations and warranties.

29. EXECUTION BY ELECTRONIC MEANS

This Offer to Purchase may be executed by the parties and transmitted by fax or other electronic means and if so executed and transmitted this Offer to Purchase will be for all purposes as effective as if the parties had delivered an executed original Offer to Purchase.

30. EXECUTION IN COUNTERPARTS

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

31. NO ASSIGNMENT

This Offer to Purchase cannot be assigned by the Purchaser without the prior written consent of the Vendor. In the event of any assignment of this Offer to Purchase by the Purchaser or any subsequent assignee thereof:

- (a) a true and complete copy of all documents setting out the terms of such assignment must be presented to the Vendor;
- (b) the Vendor will be entitled to receive any profit which would otherwise be payable to the Purchaser or any subsequent assignee thereof, or to any person affiliated or associated with the Purchaser or such assignee, as a result of such assignment; and
- (c) the Purchaser will not be released from its obligations under this Offer to Purchase.

32. ADDITIONAL CLAUSES

The additional clauses (if any) set out in Schedule D attached hereto are incorporated into and form part of this Offer to Purchase as fully as if they were set forth in the main body of this Offer to Purchase.

33. OFFER

This Offer to Purchase is irrevocable and open for acceptance by the Vendor, in the manner indicated below, until but not after 5:00 p.m. Vancouver local time on the Acceptance Date, and if not accepted on or before such time and date will be absolutely null and void. This Offer to Purchase may be accepted by the Vendor executing this Offer to Purchase and returning same to the Purchaser, and when accepted, this Offer to Purchase will constitute

a binding agreement of sale and purchase of the Property in accordance with the terms hereof.

The Purchaser has executed this Offer to Purchase this 28th day of September, 2018.

PURCHASER:

URSULA VERTONE

Per: *U. Vertone*
(Ursula Vertone)

VENDOR'S ACCEPTANCE

In consideration of the Purchaser paying the Initial Deposit to the Deposit Holder as provided in section 4(a), and in further consideration of the covenants and agreements of the Purchaser contained in this Offer to Purchase, the Vendor hereby accepts the Purchaser's offer herein and agrees to sell the Property to the Purchaser in accordance with the terms of this Offer to Purchase.

IN WITNESS WHEREOF the Vendor has executed this Offer to Purchase this _____ day of _____, 2018.

VENDOR:

LOUIS RACZ CO LTD.

Per: _____
(Authorized Signatory)

(Name & Title)

SCHEDULE A**PERMITTED ENCUMBRANCES**

The Property is subject to the following Permitted Encumbrances:

1. the subsisting exceptions or reservations or other rights contained or reserved to the Crown in the original grant from the Crown;
2. the Contracts;
3. the Leases; and
4. all legal notations, charges, liens and interests which appear on the title search of the Lands attached to this Schedule A other than any financial encumbrances, which financial encumbrances are to be discharged by the Vendor on closing or pursuant to section 18 of this Offer to Purchase.

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TITLE SEARCH PRINT

File Reference:

2018-07-13, 09:21:26

Requestor: Andrea Welburn

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

| | |
|--|---|
| Title Issued Under | SECTION 172 LAND TITLE ACT |
| Land Title District Land Title Office | VANCOUVER VANCOUVER |
| Title Number From Title Number | 571591 496941 |
| Application Received | 1968-06-03 |
| Application Entered | 1968-06-07 |
| Registered Owner in Fee Simple Registered Owner/Mailing Address: | LOUIS RACZ CO. LTD., INC. NO. 72725 21 285 17TH STREET WEST VANCOUVER, BC |
| Taxation Authority | West Vancouver, The Corporation of the District of |
| Description of Land Parcel Identifier: Legal Description: | 010-793-763 LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902 |
| Legal Notations | NONE |
| Charges, Liens and Interests | |
| Nature: | MORTGAGE |
| Registration Number: | CA4672521 |
| Registration Date and Time: | 2015-09-14 08:44 |
| Registered Owner: | VANCOUVER CITY SAVINGS CREDIT UNION INCORPORATION NO. FI-97 |
| Remarks: | INTER ALIA |
| Nature: | ASSIGNMENT OF RENTS |
| Registration Number: | CA4672522 |
| Registration Date and Time: | 2015-09-14 08:44 |
| Registered Owner: | VANCOUVER CITY SAVINGS CREDIT UNION INCORPORATION NO. FI-97 |
| Remarks: | INTER ALIA |

Title Number: 571591

TITLE SEARCH PRINT

Page 1 of 2

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TITLE SEARCH PRINT

File Reference:

2018-07-13, 09:21:26
Requestor: Andrea Welburn

| | |
|-------------------------------------|------------------|
| Duplicate Indefeasible Title | NONE OUTSTANDING |
| Transfers | NONE |
| Pending Applications | NONE |

Title Number: 571591

TITLE SEARCH PRINT

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SCHEDULE B
CONDITIONS PRECEDENT

1. PURCHASER'S CONDITIONS

The obligation of the Purchaser to complete the purchase of the Property on the Completion Date is subject to and conditional upon the following conditions precedent (the "**Purchaser's Conditions**") being satisfied or waived not later than 5:00 p.m. (Vancouver time) on the Purchaser's Condition Waiver Date, namely:

- (a) the Purchaser obtaining a report on the environmental condition of the Lands and the Building, which is satisfactory to the Purchaser in its sole discretion;
- (b) the Purchaser being satisfied in its sole discretion with the results of all physical investigations it undertakes or causes to be undertaken with respect to the Lands and the Building;
- (c) the Purchaser being satisfied in its sole discretion with its review of title to the Lands;
- (d) the Purchaser being satisfied in its sole discretion with its review of the Contracts, the Leases, the operating statements for the latest two years of the operation of the Property, the current rent roll for the Property and all other materials regarding the Property delivered by the Vendor;
- (e) the Purchaser being satisfied in its sole discretion with any other due diligence searches and investigations which it may have carried out with respect to the Property.

The Purchaser's Conditions are for the sole benefit of the Purchaser and may be unilaterally waived in writing in whole or in part by the Purchaser at any time up to and including the time specified above. If the Purchaser fails to notify the Vendor in writing of the satisfaction or waiver of all of the Purchaser's Conditions by the time specified above, this Offer to Purchase will be null and void. In such event, the Deposit Holder is hereby irrevocably directed by the Vendor and the Purchaser to forthwith repay the Initial Deposit and accrued interest, in full, to the Purchaser without deduction save for the sum of Ten Dollars (\$10.00) (which will be retained by the Vendor in any event as consideration for the Vendor agreeing to not revoke or withdraw this Offer to Purchase prior to the time specified above, except as may be permitted pursuant to any other provision included in this Schedule B), and thereafter neither party will have any further obligations to the other hereunder, except for the obligation of the Purchaser to maintain the confidentiality of all disclosed documents and instruments delivered to it, to return all copies of such documents and instruments and to indemnify the Vendor and/or tenants of the Lands or Building as set out in section 7 of this Offer to Purchase. The Vendor and the Purchaser will each promptly (and, in any event, within five days of this Offer to Purchase becoming null and void) execute and deliver such written agreement of both parties as is required by the

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Deposit Holder in order for it to repay the Initial Deposit and accrued interest, in full, to the Purchaser in accordance with this paragraph. If both parties do not sign such written agreement to release the Initial Deposit and accrued interest, then the parties will have to apply to Court for a determination of the deposit issue.

SCHEDULE C

REPRESENTATIONS AND WARRANTIES

The Vendor hereby represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser until the Warranty Survival Date regardless of any independent investigations that the Purchaser may cause to be made and regardless of the removal or waiver of any Purchaser's Conditions (as defined in Schedule B), that, subject to the limitations, if any, expressed herein:

- (a) the Vendor is a body corporate duly incorporated and validly existing under the laws of British Columbia and duly qualified to own and sell its interest in the Property;
- (b) the Vendor is in good standing with the Office of the Registrar of Companies for British Columbia with respect to the filing of annual reports and has never been dissolved;
- (c) all necessary corporate action on the part of the directors and shareholders of the Vendor has been taken to authorize and approve the execution and delivery of this Offer to Purchase, the completion of the transactions contemplated herein and the performance and observance of the Vendor's other obligations under this Offer to Purchase;
- (d) the Vendor will be on the Completion Date the sole beneficial owner of the Property free and clear of all liens, claims, judgments, charges, caveats and encumbrances whatsoever except the Permitted Encumbrances (subject to the provisions of this Offer to Purchase related to clearing title of the Vendor's financial encumbrances), and that the Vendor has the full right and authority to sell the Property and to transfer and assign valid title to the Property to the Purchaser;
- (e) to the best of its knowledge and information, all documents and instruments required to be delivered or made available to the Purchaser hereunder will be complete and accurate in all material respects as of the date of such delivery or communication to the Purchaser;
- (f) the Vendor is not and will not be at the Completion Date a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor does not have any employees employed to work at the Lands with respect to the operation thereof for which the Purchaser will be responsible following completion;
- (h) to the best of its knowledge and information, the Vendor is not in default under any of its obligations arising out of any of the Permitted Encumbrances or the Contracts;

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- (i) in respect of each of the Leases:
- (i) each is a valid and subsisting lease or tenancy agreement, the Vendor is not in default thereunder and to the best of the Vendor's knowledge, no default by the tenant or other occupant exists thereunder except as disclosed by the Vendor to the Purchaser;
 - (ii) the Vendor is the absolute owner thereof and has not assigned, mortgaged, pledged, hypothecated or otherwise dealt with such Lease or rents payable thereunder (except in connection with any Vendor's financial encumbrances which are to be discharged by the Vendor pursuant to section 18 of this Offer to Purchase) and there is no existing right of defence, set off or counterclaim on the part of the lessee or tenant therein or any guarantor or indemnitor thereof against the Vendor;
 - (iii) all of the information set out in the rent roll delivered by the Purchaser pursuant to sections 7 and 16(a)(vi) of this Offer to Purchase will be true and complete;
- (j) to the best of the Vendor's knowledge, the Lands and Building are not subject to any outstanding work order or notice of defect or non-compliance from any federal, provincial, civic or municipal board or official or like authority; and
- (k) to the best of the Vendor's knowledge, the Building is wholly within the boundaries of the Lands and the location and existence of the Building does not infringe the provisions of any easement, right-of-way or encumbrance registered against or otherwise affecting the Lands and there are no improvements on any adjoining lands, whether public or private that encroach on the Lands;

The Vendor acknowledges that the Purchaser is relying on the foregoing representations, warranties, covenants and agreements in connection with the purchase by the Purchaser of the Property.

SCHEDULE D**ADDITIONAL CLAUSES****1. ENVIRONMENTAL REPORTS.**

- (a) Any environmental reports (the “**Environmental Reports**”) concerning the Property which are delivered to the Purchaser pursuant to section 7 of this Offer to Purchase will be provided to the Purchaser on the basis that the Vendor is not making any representations or warranties as to the accuracy of the Environmental Reports, that the Vendor shall not have any liability for any errors or inaccuracies in the Environmental Reports and that the Purchaser is relying on its own investigations to satisfy itself as to the environmental condition of the Property.
- (b) Except as disclosed in the Environmental Reports, to the best of the Vendor’s knowledge, without having made any other inquiries, the Property is free of any explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, hydrocarbon contaminants, pollutants, contaminants, hazardous, corrosive or toxic substances or special waste or any other such substance which is regulated under any laws, regulations, bylaws or other lawful requirements of any governmental authority having jurisdiction over the Property and relating to environmental matters.

2. CONFIDENTIALITY.

Unless the sale and purchase of the Property contemplated by this Offer to Purchase is completed, the parties will not disclose to any third party the existence, contents or effect of this Offer to Purchase or any documents, materials or information (including the results of any due diligence tests, assessments or searches) provided pursuant to or obtained in relation to this Offer to Purchase, without the prior written consent of the other party, except that each party may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that each party may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.

3. SURVIVAL.

Notwithstanding anything to the contrary contained in this Offer to Purchase, all representations, warranties, covenants, agreements and indemnifications set out in sections 7, 8 and 9 of this Schedule D will survive the transfer of the Property from the Vendor to the Purchaser indefinitely.

**OFFER TO PURCHASE
CEDAR TERRACE**

This is Exhibit " G " referred to in the
affidavit of Lisa Maddess
sworn before me on 15 / APR / 20 19

DATE: September 28, 2018

BETWEEN: **URSULA VERTONE**

(the "Purchaser")

AND: **LOUIS RACZ CO. LTD.**

(the "Vendor")

1. BASIC TERMS

The basic terms of this Offer to Purchase are:

- (a) **Address of Purchaser:** 1551 Vinson Creek Road
West Vancouver, BC
- Attention: Ursula Vertone
Telephone: (604) 926-3806
Email Address: fred.vertone@shaw.ca
- (b) **Address of Vendor:** 1575 Esquimalt Avenue, Suite 101
West Vancouver, BC
- Attention: Rita Racz
Telephone: (604) 926-8764
Email Address: rrloves25@hotmail.com
- (c) **Cushman:** **Cushman & Wakefield ULC**
Address of Cushman: P.O. Box 10023, Pacific Centre
Suite 700, 700 West Georgia Street
Vancouver, British Columbia
V7Y 1A1
- Attention: Don Duncan
Telephone: (604) 683-3111
Email Address: don.duncan@cushwake.com
- (d) **Lands:**
- Municipal Address:** 1575 Esquimalt Avenue, West Vancouver, BC

Legal Description:

Parcel Identifier: 010-793-763 & 008-837-368
Lot 2 & Lot B
Block 3
District Lot 1055
Land District 36
Plan VAP6902



(e) **Purchase Price:** *Seventeen Two Hundred Thousand* Million Dollars (~~\$17,000,000.00~~) CAD, being the total price for the Property (as defined in section 2)

(f) **Deposits:**

Initial Deposit:

One Hundred Thousand Dollars (\$100,000.00) CAD paid within 2 days after the Purchaser has toured the building. This tour to occur within 5 days of the offer acceptance date

Additional Deposit:

Nine Hundred Thousand Dollars (\$900,000.00) CAD, to a total of One Million Dollars (\$1,000,000.00) CAD

(the Initial Deposit and the Additional Deposit are together referred to as the "Deposit")

(g) **Deposit To Be Paid In Trust To:**

Cushman & Wakefield ULC (the "Deposit Holder")

(h) **Completion Date:**

January 31 ~~May 18~~, 2019 or such other date as the Vendor and the Purchaser may mutually agree upon in writing

(i) **Warranty Survival Date:**

That day which is 180 days after the Completion Date

(j) **Acceptance Date:**

~~October 4, 2018~~ *October 18* 2018

(k) **Purchaser's Condition Waiver Date:**

35 days after the property tour

(l) **Commission:**

The Vendor agrees that it will be responsible for commissions payable to Cushman in respect of this transaction.

The foregoing basic terms are approved by the parties. Any reference in this Offer to Purchase to a basic term shall be construed to include the provision set forth above as well as any additional terms and conditions of this Offer to Purchase where the basic term is more fully set forth.

2. AGENCY DISCLOSURE

DD

INITIALS

A. The Vendor acknowledges having received, read and understood the Real Estate Council of British Columbia ("RECBC") form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Vendor has an agency relationship with

Don Duncan *PREC as the designated agent/licensee who is licensed in relation to Cushman & Wakefield ULC as the brokerage.

~~INITIALS~~

~~B. The Purchaser acknowledges having received, read and understood RECBC form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Purchaser has an agency relationship with~~

~~as designated agent(s)/licensee(s) who is/are licensed in relation to _____ as the brokerage.~~

W

INITIALS

C. If only (A) above has been completed, the Purchaser acknowledges having received, read and understood RECBC form "Disclosure of Risks to Unrepresented Parties" from the Vendor's agent listed in (A) above and hereby confirms that the Purchaser has no agency relationship.

~~INITIALS~~

~~D. If only (B) above has been completed, the Vendor acknowledges having received, read and understood RECBC form "Disclosure of Risks to Unrepresented Parties" from the Purchaser's agent listed in (B) above and hereby confirms that the Vendor has no agency relationship.~~

3. OFFER

The Purchaser hereby offers to purchase from the Vendor all of the Vendor's right, title and interest in the Lands, including all of the Vendor's right, title and interest in all buildings, structures and improvements thereon (collectively the "Building"), in all service contracts, equipment leases and other agreements related thereto which under their terms can be assigned to and assumed by the Purchaser (collectively the "Contracts"), in all leases, offers to lease and other agreements in the nature of a tenancy or a right to occupy premises (including every addendum, amendment, extension, renewal or supplement thereto or thereof) (collectively, the "Leases") and in all chattels, tools, equipment, furniture and other personal property owned by the Vendor, located on the Lands on the date of this Offer to Purchase and used solely or primarily in connection with the operation of the Lands and the Building (the "Equipment"), free and clear of all liens, charges, encumbrances, save and except for the charges and encumbrances listed in Schedule A attached hereto (the "Permitted Encumbrances"), for the Purchase Price and upon the

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terms and conditions herein set forth. The Lands, the Building, the Leases, the Contracts and the Equipment are herein collectively called the "Property".

4. PURCHASE PRICE

The Purchase Price for the Property will be paid by the Purchaser to the Vendor as follows:

- (a) by payment of the Initial Deposit by the Purchaser to the Deposit Holder forthwith upon acceptance by the Vendor of this Offer to Purchase, to be deposited and held by the Deposit Holder in trust in an interest bearing account as a stakeholder on behalf of the parties, pending completion of the sale and purchase of the Property or other termination of this Offer to Purchase;
- (b) by payment of the Additional Deposit by the Purchaser to the Deposit Holder forthwith upon the satisfaction or waiver of all of the Purchaser's Conditions (as defined in Schedule B), to be deposited and held by the Deposit Holder in trust in an interest bearing account as a stakeholder on behalf of the parties, pending completion of the sale and purchase of the Property or other termination of this Offer to Purchase; and
- (c) by payment of the balance of the Purchase Price, subject to adjustment as provided in section 13, by payment of such amount by the Purchaser to the Vendor on the Completion Date in accordance with the provisions of this Offer to Purchase.

The Deposit will be credited to the Purchase Price and will be paid to the Vendor if the sale and purchase is completed in accordance with the terms hereof. The Deposit paid, together with all interest accrued thereon, will be forfeited to the Vendor if the Purchaser is in default of its obligation to complete the sale and purchase of the Property hereunder as liquidated damages (the parties hereby agreeing that such amount constitutes a genuine pre-estimate of damages) and as the Vendor's sole and exclusive remedy, or will be paid in full to the Purchaser, without prejudice to any other right or remedy of the Purchaser, in the event that the Purchaser elects to terminate this Offer to Purchase due to the Vendor being in default of its obligation to complete the sale and purchase of the Property hereunder.

5. ALLOCATION OF PURCHASE PRICE

The parties will use reasonable efforts to agree upon an allocation of the Purchase Price between the Lands, the Building, the Equipment and the other components of the Property prior to the Completion Date, but failure to agree upon the same will not affect the enforceability of this Offer to Purchase.

6. CONDITIONS PRECEDENT

The obligation of the parties to complete the purchase of the Property on the Completion Date is subject to and conditional upon the conditions precedent set out in Schedule B attached hereto being satisfied or waived by the appropriate party within the time or times specified in Schedule B.

7. PURCHASER'S DUE DILIGENCE

The Vendor will, within three business days after the Vendor accepts this Offer to Purchase, deliver to the Purchaser the following:

- (a) true copies of any studies, tests, audits, surveys, investigations, reports (including environmental reports), plans and other information concerning the Property which are in the possession or control of the Vendor;
- (b) true copies of all Contracts and Leases and copies of the operating statements for the latest two years of the operation of the Property;
- (c) a current "rent roll" for the Property, certified correct by the Vendor setting out a list of tenants and occupants, the monthly rent payable, the date the tenancy commenced, particulars of guarantees or indemnities or assignments or subletting, the date of the last rental increase and the amount thereof, particulars of any arrears of rent, prepayments or abatements, particulars of any security, damage or other deposits held or owing and the date of receipt thereof;
- (d) a reasonably detailed list of the Equipment; and
- (e) true copies of all other plans, specifications, surveys and financial statements within the Vendor's possession or control and pertaining to the Property.

The Purchaser agrees to maintain the confidentiality of all such documents and instruments so delivered, and to return all copies of the same to the Vendor forthwith if the conditions precedent set out in Schedule B attached hereto are not satisfied or waived within the time or times provided therein or if the Purchaser fails to complete its purchase of the Property.

The Purchaser will be entitled to enter onto the Lands and the Building as reasonably required in order to carry out such due diligence investigations of the Property as it reasonably requires, provided that any inspections of the Lands, the Building and the Equipment by the Purchaser or its agents, employees or consultants will be carried out during normal business hours, will not unduly interfere with any tenants of the Lands or Building, will be subject to the rights of the tenants under the Leases and will not injure the Lands, the Building or the Equipment. The Purchaser will be responsible for and will indemnify the Vendor and/or the tenants for all damages, costs, expenses and other adverse consequences of the Purchaser's actions.

8. SITE PROFILE



The Purchaser hereby waives any requirement for the Vendor to provide to the Purchaser a "site profile" for the Property under the *Environmental Management Act* (British Columbia) or any regulation in respect thereto.

9. VENDOR'S COVENANTS

The Vendor covenants and agrees with the Purchaser that the Vendor will:

- (a) execute, or cause to be executed, and return to the Purchaser or the Purchaser's solicitors as soon as is reasonably possible all consents or letters of authority which

have been prepared by or on behalf of the Purchaser and which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches or cause such inspections or tests to be made with respect to the purchase of the Property as are in accordance with standard real estate practice in the Province of British Columbia and as are reasonably required in order to assure the Purchaser that it will be acquiring the Property free and clear of all liens, charges and encumbrances save and except for the Permitted Encumbrances;

- (b) carry on its business at the Lands and the Building in the ordinary course, and cause the Lands, the Building and the Equipment to be properly kept, repaired, maintained and insured at the Vendor's cost and expense so that, on the Completion Date, the Purchaser will acquire the same in substantially the same condition and state of repair as of the date of this Offer to Purchase, subject to reasonable wear and tear and save as otherwise provided for herein;
- (c) from and after the satisfaction or waiver by the Purchaser of the Purchaser's Conditions, not enter into any new offer to lease, lease or other occupancy agreement in respect of the Lands or the Building or any part thereof, not modify the Leases and not enter into any financial commitments for the Property which would be binding upon the Purchaser without the prior written consent of the Purchaser (which consent may be arbitrarily withheld) and *See below ** 
- (d) terminate (with effect prior to the Completion Date) all Contracts which are not assignable to and assumable by the Purchaser as well as any property management agreement. 

10. REPRESENTATIONS AND WARRANTIES

The Vendor hereby makes the representations and warranties set out in Schedule C attached hereto.


11. GOODS AND SERVICES TAX

The Vendor represents and warrants that the Property is used residential property and the sale of the Property pursuant to this Offer to Purchase is an exempt supply for the purposes of the federal goods and services tax (the "GST"). The Vendor will provide the Purchaser with a certificate, in the customary form, on the Completion Date pursuant to which the Vendor will certify that the Property is an exempt supply for the purposes of the GST.

The Vendor will indemnify and save harmless the Purchaser from and against any and all GST, penalties, costs and/or interest which may become payable by or assessed against the Purchaser as a result of any inaccuracy of the foregoing representation and warranty and such indemnity will survive and not merge upon closing of the sale of the Property contemplated herein.

12. COMPLETION DATE

The sale and purchase of the Property will be completed on the Completion Date.

 provided, however, that if the Purchaser withholds consent to any new Lease for any apartments or suites that would otherwise than become vacant prior to Closing, the Purchaser agrees to rent those vacant apartments or suites at the rental rate that existed prior to any such resulting vacancy, and any rent obligation so arising will be adjusted for the benefit of the Vendor on closing;

13. ADJUSTMENTS

- (a) Adjustment Date. Adjustments for the Property will be made as of the Completion Date and the payment due pursuant to section 4(c) will be adjusted accordingly. Except as otherwise provided in this Offer to Purchase, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Property for the period ending on the day before the Completion Date and, for the period from and including the Completion Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Property.
- (b) Adjustment Items. The adjustments with respect to the Leases will include all current rents (including current basic rent, current additional rent, current percentage rent and other current charges), prepaid rents and other prepaid charges, security deposits and all other items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Property. The amount payable by a tenant in respect of percentage rent will be adjusted between the Vendor and the Purchaser based on a pro rata sharing of the Sales for the full calendar year in which the Completion Date occurs calculated when the appropriate information is available as part of the readjustment provided for in accordance with section 13(d). "Sales" means the sale proceeds and/or revenue referred to in the respective Leases as the basis for the calculation of percentage rent.
- (c) Statement of Adjustments. A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least five (5) business days prior to the Completion Date and shall have annexed to it details of the calculations used to arrive at all debits and credits on the Statement of Adjustments. The Vendor will give the Purchaser and its representatives reasonable access to all working papers and back-up materials in order to verify the Statement of Adjustments.
- (d) Readjustment. If the final cost or amount of an item which is to be adjusted has not been determined as of the Completion Date, then an initial calculation or adjustment for such item shall be made as of the Completion Date, such amount to be estimated by the Vendor and agreed to by the Purchaser, each acting reasonably, as of the Completion Date on the basis of the best evidence available at the Completion Date as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined (such determination to be made as soon as possible and in any event prior to that day which is one year after the Completion Date), the Purchaser will, within 30 days of determination, provide a complete statement thereof to the Vendor and, within 30 days thereafter, the Vendor and the Purchaser will make a final adjustment as of the Completion Date for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by independent auditors, acceptable to the Vendor and the Purchaser, acting reasonably, with the cost of such auditors' determination being shared equally between the Vendor and the Purchaser. On closing, the parties will execute an undertaking to further adjust between themselves to confirm the agreement set out in this section 13.

- (e) Commissions, Tenant Inducements and Landlord's Work. With respect to any Lease (including a binding offer to lease) entered into prior to the Vendor's acceptance of this Offer to Purchase, the Vendor will be responsible for the payment of 100% of all third party leasing commissions whether payable or accrued before or after the Vendor's acceptance of this Offer to Purchase, of all tenant inducements and allowances, including lease take-over obligations and free rent, payable or accrued with respect to such Lease, and of all costs and expenses of any landlord's work or improvements pursuant to such Lease, provided that the agreement to pay or carry out such commissions, tenant inducements and allowances and work or improvements was entered into by the Vendor or by any other person on the Vendor's behalf. To the extent that any such leasing commissions, tenant inducements and allowances, free rent and costs of landlord's work or improvements for which the Vendor is responsible have not been paid by the Vendor as of the Completion Date (and the transaction contemplated hereunder is completed), the Purchaser will be credited with respect thereto on the Statement of Adjustments. In the event a new Lease is entered into after the Vendor's acceptance of this Offer to Purchase and before the Completion Date, the Purchaser will be responsible for the payment of 100% of all third party leasing commissions, tenant inducements and allowances, lease takeover obligations and free rent, payable or accrued with respect to such Lease, costs and expenses of any landlord's work or improvements pursuant to such Lease and the Purchaser will not receive any credit with respect thereto on the Statement of Adjustments.
- (f) Tenant Receivables. Any rental arrears and accounts receivable and any other claims against a tenant payable or accrued prior to the Completion Date and unpaid on the Completion Date (the "Tenant Receivables") will remain the property of the Vendor and there will be no adjustment in favour of the Vendor on the Statement of Adjustments for such amounts. Any amount of rent received or collected by the Purchaser or the Vendor after the Completion Date from a tenant that owes Tenant Receivables to the Vendor will be credited, first, to current month's rent, second, to any arrears of rent owing and accruing from and after the Completion Date, and third, to any Tenant Receivables owed to the Vendor.

14. RISK

The Property will be and remain at the Vendor's risk until the Transfer (as defined in section 16(a)(i)) is filed for registration in the applicable Land Title Office, and the Vendor will hold all insurance policies and the proceeds thereof in trust for the parties as their respective interest may appear pending the Completion Date. Notwithstanding the foregoing, if the Property or any material part thereof is destroyed or expropriated prior to the Completion Date, the Purchaser will have the option in its sole discretion of completing the sale and purchase and accepting from the Vendor an assignment of the proceeds of insurance (and an adjustment to the Purchase Price in an amount equal to the deductible under the relevant insurance policy) or expropriation award or other compensation as well as the balance of the Property, or of not completing the sale and purchase (in which case the Deposit paid, together with all accrued interest thereon, will be returned to the Purchaser forthwith and the parties will have no further obligations hereunder except for the obligation of the Purchaser to maintain the confidentiality of all disclosed documents

and instruments delivered to it, to return all copies of such documents and instruments and to indemnify the Vendor and/or tenants of the Property as contemplated in section 7).

15. VACANT POSSESSION

The Purchaser will have vacant possession of the Lands and Building free and clear of all charges, liens and encumbrances save for the Permitted Encumbrances outlined in Schedule A immediately upon completion of the sale and purchase of the Property.

16. DELIVERY OF CLOSING DOCUMENTS

- (a) On or before the Completion Date, the Vendor will cause the Vendor's solicitors to deliver to the Purchaser's solicitors the following items, duly executed by the Vendor and in registrable form whenever appropriate, to be dealt with in accordance with section 17:
- (i) a Form A - Freehold Transfer(s), conveying the Lands to the Purchaser (the "Transfer"), executed by the Vendor or any other person which holds registered title to the Lands on behalf of the Vendor;
 - (ii) a Vendor's Statement of Adjustments;
 - (iii) an assignment and assumption agreement in respect of all Contracts and guarantees thereof to the extent being assigned to and assumed by the Purchaser;
 - (iv) an assignment and assumption agreement in respect of all Leases and guarantees thereof;
 - (v) directions to all tenants of the Property directing the tenants to pay future rentals to the Purchaser or as directed by the Purchaser;
 - (vi) an updated rent roll containing current information referred to in section 7;
 - (vii) a bill of sale with respect to the Equipment;
 - (viii) an assignment of any subsisting warranties or guarantees in respect of the Equipment and in respect of the Lands and the Building and any work performed in respect thereof;
 - (ix) a certificate of the Vendor, dated as of the Completion Date, that certifies that the Vendor has complied with all its obligations under this Offer to Purchase in all material respects and that each of the warranties and representations of the Vendor set out herein is true and accurate on the Completion Date in all material respects; and
 - (x) such further deeds, acts, things, certificates and assurances as may be requisite in the reasonable opinion of the Purchaser's solicitors and the Vendor's solicitors for more perfectly and absolutely assigning, transferring, conveying and assuring to and vesting in the Purchaser, title to

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the Property free and clear of any lien, charge, encumbrance or legal notation other than the Permitted Encumbrances as contemplated herein.

- (b) All documents referred to in section 16(a) will be prepared by the Purchaser's solicitors to the extent that preparation is required (except for the Vendor's Statement of Adjustments, which will be prepared by the Vendor or its solicitors pursuant to section 13(c)), in a form reasonably satisfactory to the Purchaser and the Vendor and, where applicable, in a form suitable for registration in the appropriate offices of public record. The Vendor and the Purchaser will each deliver to or cause to be delivered to the other all such further documents and assurances as may be reasonably required to give full effect to the intent and meaning hereof.
- (c) As soon as reasonably possible after the completion of the sale and purchase of the Property, the Vendor will deliver to the Purchaser the following (to the extent that such items have not previously been delivered to the Purchaser and are in the Vendor's possession or control):
 - (i) originally executed copies of the Leases;
 - (ii) originally executed copies of the Contracts to be assigned to and assumed by the Purchaser; and
 - (iii) all keys and like devices for the Building including, without limitation, master keys to all rentable space located within the Building.

17. CLOSING PROCEDURE

- (a) On or before the Completion Date, the Purchaser will pay to the Purchaser's solicitors in trust the amount provided for in section 4(c) of this Offer to Purchase, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.
- (b) Forthwith following receipt by the Purchaser's solicitors of the payment pursuant to section 17(a) and the documents and items referred to in section 16(a), the Purchaser will cause the Purchaser's solicitors to file the Transfer in the appropriate Land Title Office on the Completion Date concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.
- (c) Forthwith following the filing referred to in section 17(b) and upon the Purchaser's solicitors being satisfied as to the Purchaser's pending title to the Lands after conducting a post filing registration check of the property index disclosing only the following:
 - (i) the existing title number(s) to the Lands;
 - (ii) the Permitted Encumbrances;
 - (iii) pending number(s) assigned to the Transfer;

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- (iv) pending numbers assigned to any charges granted by the Purchaser including any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
- (v) any charges with respect to which the Vendor's solicitors have extended satisfactory undertakings regarding the discharge and release of the same;

the Purchaser will cause the Purchaser's solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the sale and purchase of the Property, to deliver to the Vendor's solicitors on the Completion Date. Any document referred to in section 16(a) which has not previously been provided to the Vendor in a form executed by the Purchaser, executed by the Purchaser, and a trust cheque for the balance due to the Vendor pursuant to section 4(c), and to instruct the Deposit Holder to release the Deposit to the Vendor or the Vendor's solicitors and all accrued interest on the Deposit to the Purchaser.

18. DISCHARGE OF VENDOR'S ENCUMBRANCES

The Purchaser acknowledges and agrees that if the Vendor's title to the Property is subject to any financial encumbrance which the Vendor is required to discharge pursuant to this Offer to Purchase, the Vendor will not be required to clear title prior to the receipt of the net sales proceeds but will be obligated to do so within a reasonable time following closing and the Purchaser will pay, or cause its solicitors to pay the balance of the adjusted Purchase Price to the Vendor's solicitors in trust on their undertaking to discharge any such financial encumbrance from the adjusted Purchase Price and obtain and register a discharge thereof within a reasonable time.

19. FEES AND EXPENSES

All documents as are necessary to complete the sale and purchase of the Property including the Transfer will be prepared at the expense of, and registered at the expense of, the Purchaser and all documents required to clear title to the Property of any of the Vendor's financial encumbrances will be prepared and registered by and at the expense of the Vendor. The Purchaser will pay the expense of registering the Transfer and any property transfer tax due in respect of the transfer of the Property to the Purchaser.

20. TENDER

Any tender of documents or money pursuant to this Offer to Purchase may be made upon the solicitor or notary public acting for the party on whom tender is desired, and it will be sufficient that a certified or trust account cheque is tendered instead of cash.

21. ENTIRE AGREEMENT

This Offer to Purchase (including the Schedules attached hereto) constitutes the entire agreement between the parties in respect of the Property, and it is understood and agreed that there are no representations, warranties or guarantees or promises affecting the Property or this Offer to Purchase except for those contained herein. It is further understood and agreed that there are no covenants, agreements, collateral agreements or

conditions affecting the Property or this Offer to Purchase other than as expressed in writing in this Offer to Purchase.

22. TIME

Time shall be of the essence hereof.

23. NOTICES

Any notices, requests or demands which may or are required to be given or made hereunder will be in writing and served personally, faxed or e-mailed as follows:

- (a) if to the Purchaser, to the address, fax number or e-mail address and to the person set out in section 1(a);
- (b) and if to the Vendor, to the address, fax number or e-mail address and to the person set out in section 1(b); and
- (c) with copies to Cushman at the address, fax number or e-mail address and to the person set out in section 1(c);

provided that either party may change its address, fax number or e-mail address by written notice to the other and in such event this section will be deemed to be amended accordingly. Any notice, request or demand given or made hereunder by personal delivery, fax or e-mail will be conclusively deemed to have been given or made on the day it is actually delivered, faxed or e-mailed unless it is delivered, faxed or e-mailed after 5:00 p.m. (Vancouver time) or on a day other than a business day, in which case it will be deemed to have been given or made on the next business day.

24. INDEPENDENT EXPERT ADVICE

Each of the Purchaser and the Vendor acknowledges and agrees that the real estate agents and brokerages involved in the transaction contemplated in this Offer to Purchase have been retained solely to provide real estate services and not as lawyers, tax advisors, lenders, certified appraisers, surveyors, structural engineers, building inspectors or other professional service providers and that it has been afforded the opportunity to seek other independent expert advice prior to its execution of this Offer to Purchase.

25. GOVERNING LAW

This Offer to Purchase and the agreement resulting therefrom will be construed according to and governed by the laws of the Province of British Columbia.

26. BINDING EFFECT

This Offer to Purchase will enure to the benefit of and be binding upon the Vendor and the Purchaser and their representative administrators, successors and permitted assigns.

27. BUSINESS DAY

- (a) In this Offer to Purchase, "business day" means a day other than a Saturday, Sunday or statutory holiday in British Columbia.

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- (b) If the date for the performance of any act or thing falls on a day which is a Saturday, Sunday or statutory holiday in British Columbia, then the date for the performance of such act or thing will be extended to the next business day.

28. JOINT AND SEVERAL

If either the Vendor or the Purchaser is comprised of more than one party, then all of the covenants, agreements, representations and warranties of each of the parties comprising the Vendor or the Purchaser, as the case may be, will be joint and several covenants, agreements, representations and warranties.

29. EXECUTION BY ELECTRONIC MEANS

This Offer to Purchase may be executed by the parties and transmitted by fax or other electronic means and if so executed and transmitted this Offer to Purchase will be for all purposes as effective as if the parties had delivered an executed original Offer to Purchase.

30. EXECUTION IN COUNTERPARTS

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

31. NO ASSIGNMENT

This Offer to Purchase cannot be assigned by the Purchaser without the prior written consent of the Vendor. In the event of any assignment of this Offer to Purchase by the Purchaser or any subsequent assignee thereof:

- (a) a true and complete copy of all documents setting out the terms of such assignment must be presented to the Vendor;
- (b) the Vendor will be entitled to receive any profit which would otherwise be payable to the Purchaser or any subsequent assignee thereof, or to any person affiliated or associated with the Purchaser or such assignee, as a result of such assignment; and
- (c) the Purchaser will not be released from its obligations under this Offer to Purchase.

32. ADDITIONAL CLAUSES

The additional clauses (if any) set out in Schedule D attached hereto are incorporated into and form part of this Offer to Purchase as fully as if they were set forth in the main body of this Offer to Purchase.

33. OFFER

This Offer to Purchase is irrevocable and open for acceptance by the Vendor, in the manner indicated below, until but not after 5:00 p.m. Vancouver local time on the Acceptance Date, and if not accepted on or before such time and date will be absolutely null and void. This Offer to Purchase may be accepted by the Vendor executing this Offer to Purchase and returning same to the Purchaser, and when accepted, this Offer to Purchase will constitute

a binding agreement of sale and purchase of the Property in accordance with the terms hereof.

The Purchaser has executed this Offer to Purchase this 28th day of September, 2018.

PURCHASER:

URSULA VERTONE

Per: *U. Vertone*
(Ursula Vertone)

VENDOR'S ACCEPTANCE

In consideration of the Purchaser paying the Initial Deposit to the Deposit Holder as provided in section 4(a), and in further consideration of the covenants and agreements of the Purchaser contained in this Offer to Purchase, the Vendor hereby accepts the Purchaser's offer herein and agrees to sell the Property to the Purchaser in accordance with the terms of this Offer to Purchase.

IN WITNESS WHEREOF the Vendor has executed this Offer to Purchase this 15th day of October, 2018.

VENDOR:

LOUIS RACZ CO LTD.

Per: *R. Racz*
(Authorized Signatory)

RITA RACZ
(Name & Title)

SCHEDULE A

PERMITTED ENCUMBRANCES

The Property is subject to the following Permitted Encumbrances:

1. the subsisting exceptions or reservations or other rights contained or reserved to the Crown in the original grant from the Crown;
2. the Contracts;
3. the Leases; and
4. all legal notations, charges, liens and interests which appear on the title search of the Lands attached to this Schedule A other than any financial encumbrances, which financial encumbrances are to be discharged by the Vendor on closing or pursuant to section 18 of this Offer to Purchase.

TITLE SEARCH PRINT

2018-07-13, 09:21:26

File Reference:

Requestor: Andrea Welburn

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

| | |
|---------------------------------------|--|
| Title Issued Under | SECTION 172 LAND TITLE ACT |
| Land Title District | VANCOUVER |
| Land Title Office | VANCOUVER |
| Title Number | 571591 |
| From Title Number | 496941 |
| Application Received | 1968-06-03 |
| Application Entered | 1968-06-07 |
| Registered Owner in Fee Simple | |
| Registered Owner/Mailing Address: | LOUIS RACZ CO. LTD., INC.NO. 72725 21 285 17TH STREET WEST VANCOUVER, BC |
| Taxation Authority | West Vancouver, The Corporation of the District of |
| Description of Land | |
| Parcel Identifier: | 010-793-763 |
| Legal Description: | LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902 |
| Legal Notations | NONE |
| Charges, Liens and Interests | |
| Nature: | MORTGAGE |
| Registration Number: | CA4672521 |
| Registration Date and Time: | 2015-09-14 08:44 |
| Registered Owner: | VANCOUVER CITY SAVINGS CREDIT UNION INCORPORATION NO. FI-97 |
| Remarks: | INTER ALIA |
| Nature: | ASSIGNMENT OF RENTS |
| Registration Number: | CA4672522 |
| Registration Date and Time: | 2015-09-14 08:44 |
| Registered Owner: | VANCOUVER CITY SAVINGS CREDIT UNION INCORPORATION NO. FI-97 |
| Remarks: | INTER ALIA |

- A-3 -

TITLE SEARCH PRINT

2018-07-13, 09:21:26

File Reference:

Requestor: Andrea Welburn

| | |
|-------------------------------------|------------------|
| Duplicate Indefeasible Title | NONE OUTSTANDING |
| Transfers | NONE |
| Pending Applications | NONE |

SCHEDULE B**CONDITIONS PRECEDENT****1. PURCHASER'S CONDITIONS**

The obligation of the Purchaser to complete the purchase of the Property on the Completion Date is subject to and conditional upon the following conditions precedent (the "**Purchaser's Conditions**") being satisfied or waived not later than 5:00 p.m. (Vancouver time) on the Purchaser's Condition Waiver Date, namely:

- (a) the Purchaser obtaining a report on the environmental condition of the Lands and the Building, which is satisfactory to the Purchaser in its sole discretion;
- (b) the Purchaser being satisfied in its sole discretion with the results of all physical investigations it undertakes or causes to be undertaken with respect to the Lands and the Building;
- (c) the Purchaser being satisfied in its sole discretion with its review of title to the Lands;
- (d) the Purchaser being satisfied in its sole discretion with its review of the Contracts, the Leases, the operating statements for the latest two years of the operation of the Property, the current rent roll for the Property and all other materials regarding the Property delivered by the Vendor;
- (e) the Purchaser being satisfied in its sole discretion with any other due diligence searches and investigations which it may have carried out with respect to the Property.

The Purchaser's Conditions are for the sole benefit of the Purchaser and may be unilaterally waived in writing in whole or in part by the Purchaser at any time up to and including the time specified above. If the Purchaser fails to notify the Vendor in writing of the satisfaction or waiver of all of the Purchaser's Conditions by the time specified above, this Offer to Purchase will be null and void. In such event, the Deposit Holder is hereby irrevocably directed by the Vendor and the Purchaser to forthwith repay the Initial Deposit and accrued interest, in full, to the Purchaser without deduction save for the sum of Ten Dollars (\$10.00) (which will be retained by the Vendor in any event as consideration for the Vendor agreeing to not revoke or withdraw this Offer to Purchase prior to the time specified above, except as may be permitted pursuant to any other provision included in this Schedule B), and thereafter neither party will have any further obligations to the other hereunder, except for the obligation of the Purchaser to maintain the confidentiality of all disclosed documents and instruments delivered to it, to return all copies of such documents and instruments and to indemnify the Vendor and/or tenants of the Lands or Building as set out in section 7 of this Offer to Purchase. The Vendor and the Purchaser will each promptly (and, in any event, within five days of this Offer to Purchase becoming null and void) execute and deliver such written agreement of both parties as is required by the

- B-5 -

Deposit Holder in order for it to repay the Initial Deposit and accrued interest, in full, to the Purchaser in accordance with this paragraph. If both parties do not sign such written agreement to release the Initial Deposit and accrued interest, then the parties will have to apply to Court for a determination of the deposit issue.

SCHEDULE C

REPRESENTATIONS AND WARRANTIES

The Vendor hereby represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser until the Warranty Survival Date regardless of any independent investigations that the Purchaser may cause to be made and regardless of the removal or waiver of any Purchaser's Conditions (as defined in Schedule B), that, subject to the limitations, if any, expressed herein:

- (a) the Vendor is a body corporate duly incorporated and validly existing under the laws of British Columbia and duly qualified to own and sell its interest in the Property;
- (b) the Vendor is in good standing with the Office of the Registrar of Companies for British Columbia with respect to the filing of annual reports and has never been dissolved;
- (c) all necessary corporate action on the part of the directors and shareholders of the Vendor has been taken to authorize and approve the execution and delivery of this Offer to Purchase, the completion of the transactions contemplated herein and the performance and observance of the Vendor's other obligations under this Offer to Purchase;
- (d) the Vendor will be on the Completion Date the sole beneficial owner of the Property free and clear of all liens, claims, judgments, charges, caveats and encumbrances whatsoever except the Permitted Encumbrances (subject to the provisions of this Offer to Purchase related to clearing title of the Vendor's financial encumbrances), and that the Vendor has the full right and authority to sell the Property and to transfer and assign valid title to the Property to the Purchaser;
- (e) to the best of its knowledge and information, all documents and instruments required to be delivered or made available to the Purchaser hereunder will be complete and accurate in all material respects as of the date of such delivery or communication to the Purchaser;
- (f) the Vendor is not and will not be at the Completion Date a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor does not have any employees employed to work at the Lands with respect to the operation thereof for which the Purchaser will be responsible following completion;
- (h) to the best of its knowledge and information, the Vendor is not in default under any of its obligations arising out of any of the Permitted Encumbrances or the Contracts;

- C-2 -

- (i) in respect of each of the Leases:
 - (i) each is a valid and subsisting lease or tenancy agreement, the Vendor is not in default thereunder and to the best of the Vendor's knowledge, no default by the tenant or other occupant exists thereunder except as disclosed by the Vendor to the Purchaser;
 - (ii) the Vendor is the absolute owner thereof and has not assigned, mortgaged, pledged, hypothecated or otherwise dealt with such Lease or rents payable thereunder (except in connection with any Vendor's financial encumbrances which are to be discharged by the Vendor pursuant to section 18 of this Offer to Purchase) and there is no existing right of defence, set off or counterclaim on the part of the lessee or tenant therein or any guarantor or indemnitor thereof against the Vendor;
 - (iii) all of the information set out in the rent roll delivered by the Purchaser pursuant to sections 7 and 16(a)(vi) of this Offer to Purchase will be true and complete;
- (j) to the best of the Vendor's knowledge, the Lands and Building are not subject to any outstanding work order or notice of defect or non-compliance from any federal, provincial, civic or municipal board or official or like authority; and
- (k) to the best of the Vendor's knowledge, the Building is wholly within the boundaries of the Lands and the location and existence of the Building does not infringe the provisions of any easement, right-of-way or encumbrance registered against or otherwise affecting the Lands and there are no improvements on any adjoining lands, whether public or private that encroach on the Lands;

The Vendor acknowledges that the Purchaser is relying on the foregoing representations, warranties, covenants and agreements in connection with the purchase by the Purchaser of the Property.

SCHEDULE D

ADDITIONAL CLAUSES

1. ENVIRONMENTAL REPORTS.

- (a) Any environmental reports (the “**Environmental Reports**”) concerning the Property which are delivered to the Purchaser pursuant to section 7 of this Offer to Purchase will be provided to the Purchaser on the basis that the Vendor is not making any representations or warranties as to the accuracy of the Environmental Reports, that the Vendor shall not have any liability for any errors or inaccuracies in the Environmental Reports and that the Purchaser is relying on its own investigations to satisfy itself as to the environmental condition of the Property.
- (b) Except as disclosed in the Environmental Reports, to the best of the Vendor’s knowledge, without having made any other inquiries, the Property is free of any explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, hydrocarbon contaminants, pollutants, contaminants, hazardous, corrosive or toxic substances or special waste or any other such substance which is regulated under any laws, regulations, bylaws or other lawful requirements of any governmental authority having jurisdiction over the Property and relating to environmental matters.

2. CONFIDENTIALITY.

Unless the sale and purchase of the Property contemplated by this Offer to Purchase is completed, the parties will not disclose to any third party the existence, contents or effect of this Offer to Purchase or any documents, materials or information (including the results of any due diligence tests, assessments or searches) provided pursuant to or obtained in relation to this Offer to Purchase, without the prior written consent of the other party, except that each party may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that each party may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.

3. SURVIVAL.

Notwithstanding anything to the contrary contained in this Offer to Purchase, all representations, warranties, covenants, agreements and indemnifications set out in sections 7, 8 and 9 of this Schedule D will survive the transfer of the Property from the Vendor to the Purchaser indefinitely.

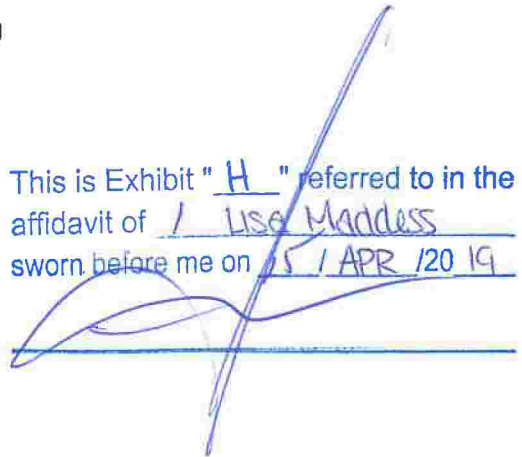
REPORTING LETTER PACKAGE

RE. SALE OF

1575 ESQUIMALT AVENUE, WEST VANCOUVER, BC

January 31, 2019

This is Exhibit " H " referred to in the
affidavit of 1 Lisa Maddess
sworn before me on 15 / APR / 20 19





Burns Fitzpatrick LLP
 Suite 1400, 510 Burrard Street,
 Vancouver, BC, Canada V6C 3A8
 t: 604.602.5000 | f: 604.685.2104

Contact: Scott A. Turner
 dir: 604.602.5005
 e: sturner@burnsfitz.com

File No. 020694

February 1, 2019

Louis Racz Co. Ltd.
 2363 Marine Drive
 West Vancouver, BC
 V7V 1K9

Attention: Rita Racz

Dear Mrs. Racz.:

**Re: Sale of 1575 Esquimalt Avenue, West Vancouver, BC to 1575E Holdings Ltd.
 Payout and discharge Mortgage No. CA4672521 and Assignment of Rents No. CA4672522, PPR Registration #8213901 (the "Vancity Charges")
 Completion Date: January 31, 2019**

We are pleased to report that the above-mentioned sale transaction is complete. We have received from Singleton Reynolds LLP, lawyers for the buyer, the sale proceeds of \$16,788,542.84 (\$16,788,557.84 - \$15 bank charge).

We have delivered to Vancouver City Saving Credit Union ("Vancity") the amount of \$1,759,281.79 for total pay out and discharge of the Vancity Charges as of January 31, 2019. We have also deposited \$15,000,000 into an interest bearing GIC account.

We enclose copies of the following documents for your records:

1. Consent to Assignment of Purchaser and Sale Agreement;
2. EFS Form Freehold Transfer;
3. Registered copy of the Form A Freehold Transfer bearing registration particulars;
4. Vendor's Statement of Adjustments;

February 1, 2019

page 2 of 2

5. Mutual Agreement to Re-Adjust;
6. Statutory Declaration pursuant to section 11 of the *Income Tax Act*;
7. GST Certificate;
8. Form 194-V-I-2 Certificate as to GST Exempt Used Residential Property Vendor is not a Builder;
9. Bill of Sale Absolute;
10. Agreement as to Purchase Price Allocation;
11. Assignment of Leases;
12. Assignment of Warranties and Guarantees;
13. Assignment Agreement with respect to the CertaPro painting contract;
14. Certificate of Representation and Warranties;
15. Certified copy of Resolutions of the Directors of the Vendor;
16. Officer's Certificate of the Vendor;
17. Notice and Direction to Tenants;
18. Payout statement from Vancity;
19. Our letter to Vancity forwarding mortgage payout funds;

We will follow up with Singleton Reynolds LLP regarding the payment of the special meter reading of the utilities of the property from the holdback of \$7,000.00. Any remaining funds of the holdback will be added to the total funds held in our trust account.

Very truly yours,

BURNS FITZPATRICK LLP

Per: Scott A. Turner*

*Denotes a Professional Law Corporation

SAT/jp
Enclosure

burnsfitz.com

CONSENT TO ASSIGNMENT OF PURCHASE AND SALE AGREEMENT

Dated this ___ day of December 2018

WHEREAS:

A. By an Offer to Purchase dated as of September 28th, 2018 accepted on October 15th, 2018 (together herein referred to as the "Purchase and Sale Agreement" or "PSA") Ursula Vertone (the "Purchaser") agreed to buy, and Louis Racz Co. Ltd. (the "Vendor") agreed to sell, on the terms therein set out, the property known as Cedar Terrace, located at 1575 Esquimalt Avenue, West Vancouver, B.C., legally described as :

Parcel Identifier: 010-793-763
 LOT 2 OF LOT B BLOCK 3 SOUTH ½ OF DISTRICT LOT 1055 PLAN 6902

Parcel Identifier: 008-837-368
 LOT B BLOCK 3 SOUTH ½ OF DISTRICT LOT 1055 PLAN 12609

(together, the "Lands")

B. The Purchaser wishes to assign the PSA and all of its right and interest therein, and to any deposit monies paid pursuant to the terms thereof, to a BC corporation (the "Holdco") to be incorporated for the sole purpose of holding title to the Property, and all the issued shares of which will be owned by Ursula Vertone and Frederick Vertone, and for that purpose has requested the consent of the Vendor to such assignment (the "Assignment");

Now for \$1.00, the mutual promises herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of them), the Vendor hereby grants to the Purchaser its consent to the Assignment, subject to the following provisos, namely;

- a) at the time of Closing of the purchase and sale transaction, the Purchaser shall deliver to the Vendor evidence satisfactory to the Vendor, acting reasonably, that all of the issued shares of the Holdco are held by Ursula Vertone and Frederick Vertone;
 - b) at the time of Closing of the purchase and sale transaction, the Purchaser shall deliver to the Vendor evidence satisfactory to the Vendor, acting reasonably, that the Assignment has been made for nominal consideration only, and that the Purchaser shall not receive or be entitled to receive any consideration other than nominal consideration for the Assignment; and
 - c) the Holdco shall have no right to further assign the PSA.
1. The parties hereto shall execute all such further documents and do such other things as the other party may reasonably request in order to give full effect to this Agreement, and without limiting the foregoing, the Purchaser shall deliver a copy of the signed Assignment to the Vendor's counsel within 3 days of the date hereof.
 2. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Signature Page to Consent to Assignment of Purchase and Sale Agreement

- 3. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.
- 4. This Agreement may be executed in counterparts and when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts, when taken together, shall constitute one and the same agreement. This Agreement may also be executed by facsimile and in counterparts as hereinbefore provided in this provision.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the date first above written.

By the Vendor

LOUIS RACZ CO. LTD.
By its Authorized Signatory:

(Print name)

I have authority to bind the Company

By the Purchaser

Ursula Vertone
Ursula Vertone

LAND TITLE ACT
FORM A (Section 185(1))
FREEHOLD TRANSFER 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)

Mark S. Thompson
Singleton Urquhart Reynolds Vogel LLP
1200 - 925 West Georgia Street
Vancouver BC V6C 3L2

Melanie Kalley, Paralegal
Phone No: 604-673-7468
File No: 70136.058

Deduct LTSA Fees? Yes

2a. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES

2b. MARKET VALUE: \$ 17,200,000.00

3. CONSIDERATION: \$ 17,200,000.00

4. TRANSFEROR(S):

LOUIS RACZ CO. LTD. (INC. NO. BC0072725)

5. FREEHOLD ESTATE TRANSFERRED: Fee Simple

6. TRANSFEREE(S): (including occupation(s), postal address(es) and postal code(s))

1575E HOLDINGS LTD.

1551 VINSON CREEK ROAD
WEST VANCOUVER


V7S 2Y4

BRITISH COLUMBIA
CANADA

Incorporation No
BC1190589

7. EXECUTION(S): The transferor(s) accept(s) the above consideration and understand(s) that the instrument operates to transfer the freehold estate in the land described above to the transferee(s)

Officer Signature(s)


SCOTT A. TURNER
Barrister & Solicitor
1400-810 BURNARD STREET
VANCOUVER, B.C. V6C 2A6

| Execution Date | | |
|----------------|----|----|
| Y | M | D |
| 19 | 01 | 30 |

Transferor(s) Signature(s)

LOUIS RACZ CO. LTD.
by its authorized signatory(ies):


Print Name: Kila Racz

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

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

008-837-368 LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 12609

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

010-793-763 LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM A (Section 185(1))
FREEHOLD TRANSFER

Jan-31-2019 09:02:27.001

CA7325915 CA7325916

PAGE 1 OF 2 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.

Mark Swallow
Thompson
PCB4J3

Digitally signed by Mark Swallow Thompson PCB4J3
Date: 2019.01.30 17:18:36 -08'00'

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

Mark S. Thompson
Singleton Urquhart Reynolds Vogel LLP
1200 - 925 West Georgia Street
Vancouver BC V6C 3L2
Document Fees: \$143.16

Melanie Kalley, Paralegal
Phone No: 604-673-7468
File No: 70136.058

Deduct LTSA Fees? Yes

2a. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES

2b. MARKET VALUE: \$ 17,200,000.00

3. CONSIDERATION: \$ 17,200,000.00

4. TRANSFEROR(S):

LOUIS RACZ CO. LTD. (INC. NO. BC0072725)

5. FREEHOLD ESTATE TRANSFERRED: Fee Simple

6. TRANSFEREE(S): (including occupation(s), postal address(es) and postal code(s))

1575E HOLDINGS LTD.

1551 VINSON CREEK ROAD
WEST VANCOUVER

V7S 2Y4

BRITISH COLUMBIA
CANADA

Incorporation No
BC1190589

7. EXECUTION(S): The transferor(s) accept(s) the above consideration and understand(s) that the instrument operates to transfer the freehold estate in the land described above to the transferee(s)

Officer Signature(s)

SCOTT A. TURNER
Barrister & Solicitor
1400 - 510 Burrard Street
Vancouver, BC V6C 3A6

| Execution Date | | |
|----------------|----|----|
| Y | M | D |
| 19 | 01 | 30 |

Transferor(s) Signature(s)

LOUIS RACZ CO. LTD.
by its authorized signatory(ies):

Print Name: Rita Racz

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

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

008-837-368 LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 12609

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

010-793-763 LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

VENDOR'S STATEMENT OF ADJUSTMENTS

Vendor: LOUIS RACZ CO. LTD. (the "Vendor")

Purchaser: 1575E HOLDINGS LTD. (the "Purchaser")

Civic: 1575 Esquimalt Avenue, West Vancouver, British Columbia

Legals: Parcel Identifier: 008-837-368
 Lot B Block 3 South ½ of District 1055 Plan 12609
 and
 Parcel Identifier: 010-793-763
 Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
 (together, the "Property")

Completion Date: January 31, 2019
 Adjustment Date: January 31, 2019
 Possession Date: January 31, 2019

| | DEBIT | CREDIT |
|--|------------------------|-----------------|
| Purchase Price | | \$17,200,000.00 |
| Lands: | \$14,184,966.88 | |
| Improvements: | \$ 2,755,233.10 | |
| Chattels: | \$60,000.00 | |
| Purchase Price: | \$17,200,000.00 | |
| Deposit of \$1,000,000.00 held in trust by Cushman & Wakefield (Balance of deposit in the amount of \$638,800.00 is held in trust by Singleton Urquhart LLP as part of the Purchaser's funds required to complete the purchase of the Property) | | |
| Listing/Selling commission to be released from trust by Cushman & Wakefield after closing \$344,000.00 plus GST of \$17,200.00 = \$361,200.00 | \$361,200.00 | |
| Vendor's portion of estimated 2019 property taxes based on the 2018 District of West Vancouver (the "District") Property Tax Certificate (\$25,703.77) + 5% estimated increase (\$1,285.19), for the period January 1, 2019 to and including January 30, 2019 to be paid by the Purchaser: \$26,988.96 x 30/365 = \$2,218.27 | \$2,218.27 | |

| | DEBIT | CREDIT |
|---|-----------------|-----------------|
| <p>Metered Utilities – No Adjustment Singleton Urquhart Reynolds Vogel LLP has requested a special reading of the metered utilities for the Property on the Adjustment Date, and will hold back sufficient funds from the sale proceeds for payment of the special reading account to the District after closing. Any excess funds will be returned to the Vendor.</p> <p>Hold back for payment of the Utilities Special Read account = \$7,000.00</p> | \$7,000.00 | |
| <p>Purchaser's portion of January 2019 Rent of \$40,627.00 paid to the Vendor : \$40,627.00 x 1/31 = \$1,310.55</p> | \$1,310.55 | |
| <p>Credit to Purchaser for Security Deposits held by Vendor</p> | \$17,705.25 | |
| <p>Credit to Purchaser for interest on Security Deposits Units 102, 205, 304, 402, 501, 503, 603 and 701</p> | \$326.84 | |
| <p>Credit to Purchaser for hold back of the unpaid portion of the CertaPro Painters contract to correct deficiencies (\$33,625.00 minus \$11,943.75 = \$21,681.25)</p> | \$21,681.25 | |
| <p>Balance payable to Burns Fitzpatrick LLP, In Trust</p> | \$16,788,557.84 | |
| <p>TOTAL:</p> | \$17,200,000.00 | \$17,200,000.00 |

NOTES:

This statement is based on information provided to Singleton Urquhart Reynolds Vogel LLP by provincial and municipal offices, and others. The information is believed to be correct, but its accuracy cannot be guaranteed. Errors and omissions are excepted.

1. Electric meter and gas meter (if any) to be read as of possession date and accounts up to that time to be paid by the Vendor, and confirmed to the Purchaser thereafter.
2. The Purchaser is responsible for placing its own insurance coverage. The Vendor's insurance coverage should not be cancelled until after completion of the sale.
3. Any items not specifically adjusted in this statement or requiring re-adjustment should be adjusted and settled directly between the Vendor and the Purchaser within a reasonable period of time following the Completion Date.
4. As between the Vendor and the Purchaser, Singleton Urquhart Reynolds Vogel LLP acts solely for the Purchaser.
5. The Vendor hereby irrevocably authorizes and instructs Singleton Urquhart Reynolds Vogel LLP to disburse the proceeds as set out above and, upon and after closing, to pay the balance of the sale proceeds due to the Vendor to Burns Fitzpatrick LLP, In Trust, for the Vendor.

APPROVED and CONSENTED TO the 30th day of January, 2019.

LOUIS RACZ CO. LTD.
by its authorized signatory(ies):



Name: Rita Racz
Title: Director

Name:
Title:

E. & O.E

MUTUAL AGREEMENT TO RE-ADJUST

THIS AGREEMENT is dated effective the 31st day of January, 2019.

BETWEEN:

LOUIS RACZ CO. LTD.
(Inc. No. BC0072725)
of 5670 Yew Street, Vancouver, BC V6M 3Y3

(collectively, the "Vendor")

AND:

1575E HOLDINGS LTD.
(Inc. No. BC1190589)
of 1551 Vinson Creek Road, West Vancouver, BC V7S 2Y4

(the "Purchaser")

WHEREAS:

A. By an Offer to Purchase dated for reference September 28, 2018, as amended from time to time (collectively, the "**Purchase Agreement**") made between the Vendor and Ursula Vertone, as purchaser ("**Ursula**"), the Vendor agreed to sell and the Purchaser agreed to purchase the lands and premises located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, and legally described as:

Parcel Identifier: 008-837-368
Lot B Block 3 South ½ of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
(together, the "**Property**")

on the terms and conditions set forth in the Purchase Agreement; and

B. By an Assignment of Contract of Purchase and Sale (the "**Assignment**") dated the 19th day of December 2018, Ursula agreed to assign her interest in the Purchase Agreement and any deposit monies (the "**Deposit**") paid pursuant to the Purchase Agreement to the Purchaser, and the Purchaser has agreed to acquire Ursula's interest in the Purchase Agreement and the Deposit, to assume all of the obligations of the purchaser in the Purchase Agreement and to complete the Purchase Agreement in accordance with the terms thereof; and

C. The purchase and sale of the Property from the Vendor to the Purchaser is scheduled to complete on January 31, 2019 or such other date as may be agreed in writing by the Vendor and the Purchaser (the "**Completion Date**"); and

D. The Vendor and the Purchaser wish to confirm their agreement to make final adjustments

with respect to any matter for which an estimate was used and to rectify any errors or omissions in the adjustments carried out as of the Completion Date.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements contained in the Purchase Agreement and this Agreement, the parties covenant and agree as follows:


1. If the cost or amount of an item in respect of the Property was adjusted on the Completion Date based on an estimate, the Vendor and the Purchaser will make final adjustments with respect to such item as soon as reasonably possible following the Completion Date and the Vendor and the Purchaser will re-adjust in order to rectify any errors or omissions in the adjustments carried out on the Completion Date in respect of the purchase and sale of the Property from time to time as and when any such errors or omissions are discovered. Notwithstanding the foregoing, the parties agree that all final adjustments and re-adjustments to be carried out pursuant to this section 1 must be identified within the 30-day period following the Completion Date, after which all adjustments, saved for any identified within such period, will be final.
2. If the parties are unable to agree upon the amount of any adjustments to be made in accordance with this Agreement, such amount will be determined by independent auditors acceptable to the Vendor and the Purchaser, each acting reasonably, with the cost of such auditors' determination being shared equally between the Vendor and the Purchaser.
3. This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable therein, and the courts of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.
4. No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
5. The Vendor and the Purchaser will, from time to time, execute and deliver all such further documents and instruments, and do such further acts and things as the other party may reasonably require to carry out effectively or better evidence or perfect the full intent and meaning of this Agreement.
6. If either the Vendor or the Purchaser is comprised of more than one party, all the covenants, agreements, representations, warranties and indemnities of the Vendor and the Purchaser in this Agreement, as the case may be, will be deemed to be joint and several covenants, agreements, representations, warranties and indemnities of each such parties.
7. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

8. This Agreement may be executed in any number of counterparts with the same effect as if all the parties had signed the same document and will become effective when all parties have executed and delivered their respective counterparts.
9. This Agreement may be executed by the parties and transmitted by facsimile or electronic means, and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

Executed this 30th day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:



Name: Rida Racz
Title: Director

Executed this ____ day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:

Name: Frederick Donald Vertone
Title: President

8. This Agreement may be executed in any number of counterparts with the same effect as if all the parties had signed the same document and will become effective when all parties have executed and delivered their respective counterparts.
9. This Agreement may be executed by the parties and transmitted by facsimile or electronic means, and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

Executed this ____ day of January, 2019

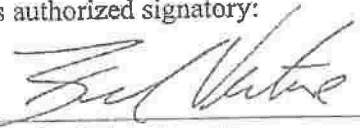
LOUIS RACZ CO. LTD.
by its authorized signatory:

Name:

Title:

Executed this 29 day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:



Name: Frederick Donald Vertone

Title: President

| | | |
|------------------|---|--|
| CANADA |) | IN THE MATTER OF SECTION 116 OF THE INCOME TAX ACT R.S.C 1985, Chap. 1 (5th supp.), AS AMENDED, AND IN THE MATTER OF THE SALE OF the property legally described as Parcel Identifier: 008-837-368 Lot B Block 3 South ½ of District 1055 Plan 12609 and Parcel Identifier: 010-793-763 Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 6902 (together, the "Property") |
| PROVINCE OF |) | |
| BRITISH COLUMBIA |) | |
| |) | |
| |) | |
| |) | |

I, Rita Racz, of 2363 Marine Drive, West Vancouver, British Columbia,
 SOLEMNLY DECLARE THAT:

1. I am the sole director of Louis Racz Co. Ltd. (the "Vendor") and as such have personal knowledge of the matters declared to below.
2. The Vendor has agreed to sell the Property to 1575E Holdings Ltd. (the "Purchaser") for a gross selling price of \$17,200,000.00.
3. The Vendor was incorporated in Canada and has, continuously since its incorporation, had and now has its head office and chief place of business in Canada. The Vendor has, since its incorporation, continuously carried on and is now carrying on business in Canada. The ownership and control of the Vendor has, continuously since being incorporated, remained and still remains in Canada.
4. The Vendor has no present intention of removing its head office or chief place of business from Canada, or of ceasing to continue to carry on business in Canada.
5. I verily believe that the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* of Canada.
6. As a resident for the purposes of the *Income Tax Act* of Canada, the Vendor has filed or is intending to file income tax returns for the now current taxation year and has continuously filed such income tax returns for and during all those periods of business carried on in Canada.
7. I make this statutory declaration for the express purpose of informing the Purchaser, pursuant to section 116 of the *Income Tax Act* of Canada, as to whether the Vendor is a resident or non-resident of Canada.
8. For the purpose of the Purchaser complying with the Property Transfer Tax Return (version 31), I hereby certify and declare the following and hereby consent to the release of this information to the Purchaser's solicitor:

(a) Vendor's address:

5670 Yew Street, Vancouver, BC V6M 3Y3

(b) Vendor's telephone number:

604-908-7048

AND I MAKE this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

DECLARED before me at Vancouver, British Columbia, this 20 day of January, 2019.

A Commissioner for taking Affidavits within British Columbia.

Name:

R. Raay
Rita Raay

SCOTT A. TURNER
Barrister & Solicitor
1400-510 BURRARD STREET
VANCOUVER, B.C. V5C 3A6

GOODS & SERVICES TAX/HARMONIZED SALES TAX CERTIFICATE

FROM: Louis Racz Co. Ltd. (the "Vendor")

TO: 1575E Holdings Ltd. (the "Purchaser")

SALE OF: 1575 Esquimat Avenue, West Vancouver, British Columbia,
known as Cedar Terrace

LEGAL: Parcel Identifier: 008-837-368
Lot B Block 3 South 1/2 of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South 1/2 of District 1055 Plan 12609
(together, the "Property")

1. EXEMPT:

The above sale is exempt from GST/HST because it is:

- A sale of used residential housing other than substantially renovated property;
- A sale of personal-use land by an individual or trust that is a sale not in the course of business;
- A sale of personal-use farmland to related individual(s);
- A sale of real property by a charity, non-profit organization or other public service organization;
- Other: _____

2. TAXABLE:

A. The above sale is subject to GST/HST because it is:

- The sale of a new house;
- A sale of land by an individual that is a sale in the course of a business activity;
- The sale of new or used non-residential property;
- A sale of renovated housing;
- Other: _____

B. GST/HST on the above sale is:

- (a) Payable by the Purchaser to the Vendor who is responsible to remit same to Canada Revenue Agency; and
 - The Vendor is registered for GST/HST purposes, the Number is _____; or
 - The Vendor is not registered for GST/HST purposes and will self-assess the tax and remit to Canada Customs and Revenue Agency as required;
- (b) Payable by the Purchaser, who will self-assess the tax and remit same to Canada Customs and Revenue Agency, as required, because:


- 2 -

- The Vendor is a non-resident; or
- The sale is of non-residential property to a person registered for GST/HST purposes; or
- The sale is of residential property to a person registered for GST/HST purposes other than an individual.

The Vendor acknowledges that the Purchaser is relying on this certificate in connection with the purchase of the Property.

DATED this 30th day of January 2019.

LOUIS RACZ CO. LTD.
by its authorized signatory:


Name: Killa Racz
Title: Director

FORM 194-V-I-2

CERTIFICATE AS TO GST-EXEMPT USED RESIDENTIAL PROPERTY:
VENDOR IS NOT A BUILDER
(Schedule V, Part I, Section 2)

FROM: LOUIS RACZ CO. LTD. (the "Vendor")
TO: 1575E HOLDINGS LTD. (the "Purchaser")
RE: Sale of an apartment building located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, known as CEDAR TERRACE and legally described as:
Parcel Identifier: 008-837-368
Lot B Block 3 South 1/2 of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South 1/2 of District 1055 Plan 6902
(together, the "Property")

THE VENDOR HEREBY CERTIFIES TO THE PURCHASER THAT THE SALE OF THE VENDOR'S INTEREST IN THE PROPERTY IS AN EXEMPT SUPPLY FOR FEDERAL GOODS AND SERVICES TAX PURPOSES UNDER SECTION 2 OF PART I OF SCHEDULE V TO THE EXCISE TAX ACT (THE "ETA") BECAUSE:


1. The entire Property is a residential complex or an interest therein.
2. The Vendor is the registered and beneficial owner of the interest in the Property.
3. The Vendor is not the builder of the residential complex located on the Property and, if the Property is a multiple unit residential complex, is not the builder of an addition to the multiple unit residential complex.
4. The Vendor has not claimed (and will not in the future claim) an input tax credit in respect of the acquisition of, or an improvement to, the Property.

The Vendor acknowledges that the Purchaser is relying on this Certificate in connection with the purchase of the Property.

Each term that is used in this Certificate and that is defined in, and for the purposes of, Part IX of the ETA has the meaning assigned to it in Part IX of the ETA.

DATED: January 30, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:


Print Name: Rita Racz

BILL OF SALE ABSOLUTE

THIS BILL OF SALE ABSOLUTE is effective the 31st day of January, 2019.

BETWEEN:

LOUIS RACZ CO. LTD.
(Inc. No. BC0072725)
of 5670 Yew Street, Vancouver, BC V6M 3Y3

(collectively, the "**Vendor**")

AND:

1575E HOLDINGS LTD.
(Inc. No. BC1190589)
of 1551 Vinson Creek Road, West Vancouver, BC V7S 2Y4

(the "**Purchaser**")

WHEREAS:

- A. By an Offer to Purchase dated for reference September 28, 2018, as amended from time to time (collectively, the "**Purchase Agreement**") made between the Vendor and Ursula Vertone, as purchaser ("**Ursula**"), the Vendor agreed to sell and the Purchaser agreed to purchase the lands and premises located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, and legally described as:

Parcel Identifier: 008-837-368
Lot B Block 3 South ½ of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
(together, the "**Property**")

on the terms and conditions set forth in the Purchase Agreement.

- B. By an Assignment of Contract of Purchase and Sale (the "**Assignment**") dated the 19th day of December 2018, Ursula agreed to assign her interest in the Purchase Agreement and any deposit monies (the "**Deposit**") paid pursuant to the Purchase Agreement to the Purchaser, and the Purchaser has agreed to acquire Ursula's interest in the Purchase Agreement and the Deposit, to assume all of the obligations of the purchaser in the Purchase Agreement and to complete the Purchase Agreement in accordance with the terms thereof.
- C. The Vendor is the legal and beneficial owner of all chattels, movables and other personal property located on the Lands, including, but not limited to the chattels listed in Schedule "A" attached hereto (the "**Assets**").

NOW THIS AGREEMENT WITNESSES THAT in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration now paid by or on behalf of the Purchaser to the Vendor (the receipt and sufficiency of which are acknowledged), the parties covenant and agree as follows:


1. The Vendor sells, assigns, transfers and sets over and by these presents does sell, assign, transfer and set over unto the Purchaser all of the Vendor's right, title and interest in and to the Assets and all the right, title, interest, property, claim and demand whatsoever both at law and in equity, or otherwise, of the Vendor, in and to the same, to have and to hold the Assets to the Purchaser for its own use absolutely.
2. The Vendor covenants that:
 - (a) the Vendor has all necessary power, capacity and authority to own the Assets, to enter into this Bill of Sale on the terms and conditions herein set forth, and to transfer and sell the Assets to the Purchaser as contemplated herein;
 - (b) the Vendor is now rightfully and absolutely possessed of and entitled to legal and beneficial interest in the Assets;
 - (c) the Assets are free and clear of all charges and encumbrances;
 - (d) the Assets are in good operating condition and are in a good state of repair and maintenance, reasonable wear and tear excepted;
 - (e) the Vendor will from time to time upon reasonable request of the Purchaser make, do and execute all such further acts, deeds and assurances for the more effectually assigning and assuring the Assets unto the Purchaser; and
 - (f) the entering into, execution and delivery of this Bill of Sale and the consummation of the transaction contemplated hereby will not result in the violation of any of the terms and provisions of the constating documents of the Vendor or of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over the Vendor or the Assets or of any indenture, contract or agreement, written or oral, to which the Vendor may be a party; and the entering into, execution and delivery of this Bill of Sale and consummation of the transaction contemplated hereby have been duly and validly authorized by all necessary corporate actions of the Vendor..
3. The provisions contained in this Bill of Sale are subject to the Purchase Agreement and in the event of any conflict or inconsistency between the provisions of this Bill of Sale and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.
4. The provisions of this Bill of Sale shall not supersede or merge with any provision contained in the Purchase Agreement.

- 5. This Bill of Sale shall enure to the benefit of the Purchaser and its successors and permitted assigns, and shall be binding upon the Vendor and its successors and permitted assigns.
- 6. This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of British Columbia. All disputes arising out of or in connection with this Bill of Sale shall be submitted to and subject to the exclusive jurisdiction of the courts of British Columbia.
- 7. Wherever the singular and masculine are used throughout this Bill of Sale, the same shall be construed as meaning the plural or the feminine or body corporate or politic where the context or the parties so require.
- 8. If any provision or provisions of this Bill of Sale shall be held to be invalid, illegal or unenforceable, such provision shall be enforced to the fullest extent permitted by applicable law, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 9. This Bill of Sale may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Bill of Sale on the dates set out below.

Executed this 30th day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:


 Name: Rita Racz
 Title: Director

Executed this ____ day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:

 Name: Frederick Donald Vertone
 Title: President

5. This Bill of Sale shall enure to the benefit of the Purchaser and its successors and permitted assigns, and shall be binding upon the Vendor and its successors and permitted assigns.
6. This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of British Columbia. All disputes arising out of or in connection with this Bill of Sale shall be submitted to and subject to the exclusive jurisdiction of the courts of British Columbia.
7. Wherever the singular and masculine are used throughout this Bill of Sale, the same shall be construed as meaning the plural or the feminine or body corporate or politic where the context or the parties so require.
8. If any provision or provisions of this Bill of Sale shall be held to be invalid, illegal or unenforceable, such provision shall be enforced to the fullest extent permitted by applicable law, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
9. This Bill of Sale may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Bill of Sale on the dates set out below.

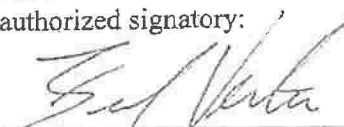
Executed this ____ day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:

Name:
Title:

Executed this 29 day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:



Name: Frederick Donald Vertone
Title: President

SCHEDULE "A"

THE ASSETS

All chattels, movables and other personal property located on the Lands, including, but not limited to the chattels listed below:

1. Fourteen (14) washers;
2. Fourteen (14) dryers;
3. Thirty-one (31) stoves; and
4. Thrity-one (31) refrigerators.

SCHEDULE "A"

THE ASSETS

All chattels, movables and other personal property located on the Lands, including, but not limited to the chattels listed below:

- 1. ~~Fourteen (14)~~ ^{SIX} ~~6~~ washers;
- 2. ~~Fourteen (14)~~ ^{SIX} ~~6~~ dryers;
- 3. Thirty-one (31) stoves; and
- 4. Thrity-one (31) refrigerators.

AGREEMENT AS TO PURCHASE PRICE ALLOCATION

Between:

LOUIS RACZ CO. LTD.
 (Inc. No. BC0072725)
 of 5670 Yew Street, Vancouver, BC V6M 3Y3
 (the "**Vendor**")

And:

1575E HOLDINGS LTD.
 (Inc. No. BC1190589)
 of 1551 Vinson Creek Road, West Vancouver, BC V7S 2Y4
 (the "**Purchaser**")

WHEREAS:

- A. By an Offer to Purchase dated for reference September 28, 2018, as amended from time to time (collectively, the "**Purchase Agreement**") made between the Vendor and Ursula Vertone, as purchaser ("**Ursula**"), the Vendor agreed to sell and the Purchaser agreed to purchase the lands and premises located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, known as Cedar Terrace, and legally described as:

Parcel Identifier: 008-837-368
 Lot B Block 3 South ½ of District 1055 Plan 12609
 and
 Parcel Identifier: 010-793-763
 Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
 (together, the "**Property**")

on the terms and conditions set forth in the Purchase Agreement for the purchase price of \$17,200,000.00.

- B. Assignment of Contract of Purchase and Sale (the "**Assignment**") dated the 19th day of December 2018, Ursula agreed to assign her interest in the Purchase Agreement and any deposit monies (the "**Deposit**") paid pursuant to the Purchase Agreement to the Purchaser, and the Purchaser has agreed to acquire Ursula's interest in the Purchase Agreement and the Deposit, to assume all of the obligations of the purchaser in the Purchase Agreement and to complete the Purchase Agreement in accordance with the terms thereof;
- C. The Purchase Agreement was silent as to the allocation of the purchase price between land, building and chattels.
- D. The parties wish to enter into this Agreement to document their agreement as to the allocation of such purchase price as aforesaid.


NOW WITNESSETH THAT, in consideration of the premises and the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. that the purchase price for the Property shall be allocated as follows:
 - (a) chattels and appliances - \$60,000.00;
 - (b) Building - \$2,755,233.10;
 - (c) Land - \$14,184,966.88;

Total: \$17,200,000.00
2. the parties agree that all tax returns, reports, communications and filings made by the parties to Canada Revenue Agency shall adopt, maintain and state values consistent with the agreed allocation herein set out;
3. this Agreement may be signed in counterparts which together will constitute a single agreement; and
4. this Agreement shall enure to the benefit and burden of the parties hereto and their respective heirs, successors, assigns and representatives.

Executed this 30th day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:



Name: R. Racz
Title: Director

Executed this ____ day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:

Name: Frederick Donald Vertone
Title: President

- 2 -

1. that the purchase price for the Property shall be allocated as follows:
 - (a) chattels and appliances - \$60,000.00;
 - (b) Building - \$2,755,233.10;
 - (c) Land - \$14,184,966.88;

Total: \$17,200,000.00
2. the parties agree that all tax returns, reports, communications and filings made by the parties to Canada Revenue Agency shall adopt, maintain and state values consistent with the agreed allocation herein set out;
3. this Agreement may be signed in counterparts which together will constitute a single agreement; and
4. this Agreement shall enure to the benefit and burden of the parties hereto and their respective heirs, successors, assigns and representatives.


Executed this 29 day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:

Name:
Title:

Executed this 29 day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:



Name: Frederick Donald Vertone
Title: President

ASSIGNMENT OF LEASES

THIS AGREEMENT dated effective the 31st day of January, 2019 (the "**Effective Date**").

BETWEEN:

LOUIS RACZ CO. LTD.
(Inc. No. BC0072725)
of 5670 Yew Street, Vancouver, BC V6M 3Y3

(the "**Vendor**")

AND:

1575E HOLDINGS LTD.
(Inc. No. BC1190589)
of 1551 Vinson Creek Road, West Vancouver, BC V7S 2Y4

(the "**Purchaser**")

WHEREAS:

- A. By an Offer to Purchase dated for reference September 28, 2018, as amended from time to time (collectively, the "**Purchase Agreement**") made between the Vendor and Ursula Vertone, as purchaser ("**Ursula**"), the Vendor agreed to sell and the Purchaser agreed to purchase the lands and premises located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, known as Cedar Terrace, and legally described as:

Parcel Identifier: 008-837-368
Lot B Block 3 South ½ of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
(together, the "**Property**")

on the terms and conditions set forth in the Purchase Agreement;

- B. By an Assignment of Contract of Purchase and Sale (the "**Assignment**") dated the 19th day of December 2018, Ursula agreed to assign her interest in the Purchase Agreement and any deposit monies (the "**Deposit**") paid pursuant to the Purchase Agreement to the Purchaser, and the Purchaser has agreed to acquire Ursula's interest in the Purchase Agreement and the Deposit, to assume all of the obligations of the purchaser in the Purchase Agreement and to complete the Purchase Agreement in accordance with the terms thereof; and
- B. The Vendor has agreed to assign to the Purchaser all of the Vendor's right, title and interest in and to those leases and related documents entered into with those persons listed in Schedule "A" in respect of the Lands (collectively, the "**Leases**") and to all rents, profits and other amounts (collectively, the "**Rents**") accruing due or to become due under the Leases or otherwise derived from the Lands, and the Purchaser has agreed to accept such assignment.

THEREFORE in consideration of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assignment. From and after the Effective Date, the Vendor assigns, transfers and sets over to the Purchaser all of the Vendor's right, title and interest in and to the Leases, and all Rents and all other rights, benefits and advantages to be derived from the Leases, including the benefit of any guarantees and indemnities given to the Vendor in respect of the Leases and the Rents, to have and to hold for the Purchaser's sole use and benefit, and with full power and authority to exercise and enforce any right of the Vendor in respect thereof, including the right to demand, collect, sue for, distrain for, recover, receive and give receipts for all rent and other money payable thereunder on or after the Effective Date and to enforce payment thereof.
2. Prior Obligations. The Vendor covenants and agrees to observe and perform all the covenants, agreements and obligations of the landlord under the Leases to be observed or performed up to the Effective Date.
3. Assumption. The Purchaser agrees to assume, and will observe and perform, all of the obligations of the landlord under the Leases to be observed or performed as of and from the Effective Date.
4. Vendor's Representations and Warranties. The Vendor represents and warrants to the Purchaser that:
 - (a) the tenants under the leases are not, to the Vendor's knowledge, in default of any provisions under the Leases except for such defaults that have been disclosed in writing by the Vendor to the Purchaser;
 - (b) the Vendor has not granted any free rent or accepted any deposits or other payments made in advance of the time for payment thereof, or granted any rights or concessions under the Leases, except as stated therein or disclosed in writing by the Vendor to the Purchaser; and
 - (c) to the best of the Vendor's knowledge, there is no right or claim on the part of any tenant against the Vendor under the Leases.
5. Further Assurances. The Vendor agrees with the Purchaser that it will from time to time and at all times hereafter at the request of the Purchaser execute and deliver to the Purchaser such further assurances for the better and more perfect assignment to the Purchaser of the Leases, as the Purchaser may reasonably require.
6. Binding Effect. This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.
7. Captions. The captions appearing in the Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

8. Severability. The invalidity or unenforceability of any provision of this Agreement or any part thereof shall not affect the validity or enforceability of the remainder of this Agreement or such provision.
9. Governing Law. This Agreement shall be governed by and construed in accordance with the law of British Columbia and the laws of Canada applicable therein and the courts in the Province of British Columbia will have the exclusive jurisdiction to adjudicate issues relating to this Agreement.
10. Survival of Terms. The covenants of this Agreement will survive the execution and delivery of this Agreement and the assignment contemplated herein, and will continue in full force and effect.
11. Counterparts. This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission and those counterparts will together constitute one and the same instrument.

The parties have executed this Agreement as of the dates set forth below, and this Agreement is effective the date first above written.

Executed this 30th day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:



Name: Rida Racz
Title: Director

Executed this ____ day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:

Name: Frederick Donald Vertone
Title: President

- 8. Severability. The invalidity or unenforceability of any provision of this Agreement or any part thereof shall not affect the validity or enforceability of the remainder of this Agreement or such provision.
- 9. Governing Law. This Agreement shall be governed by and construed in accordance with the law of British Columbia and the laws of Canada applicable therein and the courts in the Province of British Columbia will have the exclusive jurisdiction to adjudicate issues relating to this Agreement.
- 10. Survival of Terms. The covenants of this Agreement will survive the execution and delivery of this Agreement and the assignment contemplated herein, and will continue in full force and effect.
- 11. Counterparts. This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission and those counterparts will together constitute one and the same instrument.

The parties have executed this Agreement as of the dates set forth below, and this Agreement is effective the date first above written.

Executed this ____ day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:

Name:
Title:

Executed this 29 day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:



Name: Frederick Donald Vertone
Title: President

SCHEDULE "A"

THE LEASES

See Attached

Rent Roll
 Property=6603
 Rent Charge=rent
 Rent Account=4101-0000
 mm/yy=01/2019

Page 1
 1/11/2019
 11:32 AM

| Property | Unit | Tenant | Name | Monthly Rent | Actual Charges | Vacancy |
|----------|------|----------|--|--------------|----------------|---------|
| 6603 | 0102 | 10061410 | SHAHROKH VAHID | 1,186.00 | 1,186.00 | 0.00 |
| 6603 | 0201 | 10061411 | ARYA GHARIB | 1,940.00 | 1,940.00 | 0.00 |
| 6603 | 0202 | 10087188 | Natalya Gladchenko & Varvara Gladchen | 1,326.00 | 1,326.00 | 0.00 |
| 6603 | 0203 | 10061413 | GEORGIE MAROUNEK | 925.00 | 925.00 | 0.00 |
| 6603 | 0204 | 10061414 | Joseph Dumas | 1,086.00 | 1,086.00 | 0.00 |
| 6603 | 0205 | 10061415 | Larry Whitby | 1,081.00 | 1,081.00 | 0.00 |
| 6603 | 0301 | 10078092 | Roo A Wyda | 1,866.00 | 1,866.00 | 0.00 |
| 6603 | 0302 | 10061417 | HOMA SOLEIMANI & NAVID ROHANI M | 1,293.00 | 1,293.00 | 0.00 |
| 6603 | 0303 | 10083416 | Henrich Kuna | 1,092.00 | 1,092.00 | 0.00 |
| 6603 | 0304 | 10061419 | Fereshte Vadadi | 1,114.00 | 1,114.00 | 0.00 |
| 6603 | 0305 | 10061420 | Margaret Lamont | 1,148.00 | 1,148.00 | 0.00 |
| 6603 | 0401 | 10061421 | Salma Dang | 1,816.00 | 1,816.00 | 0.00 |
| 6603 | 0402 | 10061422 | Barry Nelson | 1,246.00 | 1,246.00 | 0.00 |
| 6603 | 0403 | 10066830 | Philippa Prescott | 1,021.00 | 1,021.00 | 0.00 |
| 6603 | 0404 | 10066164 | Raylene Pinotti | 1,275.00 | 1,275.00 | 0.00 |
| 6603 | 0405 | 10082260 | Gerald Squire & Andrew Squire | 1,346.00 | 1,346.00 | 0.00 |
| 6603 | 0501 | 10061426 | Alaine Nolte | 1,735.00 | 1,735.00 | 0.00 |
| 6603 | 0502 | 10061427 | PAUL MOCHULA | 1,286.00 | 1,286.00 | 0.00 |
| 6603 | 0503 | 10061428 | Patrick Lyndon | 925.00 | 925.00 | 0.00 |
| 6603 | 0504 | 10097837 | Augustin N. De Ugarte & Dana A. Cabrer | 1,475.00 | 1,475.00 | 0.00 |
| 6603 | 0505 | 10061430 | Doria Fochi & Raul Carrizo | 1,114.00 | 1,114.00 | 0.00 |
| 6603 | 0601 | 10082261 | Mahin Kendi & Mahmoud Mirhaj | 2,090.00 | 2,090.00 | 0.00 |
| 6603 | 0602 | 10061432 | ALI GOREISHI | 1,229.00 | 1,229.00 | 0.00 |
| 6603 | 0603 | 10061433 | Anne Reid | 908.00 | 908.00 | 0.00 |
| 6603 | 0604 | 10061434 | Steven Norton Kelly | 1,208.00 | 1,208.00 | 0.00 |
| 6603 | 0605 | 10061435 | LISELOTTE ROHM | 1,246.00 | 1,246.00 | 0.00 |
| 6603 | 0701 | 10061436 | Leslie Strike | 1,769.00 | 1,769.00 | 0.00 |
| 6603 | 0702 | 10067828 | Salman Nazir & Noor Sabah | 1,271.00 | 1,271.00 | 0.00 |
| 6603 | 0703 | 10061438 | Dinah Van De Maat | 952.00 | 952.00 | 0.00 |
| 6603 | 0704 | 10061439 | FAHIMA AKBARIPOUR | 1,208.00 | 1,208.00 | 0.00 |
| 6603 | 0705 | 10089992 | Lee Telefson & Michelle Grace | 1,450.00 | 1,450.00 | 0.00 |
| | | | | 40,627.00 | 40,627.00 | 0.00 |

ASSIGNMENT OF WARRANTIES AND GUARANTEES

THIS ASSIGNMENT is dated effective the 31st day of January, 2019.

BETWEEN:

LOUIS RACZ CO. LTD.
 (Inc. No. BC0072725)
 of 5670 Yew Street, Vancouver, BC V6M 3Y3
 (collectively, the "**Vendor**")

AND:

1575E HOLDINGS LTD.
 (Inc. No. BC1190589)
 of 1551 Vinson Creek Road, West Vancouver, BC V7S 2Y4
 (the "**Purchaser**")

WHEREAS:

- A. By an Offer to Purchase dated for reference September 28, 2018, as amended from time to time (collectively, the "**Purchase Agreement**") made between the Vendor and Ursula Vertone, as purchaser ("**Ursula**"), the Vendor agreed to sell and the Purchaser agreed to purchase the lands and premises located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, and legally described as:

Parcel Identifier: 008-837-368
 Lot B Block 3 South ½ of District 1055 Plan 12609
 and
 Parcel Identifier: 010-793-763
 Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
 (together, the "**Property**")

on the terms and conditions set forth in the Purchase Agreement;

- B. By an Assignment of Contract of Purchase and Sale (the "**Assignment**") dated the 19th day of December 2018, Ursula agreed to assign her interest in the Purchase Agreement and any deposit monies (the "**Deposit**") paid pursuant to the Purchase Agreement to the Purchaser, and the Purchaser has agreed to acquire Ursula's interest in the Purchase Agreement and the Deposit, to assume all of the obligations of the purchaser in the Purchase Agreement and to complete the Purchase Agreement in accordance with the terms thereof; and
- C. The Vendor wishes to assign to the Purchaser all the Vendor's right, title and interest in any and all warranties, guarantees and indemnities obtained for the benefit of the Vendor relating to the Lands (including any fixtures thereto).
- D. For the purposes of this Assignment:

- a) "Approved Contracts" shall mean those service and maintenance agreements affecting the Lands and the improvements located on the Lands, entered into by the Vendor, or its predecessors in title, and accepted by the Purchaser;
- b) "Benefits" shall collectively mean the Approved Contracts, Licences, Warranties and Permits;
- c) "Licences" shall mean all licences in the possession, control, or name of the Vendor, with respect to the Lands;
- d) "Permits" shall mean all of the necessary licences and permits required for the conduct and operation of the present and intended use of the Lands issued by any government, statutory, or other authority having jurisdiction over the Lands; and
- e) "Warranties" shall mean all outstanding guarantees, warranties, and indemnities obtained for the benefit of the Vendor, relative to the Lands, and without limiting the generality of the foregoing, shall include those warranties obtained by the Vendor or its predecessors in title.

NOW THIS AGREEMENT WITNESSES THAT in consideration of the premises, the mutual covenants contained in this Assignment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Vendor absolutely assigns, transfers, and sets over unto the Purchaser all of its respective right, title, and interest in and to:
 - (a) the Benefits;
 - (b) any and all benefits and advantages due or accruing due or at any time after the date of this Assignment to become due under the Benefits or any extensions or renewals of the Benefits; and
 - (c) the benefit of all covenants, representations, and warranties with respect to the Benefits,

with full power and authority to demand, collect, sue for, recover, receive, and give receipts for payments and to enforce payment or the performance of covenants in the name of the Purchaser, except rebates for federal or provincial sales taxes, government grants or similar payments which are referable to any period before the date of this Assignment.

2. The Vendor agrees that the Purchaser is to have and to hold any Benefits assigned to it and all of the monies, benefits, and advantages to be derived from the Benefits and the right to enforce payment or the performance of covenants under the Benefits for its sole use and benefit forever.
3. The Vendor will, from time to time at the request and at the expense of the Purchaser, execute such assignments, documents, conveyances, assurances, and authorizations as the


Purchaser shall reasonably require to give effect to the true intent and meaning of this Assignment and to assign any or all of the Benefits to the Purchaser.

- 4. This Assignment shall enure to the benefit of the Purchaser and its successors and permitted assigns, and shall be binding upon the Vendor and its successors and permitted assigns.
- 5. This Assignment shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. All disputes arising out of or in connection with this Assignment shall be submitted to and subject to the exclusive jurisdiction of the courts of British Columbia.
- 6. This Assignment may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Assignment on the dates set forth below, and this Assignment is effective the date first above written.

Executed this 30th day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:



 Name: Rita Racz
 Title: Director

Executed this ____ day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:

 Name: Frederick Donald Vertone
 Title: President

- 3 -

Purchaser shall reasonably require to give effect to the true intent and meaning of this Assignment and to assign any or all of the Benefits to the Purchaser.

4. This Assignment shall enure to the benefit of the Purchaser and its successors and permitted assigns, and shall be binding upon the Vendor and its successors and permitted assigns.
5. This Assignment shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. All disputes arising out of or in connection with this Assignment shall be submitted to and subject to the exclusive jurisdiction of the courts of British Columbia.
6. This Assignment may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Assignment on the dates set forth below, and this Assignment is effective the date first above written.

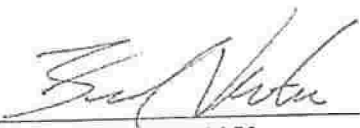
Executed this ____ day of January, 2019

LOUIS RACZ CO. LTD.
by its authorized signatory:

Name:
Title:

Executed this 29 day of January, 2019

1575E HOLDINGS LTD.
by its authorized signatory:



Name: Frederick Donald Vertone
Title: President

ASSIGNMENT AGREEMENT

BETWEEN:

LOUIS RACZ CO. LTD.
2363 Marine Drive
West Vancouver, BC

(hereinafter called the "Assignor")

OF THE FIRST PART

AND:

1575E HOLDINGS LTD.
1551 Vinson Creek Road
West Vancouver, BC

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS:

- A. The Assignee has agreed to purchase from the Assignor the Cedar Terrace apartment building located at 1575 Esquimalt Avenue in West Vancouver (the "Building"), pursuant to the terms of a written contract of purchase and sale dated as of September 28, 2018 (the "Purchase Contract").
- B. The Assignor had, prior to the signing of the purchase contract, retained CertaPro Painters (the "Painting Contractor") to paint the Building, pursuant to the terms of a written contract dated June 25, 2018, a copy of which is attached to this agreement (the "Painting Contract").
- C. The Painting Contract contains certain warranties, including a two-year warranty covering paint and labour (the "Warranties"), which the Assignor wishes to assign to the Assignee.
- D. As at the date of this Agreement, the Painting Contractor claims the sum of \$21,681.25 for services rendered and materials supplied under the Painting Contract. The Assignee has required that this amount be deducted from the purchase price under the Purchase Contract (the "Adjustment Amount").
- E. The Assignor has disputed the amount claimed by the Painting Contractor and has demanded that the Painting Contractor remedy certain deficiencies in its work and repair damages caused by its personnel.

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

1. Subject to clause 7, the Assignor hereby assigns to the Assignee all of its right title and interest in, to and under the Painting Contract, including without limitation any and all Warranties under the Painting Contract.
2. Subject to clause 7, the Assignor further assigns to the Assignee any rights that it may have to claim damages from the Painting Contractor for faulty workmanship or damage to property caused by the Painting Contractor.
3. Subject to clause 7, the Assignor further assigns to the Assignee all of its right, title and interest in any implied, statutory or common law warranties arising out of the Painting Contract, if any.
4. In consideration for the foregoing assignment, and in consideration for the Adjustment Amount, the Assignee agrees to assume full responsibility for paying the Painting Contractor any amounts owing to the Painting Contractor under the Painting Contract and, further, to indemnify and hold harmless the Assignor from any claims against the Assignor by the Painting Contractor for non-payment of any amounts owing to the Painting Contractor under the Painting Contract; provided, however, that in no event shall the amount of such indemnity exceed the amount of the Adjustment Amount.
5. The Assignee further agrees that if it settles the claims of the Painting Contractor for payment under the Painting Contract for an amount less than the amount of the Adjustment Amount, the Assignee will refund the balance to the Assignor.
6. The Assignor agrees to reasonably assist the Assignee in the latter's dealings with the Painting Contractor, including providing information regarding the Painting Contract and the Painting Contractor's performance thereunder.
7. The assignments hereunder shall become effective as of the Closing Date under the Purchase Contract.
8. Nothing in this agreement shall affect the parties' obligations under the Purchase Contract, which remains in full force and effect.
9. The Assignee shall be responsible for notifying the Painting Contractor of the assignments hereunder.
10. The Assignor makes no representations as to the value or validity of the Warranties, and the Assignee acknowledges that the Assignor is simply passing on to the Assignee whatever rights it may have under the Painting Contract or by operation of law.
11. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.

12. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF this Agreement has been executed by the Parties by their officers duly authorized in that regard as of January 31, 2019.

| | |
|---|--|
| LOUIS RACZ CO. LTD. By: <u>R. R. [Signature]</u> Authorized Signatory | 1575E HOLDINGS LTD. By: _____ Authorized Signatory |
|---|--|

CERTIFICATE OF REPRESENTATIONS AND WARRANTIES

LOUIS RACZ CO. LTD.

(the "Vendor")

I, Rita Racz of 2363 Marine Drive, West Vancouver, British Columbia, am the sole director of the Vendor and as such have personal knowledge of the matters herein declared.

Pursuant to an offer to purchase and contract of purchase and sale dated for reference September 28, 2018, as amended from time to time and assigned (the "Purchase Agreement"), in connection with the sale of the lands and premises and appurtenances located at 1575 Esquimalt Avenue, West Vancouver, British Columbia, and legally described as:

Parcel Identifier: 008-837-368
Lot B Block 3 South 1/2 of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South 1/2 of District 1055 Plan 6902 PID 005-163-277 Lot 6 Block 4 South East 1/4 of Section 49 Town of Hastings Suburban Lands Plan 1705,

I hereby certify that:

- a) the representations and warranties of the Vendor set forth in the Purchase Agreement will be true and correct as of the Completion Date with the same force and effect as if such representations and warranties were made as of the Completion Date; and
- b) all of the Vendor's covenants, obligations and conditions to be observed or performed pursuant to the Purchase Agreement will have been duly observed or performed as of the Completion Date.

Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings ascribed to them in the Purchase Agreement.

DATED this 30th day of January, 2019.



Print Name: Rita Racz

CERTIFIED COPY OF RESOLUTIONS OF THE DIRECTORS
OF
LOUIS RACZ CO. LTD.
(the "Company")

"WHEREAS:

- A. It is expedient for the Company, as the vendor, to enter into an agreement with respect to the sale of those lands and premises and appurtenances situate at 1575 Esquimalt Avenue, West Vancouver, British Columbia, known as Cedar Terrace, and legally described as follows:

Parcel Identifier: 008-837-368
Lot B Block 3 South ½ of District 1055 Plan 12609
and
Parcel Identifier: 010-793-763
Lot 2 of Lot B Block 3 South ½ of District 1055 Plan 12609
(together, the "Property")

(the "Property"),

to 1575E Holdings Ltd., as the purchaser, on the terms and conditions set forth in the Offer to Purchase and Contract of Purchase and Sale dated for reference September 28, 2019 and subsequent addenda and assignments (collectively, the "Agreement"); and

- B. Pursuant to the terms of the Agreement, the Company will be required to execute and deliver certain ancillary agreements, documents, deeds and instruments in connection with the sale of the Property (the "Related Agreements").


RESOLVED THAT:

1. The terms and conditions set out in the Agreement be approved and the Company be authorized to enter into the Agreement.
2. The execution and delivery by the Company of the Agreement, the Related Agreements and all other agreements, documents, deeds and instruments that are necessary to complete the transaction contemplated by the Agreement are hereby approved.
3. Any director or officer of the Company, signing alone, is authorized to execute and deliver the Agreement, the Related Agreements and all such other documents and instruments, with such changes thereto as the director or officer may approve (such approval to be evidenced conclusively by his or her execution thereof), and is authorized to do such further acts as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

4. To the extent the execution and delivery of the Agreement, the Related Agreements or any other agreements, documents, deeds and instruments referred to above in these resolutions may have occurred prior to these resolutions coming into force such prior execution and delivery is hereby ratified, confirmed and approved in all respects."

THE UNDERSIGNED, being a director of the Company, hereby certifies the foregoing to be a true copy of a resolution of the directors of the Company duly passed by the directors of the Company on the 30 day of January, 2019 and which remains in full force and effect, unamended.

Dated and effective the 30 day of January, 2019


Print Name: Rita Laos

OFFICER'S CERTIFICATE

TO: 1575E HOLDINGS LTD.

AND TO: SINGLETON URQUHART REYNOLDS VOGEL LLP

RE: Sale of 1575 Esquimalt Avenue, West Vancouver, BC, known as Cedar Terrace, and legally described as Parcel Identifier: 008-837-368, Lot B Block 3 South 1/2 of District 1055 Plan 12609 and Parcel Identifier: 010-793-763, Lot 2 of Lot B Block 3 South 1/2 of District 1055 Plan 6902 (together, the "Property") by Louis Racz Co. Ltd. (the "Company") to 1575E Holdings Ltd. (the "Purchaser")

I, Rita Racz, the sole director of the Company, HEREBY CERTIFY THAT:

- The persons named below holds the office in the Company set forth below opposite their name:

| Name | Office Held | Signature |
|------------------|-------------|-----------------|
| | President | X |
| Rita Louise Racz | Secretary | X <i>R Racz</i> |

- The Board of Directors of the Company consists of the persons named below (and no others):

| Name | Signature |
|------------------|-----------------|
| Rita Louise Racz | X <i>R Racz</i> |
| | X |
| | X |

- Each of the persons named above as an Officer and/or Director has been duly elected or appointed as such, was duly qualified for such office or directorship at the time of election or appointment and since such election or appointment has continued to be so qualified and to hold such office or directorship.
- Any signature appearing opposite the name of an Officer or Director is the genuine signature of such Officer or Director.
- Since its incorporation, the constating documents of the Company have not, in any way, been altered, modified or amended, save and except those alterations, modifications and amendments made in accordance with the *Company Act* (British Columbia) or the *Business Corporations Act* (British Columbia).

- 2 -

6. Since the incorporation of the Company, the powers of the Directors of the Company have not, in any way, been modified, amended, altered, impaired or reduced.
7. The Company is a duly incorporated and validly exists as a company under the laws of the Province of British Columbia, and is in good standing with respect to the filing of annual reports under the *Business Corporations Act* (British Columbia).
8. The Company is not a public company or a reporting issuer.
9. There is nothing in the Company's constating documents or in any agreement the Company has entered into that restricts or limits the power and capacity of the Company to sell and transfer the registered and beneficial ownership of the Property.
10. There is no action, suit or proceedings pending or threatened against the Company before any Court or administrative agencies which, if determined against the Company, would result in a material adverse change in the property, assets, conditions (financial or otherwise) business or operations of the Company, or which would materially adversely affect the Company's ability to carry on its business, or the ability of the Company to meet its obligations under the contract of purchase and sale for commercial real estate (the "**Purchase Agreement**").
11. The Company has not:
 - (a) commenced proceedings under any legislation or otherwise for its dissolution or winding-up and no bankruptcy, insolvency or winding up proceedings have been commenced against the Company;
 - (b) passed a resolution either by its directors or shareholders, for the dissolution or winding up; or
 - (c) committed an act of bankruptcy.
12. The Company has paid and discharged all claims and demands of employees, contractors, workers, material suppliers, mechanics, carriers, warehousemen, landlords or other like persons, and all taxes, assessments, withholdings, remittances and governmental charges, levies or claims levied or imposed which if unpaid become or might become a lien or charge upon the Property, by operation of law or otherwise and in particular but without limiting the generality of the foregoing:
 - (a) there are no monies owing nor have any assessments been received by the Company pursuant to the *Corporation Capital Tax Act* (British Columbia), the *Social Service Tax Act* (British Columbia), the *Employment Standards Act* (British Columbia), the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada) or the *Employment Insurance Act* (Canada);
 - (b) the Company is not in default of payment of any assessment payable by it under the *Workers' Compensation Act* (British Columbia) and has not been served with or received any claims or demands under that Act; and

- 3 -

- (c) there are no monies owing to any party that could give rise to a lien under the *Builders Lien Act* (British Columbia).
13. The only shareholders of the Company are those listed on the attached Schedule A to this Officer's Certificate and to the best of my knowledge, information and belief, after making due inquiries and examinations, there is no pending sale of any class or classes of shares of the Company, either by the entirety of the shareholders of the affected class, or by any individual shareholder of such class or classes of shares.
14. To the best of my knowledge, information and belief, after making due inquiries and examinations, the transfer of the Property pursuant to the Purchase Agreement:
- (a) will be in the ordinary course of the Company's business; and
- (b) does not result in or will not result in any violation or contravention of, or does not constitute or will not constitute a default under any statute, ordinance, decree, regulation or other enactment, or any order of any court or other authority or permit applicable to the Company.
15. I have examined such books, documents, registers, reports and opinions and have made such inquiries as are necessary to give this Certificate and I am duly authorized to give this Certificate and are aware that the Purchaser is relying on the representations herein contained.

WITNESSES THAT I, Rita Racz, as the Secretary of the Company, hereby warrant, represent and confirm the foregoing to the Purchaser and to Singleton Urquhart Reynolds Vogel LLP.

DATED at Vancouver, British Columbia, this 30th day of January, 2019.



Print Name: Rita Racz

Title: Secretary

SCHEDULE A

| Shareholders of Louis Racz Co. Ltd. |
|--|
| 1012109 BC Ltd. - 50 Class B |
| Etus Racz - 50 Class B |
| 1012109 BC Ltd. - 15 Class C |
| Etus Racz - - 15 Class C |
| The Racz Family Trust - 70 Class C |
| Etus Racz - 415 Class D |
| |
| |
| |

NOTICE AND DIRECTION TO TENANTS

**1575 Esquimalt Avenue, West Vancouver, British Columbia
known as CEDAR TERRACE**

TO: All tenants of the property municipally known as 1575 Esquimalt Avenue, West Vancouver, British Columbia (the "Property")

TAKE NOTICE THAT:

1. Louis Racz Co. Ltd. (the "Vendor") will sell the Property on January 31, 2019 to 1575E Holdings Ltd. (the "Purchaser").
2. The Vendor will have assigned and released all of their interest in your lease of space or tenancy at the Property to the Purchaser.
3. The Purchaser is entitled to be named as the Landlord on any insurance policies required to be maintained by you under your lease from and including the date hereof.
4. The Purchaser is entitled to receive all rent and all other payments, and all other benefits, under your lease from and including February 1, 2019.
5. Until further notice from the Purchaser, you are hereby authorized and directed to make all rent and other payments falling due under your lease from and including February 1, 2019 by cheque or money order made out to:

**Cedar Terrace
and left at the building office**

or as the Purchaser may in writing further direct.


6. All communications from February 1, 2019 onwards are to be directed to the Purchaser.
7. You are hereby authorized to rely on a faxed, photocopied or e-mailed copy of this Notice.

[Remainder of this page intentionally left blank]

This Notice may be executed and delivered by fax or other electronic means and/or in counterparts and if so executed and delivered this Notice will be for all purposes as effective as if the parties had executed and delivered an original of this Notice.

DATED as of January 30th, 2019.

LOUIS RACZ CO. LTD.
by its authorized signatory:



Name: Rafa Racz
Title: Director

DATED as of January _____, 2019.

1575E HOLDINGS LTD.
by its authorized signatory:

Name: Frederick Vertone
Title: President

This Notice may be executed and delivered by fax or other electronic means and/or in counterparts and if so executed and delivered this Notice will be for all purposes as effective as if the parties had executed and delivered an original of this Notice.


DATED as of January _____, 2019.

LOUIS RACZ CO. LTD.
by its authorized signatory:

Name:
Title:

DATED as of January 29, 2019.

1575E HOLDINGS LTD.
by its authorized signatory:



Name: Frederick Vertone
Title: President

Vancity

Make Good Money

January 29, 2019

Burns Fitzpatrick

Attention: Scott A. Turner

Fax #: (604) 685-2104

Vancity Centre
183 Terminal Avenue
Vancouver BC V6A 4G2
T 604.877.7000
vancity.com******CHEQUES MUST BE DELIVERED TO THE FOLLOWING ADDRESS ONLY********ATTN: COMMUNITY BUSINESS ADMINISTRATION 5TH FLOOR, 183
TERMINAL AVE., VANCOUVER, BC V6A 4G2 NO LATER THAN 3:00 PM****DO NOT DELIVER PAYOUT CHEQUES TO ANY OTHER VANCITY
LOCATION UNDER ANY CIRCUMSTANCES****PAYOUT STATEMENT**Re: **LOUIS RACZ CO. LTD.**

Relationship Number: #5405266

Loan Number: #10100072352698

Registered in the name of: **LOUIS RACZ CO. LTD.**Property: **LOT B BLOCK 3 SOUTH 1/2 DISTRICT LOT 1055 PLAN 12609, LOT 2 OF LOT B
BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902**

PID #008-837-368, 010-793-763

Registration to be discharged: Mortgage No. CA4672521

Assignment of Rents No. CA4672522

PPR: 821390I

PRINCIPAL BALANCE AS AT January 31, 2019:

\$1,743,631.25

ACCRUED INTEREST TO January 31, 2019:

\$2,419.89

PREPAYMENT PENALTY:

\$12,980.65

SUBTOTAL

\$1,759,031.79

PLUS: DISCHARGE FEES (Notarization Only)

\$250.00

TOTAL

\$1,759,281.79

If payment is not received by the above date, it will be necessary to pay \$143.00 per day (per diem rate) to cover the additional interest, penalty (if applicable) and charges until the date payment is received by Vancity.

This Payout Statement will remain in effect until February 13, 2019, after which it will expire.**IF PAYING OUT MORTGAGE, PLEASE PREPARE A REGISTERABLE DISCHARGE AND
FORWARD WITH PROCEEDS TO THE ABOVE NOTED ADDRESS.**

Colton Cooke (604) 648-5272

Vancouver City Savings Credit Union

Loan Security Coordinator

E. & O. E.

This facsimile is intended only for the person to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination or copying of this communication is prohibited. Please notify us of the error in communication by telephone and destroy all copies of this facsimile. Thank you.



Burns Fitzpatrick LLP
Suite 1400, 510 Burrard Street,
Vancouver, BC, Canada V6C 3A8
t: 604.602.5000 | f: 604.685.2104

Contact: Scott A. Turner
dir: 604.602.5005
e: sturner@burnsfitz.com

File No. 020694

January 31, 2019

Vancouver City Savings Credit Union
183 Terminal Avenue, 5th Floor
Vancouver, BC
V6A 4G2

Attention: Colton Cooke, Community Business Administration

Dear Mmes. and Messrs.:

**Re: Louis Racz Co. Ltd.; Loan No. 10100072352698
Mortgage No. CA4672521 and Assignment of Rents No. CA4672522
PPR Base Registration #: 8213901**

Pursuant to your payout statement dated January 29, 2019, copy enclosed, we enclose our trust account cheque for the amount of **\$1,759,281.79** representing the total payout of the above-mentioned Mortgage, Assignment of Rents and the PPR registration as of January 31, 2019.

The enclosed funds are delivered to you on the trust condition that you will execute the enclosed Form C Discharge of Mortgage, in registration form, and return the executed Form C Discharge of Mortgage to our office for registration within a reasonable period of time **together** with either confirmation of discharge of PPR Base Registration #8213901 or authorization for us to discharge the PPR Base Registration #8213901.

Very truly yours,

BURNS FITZPATRICK LLP

Per: **Scott A. Turner***
*Denotes a Professional Law Corporation

SAT/jp
Enclosure

BURNS FITZPATRICK LLP
Trust Account

T 14342

Date 01/31/2019
Paid to Vancouver City Savings Credit Union
For Mortgage payout funds to lender
Chk. # 14342

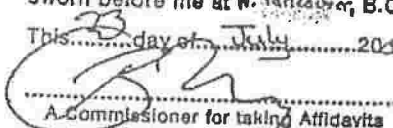
| Amount | Client / G/L | Amount | Client / G/L | Amount |
|--------|--------------|----------------|--------------|--------|
| | 20694 | \$1,759,281.79 | | |

Page: 59
Ex. 'F' to Affidavit #2 of Etus Racz

ADRIAN & CO.
BARRISTERS & SOLICITORS

ANNE A. ADRIAN, B.A., LL.B.*
QUENTIN J. ADRIAN, B.COM., LL.B.*

* DENOTES LAW CORPORATION

This is Exhibit "F" referred to in the
affidavit of Ewa Maria Racz
sworn before me at W. Vancouver, B.C.
This 23 day of July, 2011

A Commissioner for taking Affidavits
for British Columbia

5660 YEW STREET
VANCOUVER, B.C. V6M 3Y3

TELEPHONE (604) 266-7811
FACSIMILE (604) 266-5869

April 21, 1998

VIA POST

Ernest Anthony Racz
2227 Lawson Avenue,
West Vancouver, BC
V7V 2E3

Ethel Mary Racz
715 Saraguay Blvd.,
Pierrefonds, QC
H8Y 2G3

Dear Mr. Racz:

Re: Settlement of the Racz Family Trust (the "Trust")

This letter reports on the settlement of the Trust.

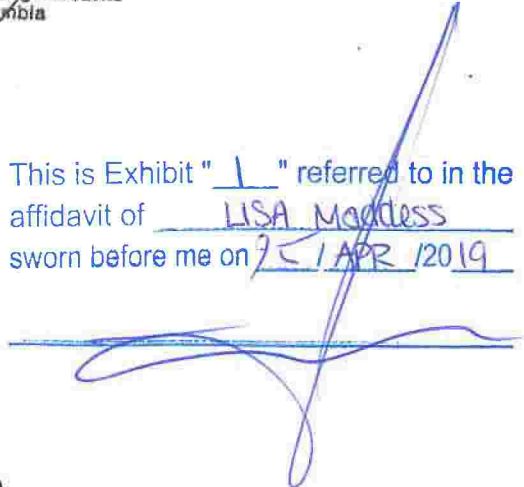
1. Legal Nature of a Trust

A trust is not a legal entity like a corporation, but rather a relationship that exists between a trustee and beneficiaries in respect of property. The nature of a trust is sometimes confused because the *Income Tax Act (Canada)* (the "Act") treats a trust relationship as if it were a separate legal entity.

A trust is established when a person (called the "settlor") transfers property to another person or persons (called the "trustees") to hold for the benefit of one or more other persons (the "beneficiaries"). Once the settlor has given the property to the trustees, the settlor generally has no ongoing involvement with or liability to the trust. The trustees are then responsible for the custodianship of the trust property and have an ongoing obligation to administer the trust in accordance with the terms of the trust as set out in the settlement agreement. The trustees must act in the best interests of the beneficiaries, who will receive benefits from the trust according to the terms of the trust.

The protectors are entitled to appoint and replace trustees. You are the protectors but on your death the executors of your estates will become protectors.

This is Exhibit " 1 " referred to in the
affidavit of LISA Madress
sworn before me on 75 / APR / 2019



2. Settlement of the Racz Family Trust

The Trust was formally settled on March 31, 1998 when the trust indenture was signed by your mother as settlor, and by you as trustees, and three one-ounce silver ingots were delivered to you, as trustees. The beneficiaries of the Trust are Rita Racz, Lisa Racz and Michael Siwik. There are no provisions in the trust indenture to expand the class of beneficiaries.

The silver ingots were used to settle the Trust as they are property that will not produce any income. The trustees should hold the silver ingots until the death or emigration from Canada of the settlor because the income attribution rules could otherwise attribute any income earned on property substituted for the silver ingots to the settlor.

The trustees should not accept the gift of any other property to the Trust unless advice is sought prior to accepting the gift.

3. Nature of the Trust

The Trust is an irrevocable discretionary trust which allows the trustees to distribute the income and/or capital of the Trust to the beneficiaries as the trustees in their absolute and unfettered discretion see fit.

The following is a summary of the key provisions of the trust indenture:

- (a) the trustees can, in their absolute and uncontrolled discretion:
 - (i) determine whether or not to distribute the Trust's income and capital from time to time; and
 - (ii) if income or capital is to be distributed, determine to which beneficiary(ies) it is to be distributed;
- (b) as set out in paragraph 12 and Schedule "A" to the trust indenture, the trustees have extremely wide powers to invest and deal with the trust property;
- (c) the trustees are specifically authorized to make preferred beneficiary elections in respect of disabled beneficiaries and there is no requirement that any preferred beneficiary receive any amount in respect of which the preferred beneficiary election was made;
- (d) a trustee may resign on 30 days notice;
- (e) you, or the executors of your estate upon your death, are entitled to appoint subsequent trustees;

- (f) the trustees will not be responsible for any act or omission or error of judgement not amounting to actual fraud in the management and administration of the Trust;
- (g) unless the Trust is collapsed at an earlier date or the trustees decide to make distributions otherwise, the trust property will be divided equally among the beneficiaries alive on the earliest of:
 - (i) March 1, 2078 if the trustee determines in writing prior to March 1, 2019, otherwise March 1, 2019; and
 - (ii) the date on which there is no surviving beneficiary;
- (h) to prevent the trust property reverting to the settlor on the failure of the Trust, which would occur if all the beneficiaries died, the trust property in that circumstance would be distributed to the trustees equally. If neither of you is alive at the death of the last surviving beneficiary, the trust property would be distributed as if the last surviving trustee died domiciled in the Province of British Columbia leaving no spouse surviving with the result that the property would be distributed among the surviving immediate family of the last surviving trustee; and
- (i) the trustees, and any subsequent trustees, are indemnified, or are not personally responsible, in connection with personal liability relating to:
 - (i) taxes, levies and damages relating to the administration of the trust;
 - (ii) acts of error or omission not amounting to actual fraud; and
 - (iii) any act in exercising his or her discretion.

These provisions give the trustees great flexibility in dealing with the trust property without unduly exposing the trustees to the otherwise onerous duties of being a trustee.

4. Taxation of Trusts

Under the Act the Trust is taxable in one of two ways. If the trustee does not make any distributions or allocations of income earned by the Trust in a particular year, then the income will be taxed in the Trust at the rate of approximately 45 % (31 % for dividend income). This is the highest tax rate that can apply to individuals (ignoring surtaxes) and, accordingly, it is preferable to ensure the Trust is taxable in the following way so that the lower marginal tax rates of the beneficiaries, who may have no other, or reduced sources of income, can be taken advantage of.

If and to the extent that the trustee makes distributions of income earned by the Trust in a particular year to one or more of the beneficiaries, then the income so distributed will be taxable

in the hands of the recipient beneficiaries rather than the Trust. It is possible for the trustee to make an election under the Act which, in effect, flows the source of the Trust income through to the recipient beneficiary. For example, the trustee may designate a taxable dividend received by the Trust to be a taxable dividend in the recipient beneficiary's hands so that the beneficiary will be able to claim the dividend tax credit on the income received from the Trust.

Any income that is earned on previously taxed trust income, such as interest, will be subject to tax in one of the two ways discussed above.

5. Tax Planning with Trusts

One of the main benefits of a family trust is that it allows income to be taxed in the hands of low tax rate beneficiaries who will pay tax on that income at low marginal rates. However, if the trustees wish to have income earned by the trust in a particular year taxed in the hands of the beneficiaries and not the Trust, the trustees must ensure that the funds are actually paid to the beneficiaries in that year or that the beneficiaries are legally entitled to enforce the payment of such funds before the end of the year. A statement of intent or desire to make a payment to a beneficiary will not be enough to have the funds taxed in the hands of that beneficiary.

If the trustees intend to have income taxed in the hands of the beneficiaries without actually making a corresponding payment in the calendar year, then the following steps should be taken to ensure the beneficiaries become legally entitled to enforce payment of the amount before the end of the year.

- (a) the trustees would resolve and prepare a minute during the calendar year which irrevocably makes an amount payable to a beneficiary in the year;
- (b) the trustees would deliver a copy of the minute to the beneficiary;
- (c) the trustees would subsequently resolve and prepare a minute during the same calendar year to pay the beneficiary by issuing the beneficiary a promissory note in full satisfaction of the outstanding debt;
- (d) the trustees would prepare and deliver a promissory note, as a negotiable instrument and in full satisfaction of the debt owing (rather than as mere evidence of the debt owing), to the beneficiary in the taxation year;
- (e) the beneficiary would acknowledge receipt of the promissory note as payment in full of the outstanding debt; and
- (f) the Trust's balance sheet would reflect that a debt was owing to the particular beneficiary as opposed to crediting the beneficiary's capital account.

Proceeding in this manner permits the trustees to argue that not only was the amount in question payable to the beneficiary in the year but that it was actually paid to the beneficiary in the year.

6. Receiving Benefits from a Trust

If a benefit is received by a beneficiary other than by reason of an amount being paid to the beneficiary by the trustee, the value of the benefit is included in the beneficiary's income but a corresponding deduction is not available to the Trust. For example, if the Trust assumes a beneficiary's personal and living expenses or the Trust rents property to the beneficiary at an artificially low rent, the value of these benefits will be included in the beneficiary's income. Therefore, if the trustees wish to provide these benefits to a beneficiary, the trustees should ensure that the funds are actually paid to the beneficiary who in turn pays for the benefit, or the payment is made by the Trust at the written request of the beneficiary. In this way it is clear that the funds are being paid to the beneficiary as opposed to the Trust conferring a benefit on the beneficiary.

Revenue Canada's general assessing policy usually permits the Trust to hold personal use property, such as a home or cottage, for the personal use of individuals and the Trust will not be considered to have conferred a benefit on these individuals, provided that the beneficiaries of the Trust personally bear all the costs of maintaining the property and reimburse the Trust for any expenses paid directly by the Trust.

When a beneficiary receives an interest-free loan from the Trust, this will not constitute a benefit received by the beneficiary for tax purposes.

7. Record Keeping

The day-to-day administration of the Trust required you, as trustees, to open a bank account for the Trust. In a recent Tax Court of Canada decision, the Court disallowed a deduction for a number of payments made by a trust because it was unclear whether the trust had in fact paid such amounts (due to the poor records kept by the trustee). This case reinforces the necessity of the trustees keeping meticulous and detailed records of all transactions with respect to the Trust. The trustees should also be able to provide back up documents and receipts to verify any expenditure made by the Trust. The trustees should ensure that all funds which are paid to or on behalf of any beneficiaries are routed through the Trust bank account. The trustees should discuss this matter with the Trust's accountant to ensure a proper mechanism is in place to record all transactions.

8. Filing the Trust Return

The trustee is required to file a T-3 trust information and income tax return within 90 days of the end of each calendar year. Revenue Canada does not require the return to be filed if the Trust has:

- (a) no tax payable;

- (b) not had a taxable capital gain or has not disposed of a capital property;
- (c) not provided a benefit of more than \$100 to a beneficiary under subsection 105(2) for upkeep, maintenance and taxes for property maintained for a beneficiary;
- (d) income designated, paid or payable to a beneficiary; and
 - (i) the Trust's gross income from business, farming, fishing and real estate rental does not exceed \$500;
 - (ii) the Trust's total income does not exceed \$500;
 - (iii) income of less than \$100 is designated, paid or payable to any single beneficiary; and
 - (iv) none of the income is allocated to a non-resident beneficiary.

The exemptions from filing are administrative only and must be reviewed from year-to-year to determine if filing is required.

9. Deemed Disposition

Trusts are generally deemed to dispose of all their capital property every 21 years following the date of their creation. Since it is possible to distribute the capital of the Trust to the beneficiaries on a tax deferred basis, the trustees should ensure the Trust's capital is distributed to its beneficiaries, in whatever ratio the trustee determines, prior to the expiration of the 21st anniversary of the Trust's creation. The trust indenture specifically provides for this by setting the "Time of Division" no later than March 1, 2019 (assuming the Trust does not fail for lack of beneficiaries at an earlier date) which is slightly less than 21 years from the date the Trust was settled. On that date the Trust's property will be distributed equally to the beneficiaries who are alive. The automatic distribution provision is designed to safeguard against the deemed disposition rules applying to the Trust. It does not prevent the trustees from distributing the trust property on a different basis prior to that time or electing to extend the automatic distribution date to a maximum of March 1, 2078. If the election to extend is made by the trustee then the Trust will be subject to the deemed disposition rule on each 21st year anniversary.

In view of the importance of the Time of Division date, March 1, 2019, it should be diarized. It is your responsibility to do that.

10. Non-resident Beneficiaries

If any of the beneficiaries cease to be residents of Canada, then the distribution of funds to the non-resident will be more complicated and you will require advice concerning the trust's withholding tax obligations and the tax imposed by Part XII.2 of the Act.

11. Goods and Services Tax

The *Excise Tax Act* deems the distribution of property from a trust to a beneficiary to be a supply of property made by the Trust if the Trust is involved in a commercial activity. If the Trust is ever involved in a commercial activity then all distributions of trust property to beneficiaries should be made by way of cash distributions as opposed to the Trust acquiring property that is in turn distributed to the beneficiary in kind as the goods and services tax will be avoided.

12. Trust Minute Book

There is no legal requirement that the Trust maintain a trust minute book in the form that we have provided but the Trust must maintain basic records for income tax purposes. Using the minute book we have provided will greatly assist the trustee in maintaining records of the Trust transactions. Please confer with your accountant with respect to the accounting records that the Trust should maintain in conjunction with the Trust minute book.

The basic documents set out in the minute book and their purpose are as follows:

(a) Register of Trustees

This register should be maintained to set out who is the trustee of the Trust from time to time.

(b) Expense Ledger

This ledger should be maintained-as the Trust's basic accounting record to track the transfer of funds into and out of the Trust. The "Beneficiary Payment" columns are designed so that on an annual basis you can record payments made to or on behalf of each particular beneficiary so that at the end of the year the amounts allocated to the particular beneficiaries can be easily determined.

(c) Declaration of Income Distribution

This form is designed to evidence the actual distribution of trust income.

(d) Declaration of Capital Distribution

This form is designed to evidence the distribution of trust capital. Under the terms of the Trust any net income of the Trust which is not paid or applied in any year, or within three months thereafter, will become trust capital and that is the basis for distinguishing between income and capital distributions.

(e) Copies of Preferred Beneficiary Elections

Preferred beneficiary elections will have to be prepared as and when required. It is extremely important that the filing deadline is complied with in filing these forms. As mentioned, the preferred beneficiary election is only available for disabled beneficiaries.

(f) Request to Trustee

A form of direction that can be used by any of the beneficiaries of the Trust, other than very young beneficiaries, when they want an expense incurred on their behalf and directing the trustee to make payment of such expense directly to a third party.

(g) Minutes

Although there is no legal requirement, if any substantial decisions are made by the trustee, we suggest that the trustee document the decision and record and place the record under the minutes section of the minute book.

(h) Agreements Entered into by Trust

Any significant agreements entered into by the Trust should be kept under this section.

(i) Crucial Dates Checklist

The checklist sets out the crucial dates for filing preferred beneficiary elections, T3 trust tax returns, and T3 supplementaries. In addition it sets out the time of division for the particular trust and this time should be diarized.

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Ex. 'F' to Affidavit #2 of Etus Racz

The information in this letter relating to the taxation of the Trust is general information that is designed to give you and your advisor some general guidance. The information is not specific advice and you will have to rely on your accountant or obtain additional advice with respect to implementing any particular plan.

Yours truly,

ADRIAN & CO.

Per: 
Quentin J. Adrian

QJA:qa

Encls.

This is Exhibit "1" referred to in the affidavit of LISA MADNESS sworn before me on 14/1 APR 19

CANADA:
Province of British Columbia.



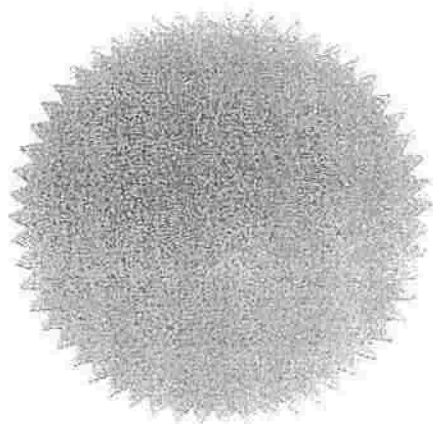
No. 72,725

"Companies Act"

I hereby certify that

"LOUIS RACE CO. LTD."

has this day been incorporated under the "Companies Act."



GIVEN under my hand and Seal of office at Victoria,
Province of British Columbia, this -31st- day
of January, one thousand nine
hundred and sixty-seven

[Signature]
Registrar of Companies.



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

Notice of Articles

BUSINESS CORPORATIONS ACT

Albert
CAROL PREST

This Notice of Articles was issued by the Registrar on: September 11, 2015 12:01 AM Pacific Time

Incorporation Number: BC0072725

Recognition Date: Incorporated on January 31, 1967

NOTICE OF ARTICLES

Name of Company:

LOUIS RACZ CO. LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:

5670 YEW STREET
VANCOUVER BC V6M 3Y3
CANADA

Delivery Address:

5670 YEW STREET
VANCOUVER BC V6M 3Y3
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

5670 YEW STREET
VANCOUVER BC V6M 3Y3
CANADA

Delivery Address:

5670 YEW STREET
VANCOUVER BC V6M 3Y3
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
 RACZ, RITA LOUISE

Mailing Address:
 2363 MARINE DRIVE
 WEST VANCOUVER BC BC V7V 1K9
 CANADA

Delivery Address:
 2363 MARINE DRIVE
 WEST VANCOUVER BC BC V7V 1K9
 CANADA

PRE-EXISTING COMPANY PROVISIONS

The Pre-existing Company Provisions apply to this company.

AUTHORIZED SHARE STRUCTURE

| | | | |
|----|--------|--------------------------------|--|
| 1. | 1,000 | CLASS "A" VOTING COMMON Shares | Without Par Value With Special Rights or Restrictions attached |
| 2. | 10,000 | CLASS "B" VOTING COMMON Shares | With a Par Value of 1.00 Canadian Dollar(s) each With Special Rights or Restrictions attached |
| 3. | 10,000 | CLASS "C" COMMON Shares | With a Par Value of 1.00 Canadian Dollar(s) each With Special Rights or Restrictions attached |
| 4. | 10,000 | CLASS "D" PREFERRED Shares | With a Par Value of 0.01 Canadian Dollar(s) each With Special Rights or Restrictions attached |
| 5. | 10,000 | CLASS "E" PREFERRED Shares | Without Par Value With Special Rights or Restrictions attached |



Minister of Finance and Corporate Relations
REGISTRAR OF COMPANIES
Corporate, Central and Mobile Home Registry
940 Blanshard Street,
Victoria, BC V8W 2E6

I CERTIFY THIS IS A COPY OF A
DOCUMENT FILED ON

SPECIAL RESOLUTION
Form 21/9
(Section 348)
COMPANY ACT

MAR 19 1998

Howell
12 JOHN S. POWELL
REGISTRAR OF COMPANIES
PROVINCE OF BRITISH COLUMBIA

Certificate of
Incorporation No. 72725

The following special resolution was passed by the undermentioned company on the date stated:

Name of Company: LOUIS RACZ CO. LTD.

Date Resolution passed: March 17, 1998

RESOLUTION:

RESOLVED, as a special resolution that the Memorandum of the Company be altered by adding immediately before paragraph 1 the following words:

"We wish to be formed into a Company with limited liability under the Company Act in pursuance of this Memorandum."

RESOLVED, as a special resolution that the authorized capital of the Company be altered by:

- (a) changing the name or designation of the Class B Non-Voting Common shares without par value to Class B Voting Common shares with a par value of \$1.00 per share, none of which are issued, and creating an additional 9,000 of such Class B Voting shares;
- (b) creating 10,000 Class C Common shares with a par value of \$1.00 each;
- (c) creating 10,000 Class D Preferred shares with a par value of \$0.01 each;
- (d) changing the name or designation of the 10,000 Class C Preferred redeemable non-participating eight percent (8%) shares with a par value of \$1.00 per share to Class E Preferred shares with a par value of \$1.00 per share;

so that the authorized capital of the Company consists of 41,000 shares divided into 1,000 Class A Voting Common shares without

par value, 10,000 Class B Voting Common shares with a par value of \$1.00 per share, 10,000 Class C Common shares with a par value of \$1.00 per share, 10,000 Class D Preferred shares with a par value of \$0.01 per share, and 10,000 Class E Preferred shares with a par value of \$1.00 per share.

RESOLVED as a special resolution that paragraph 2 of the Memorandum of the Company be altered to read as follows:

- "2. The authorized capital of the Company consists of 41,000 Shares, divided into:
- (a) 1,000 Class A Voting Common shares without par value;
 - (b) 10,000 B Voting Common shares with a par value of \$1.00 per share;
 - (c) 10,000 Class C Common shares with a par value of \$1.00 per share;
 - (d) 10,000 Class D Preferred shares with a par value of \$0.01 per share; and
 - (e) 10,000 Class E Preferred shares with a par value of \$1.00 per share.

RESOLVED, as a special resolution that any and all restrictions on the business that the Company is permitted to carry on are hereby cancelled, and that the Memorandum be altered by deleting paragraph 3 as deemed to have been altered by the Company Act.

RESOLVED, as a special resolution that the Memorandum of the Company be altered by deleting paragraphs 4, 5, 6 and 7.

RESOLVED as a special resolution that the Memorandum of the Company be altered by renumbering paragraph 8 as paragraph 3 and amending it to read as follows:

- "3. Special rights and restrictions attached to the shares are set out in the Articles of the Company."

RESOLVED as a special resolution that the Memorandum of the Company as altered be attached as Schedule "A" hereto.

RESOLVED as a special resolution that the existing articles of the Company be cancelled, and that the form of articles attached hereto be adopted as the articles of the Company in substitution for, and to the exclusion of, the existing articles of the Company;

RESOLVED as a special resolution that the existing share rights and restrictions for the shares of the Company be abrogated, and that the shares of the Company shall have attached thereto the

special rights and restrictions set out in the form of articles attached hereto.

Certified a true copy the /7th day of March, 1998.

(Signature)

A handwritten signature in black ink, consisting of a large, stylized initial 'S' followed by a long, horizontal stroke.

(Relationship to the Company) Solicitor

SCHEDULE "A" ATTACHED TO THE SPECIAL RESOLUTION OF
LOUIS RACZ CO. LTD. DATED MARCH 17, 1998.

Form 1

(Section 5)

COMPANY ACT

ALTERED MEMORANDUM

(AS ALTERED BY SPECIAL RESOLUTIONS DATED MARCH 17 1998)

I wish to be formed into a company with limited liability under the Company Act in pursuance of this Memorandum.

1. The name of the Company is LOUIS RACZ CO. LTD;
2. The authorized capital of the Company consists of 41,000 Shares, divided into:
 - (a) 1,000 Class A Voting Common shares without par value;
 - (b) 10,000 B Voting Common shares with a par value of \$1.00 per share;
 - (c) 10,000 Class C Common shares with a par value of \$1.00 per share;
 - (d) 10,000 Class D Preferred shares with a par value of \$0.01 per share; and
 - (e) 10,000 Class E Preferred shares with a par value of \$1.00 per share.
3. Special rights and restrictions attached to the shares are set out in the Articles of the Company.

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ARTICLES

of

LOUIS RACZ CO. LTD.

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"COMPANY ACT"

ARTICLES

of

LOUIS RACZ CO. LTD.

PART I

INTERPRETATION

1.1 In these articles, unless there shall be something in the subject or context inconsistent therewith:

"Board" and "the Directors" mean the Directors or the sole director of the company for the time being.

"Company Act" means the Company Act of the Province of British Columbia as from time to time enacted and all amendments thereto and includes the regulations made pursuant thereto.

"the Seal" means the common seal of the Company.

"month" means calendar month.

"registered owner" or "registered holder" when used with respect to a share in the authorized capital of the Company means the person registered in the register of members in respect of such share.

Expressions referring to writing shall be construed as including references to printing, lithography, typewriting, photography and other modes of representing or reproducing words in a visible form.

Words importing the singular include the plural and vice versa; and words importing male persons include female persons and corporations.

1.2 Subject to Article 1.1 hereof, any words or phrases defined in the Company Act shall, if they are not inconsistent with the subject or context, bear the same meaning in these Articles.

1.3 Unless the Company Act, the Memorandum or these Articles otherwise provide, any action to be taken by a resolution of the members may be taken by an ordinary resolution.

1.4 The Rules of Construction contained in the Interpretation Act shall apply, mutatis mutandis, to the interpretation of these articles.

PART 2

SHARES AND SHARE CERTIFICATES

2.1 Every member is entitled, without charge, to one certificate representing the share or shares of each class held by him and containing the statements required by the Company Act; provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders or to his duly authorized agent shall be sufficient delivery to all; and provided further that the Company shall not be bound to issue certificates representing redeemable shares, if such shares are to be redeemed within one month of the date on which they were allotted. Any share certificate may be sent through the post by registered prepaid mail to the member entitled thereto, and neither the Company nor any transfer agent shall not be liable for any loss occasioned to the member owing to any such share certificate so sent being lost in the mail or stolen.

2.2 If a share certificate

1. is worn out or defaced, the Directors may, upon production to them of the said certificate and upon such other terms, if any, as they may think fit, order the said certificate to be cancelled and may issue a new certificate in lieu thereof;
2. is lost, stolen or destroyed, then, upon proof thereof to the satisfaction of the Directors and upon such indemnity, if any, as the Directors deem adequate being given, a new share certificate in lieu thereof shall be issued to the person entitled to such lost, stolen or destroyed certificate, or;
3. represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue registered in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company shall cancel the certificate so surrendered and issue in lieu thereof certificates in accordance with such request.

Such sum, not exceeding the amount permitted by the Company Act, as the Directors may from time to time fix, shall be paid to the Company for each certificate issued under this Article.

2.3 Except as required by law, statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof)

any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

2.4 Notwithstanding the provisions of the Company Act, the Directors may in their absolute discretion modify the rights as between members so as to consolidate fractional shares into whole shares or to cancel such fractional shares.

2.5 Every share certificate shall be signed manually by at least one officer or Director of the Company, or by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the Company and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a certificate so signed is as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such certificate to hold at the date of the issue of a share certificate.

2.6 Save as permitted by the Company Act, the Company shall not give financial assistance by means of a loan, guarantee, the provision of security or otherwise for the purpose of or in connection with the purchase of or subscription by any person for shares or debt obligations issued by the Company or an affiliate of the Company or upon the security, in whole or in part, of a pledge or other charge upon the shares or debt obligations issued by the Company or an affiliate of the Company.

PART 3

ISSUE OF SHARES

3.1 Subject to Article 3.2 and to any direction to the contrary contained in a resolution passed at a general meeting authorizing any increase of capital, the issue of all shares (whether in the original or any increased capital of the Company) shall be under the control of the Directors who may, subject to the rights of the holders of the shares of the Company for the time being issued, allot or otherwise dispose of, and/or grant options on, shares authorized but not yet issued at such times and to such persons (including Directors) and in such manner and upon such terms and conditions, and at such price or for such consideration, as they, in their absolute discretion, may determine.

3.2 If the Company is, or becomes, a company which is not a reporting company and the Directors are required by the companies Act before allotting any shares to offer them pro rata to the members, the Directors shall, before allotting any shares, comply with the applicable provisions of the Company Act.

3.3 The Company, or the Directors on behalf of the Company, may as permitted by the Company Act pay or allow a commission or discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares, provided that, if

the Company is not a specially limited company, the rate of the commission and discount shall not in the aggregate exceed twenty-five percent (25%) of the subscription price of such shares, or an amount equivalent to such percentage. The Company may also pay such brokerage as may be lawful.

3.4 No share may be issued until it is fully paid by the receipt by the Company of the full consideration therefor in cash, property or past services actually performed for the Company. The value of property or services for the purpose of this Article shall be the value determined by the Directors by resolution to be, in all circumstances of the transaction, the fair market value thereof.

PART 4

SHARE REGISTERS

4.1 The Company shall keep or cause to be kept a register of members, a register of transfers and a register of allotments within British Columbia and may combine one or more of such registers. If the Company's capital shall consist of more than one class of shares, a separate register of members, register of transfers and register of allotments may be kept in respect of each class of shares. The Directors on behalf of the Company may appoint a trust company to keep the register of members, register of transfers and register of allotments or, if there is more than one class of shares, the Directors may appoint a trust company, which need not be the same trust company, to keep the register of members and the register of transfers and the register of allotments for each class of share. The Directors on behalf of the Company may also appoint one or more trust companies, including the trust company which keeps the said register of its shares or of a class thereof, as transfer agent for its shares or such class thereof, as the case may be, and the same or another trust company or companies as registrar for its shares or such class thereof, as the case may be. The Directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2 Subject to the provisions of the Company Act, the Company shall be entitled to cause to be kept one or more branch registers of members at such place or places within or without the Province of British Columbia as the Directors may from time to time determine.

4.3 The Directors may fix in advance a date not more than forty-nine (49) days preceding the date of any meeting of members or any class thereof or of the payment of any dividend or of the proposed taking of any other proper action requiring the determination of members as the record date for the determination of the members entitled to notice of, or to attend and vote at, any such meeting, or entitled to receive payment of any such dividend or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in these Articles, only members of record on the date so fixed shall be deemed to be members for the purposes aforesaid. In no event shall the Company close its register of members.

PART 5

TRANSFER AND TRANSMISSION OF SHARES

5.1 Subject to any provisions of these Articles that may be applicable, any member may transfer his shares by instrument in writing executed by or on behalf of such member and delivered to the Company or its transfer agent. The instrument of transfer of any shares of the Company shall be in the form, if any, on the back of the Company's share certificates or in such form as the Directors may approve. Except to the extent that the Company Act may otherwise provide, the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members or a branch register of members in respect thereof.

5.2 The signature of the registered owner of any shares or of his duly authorized attorney upon any form of transfer approved by the Directors shall constitute a complete and sufficient authority to the Company, its Directors, officers and agents to register, in the name of the person, firm or corporation named in the form of transfer as transferee or, if no person, firm or corporation is named therein as transferee, then in the name of the person, firm or corporation in whose behalf the certificate is deposited with the Company for the purpose of having the transfer registered, all the shares comprised in the said certificate or so many thereof as the form of transfer shall state are to be transferred. Neither the Company nor any Director, officer or agent thereof shall be bound to inquire into the title of the person, firm or corporation named in the form of transfer as transferee; or, if no person, firm or corporation is named therein as transferee, of the person, firm or corporation in whose behalf the certificate is deposited with the Company for the purpose of having the transfer registered or be liable to any claim by such registered owner or by any intermediate owner of the certificate or of any of the shares represented thereby for registering the transfer, and the transfer, when registered, shall confer upon the person, firm or corporation in whose name the shares have been registered a valid title to such shares. Notwithstanding the foregoing, the Company and any Director, officer or agent thereof may decline to recognize any instrument of transfer unless it is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors or any such officer or agent may reasonably require to show the right of the transferor to make the transfer and unless the instrument of transfer relates to only one class of share.

5.3 In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the personal representative of the deceased where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

5.4 Any person becoming entitled to shares in consequence of the death or bankruptcy of a member shall, upon such documents and evidence being produced to the Company as the Company Act requires and as may from time to time be reasonably required by the Directors, have the right either to be registered as a member in respect of the shares, or, if he is a personal representative, instead of being registered himself, to make such transfer of the shares as the deceased person could have made; but the

Directors shall, in either case, have the same right, if any, to decline or suspend registration as they would have in the case of a transfer of the shares by the deceased or bankrupt person before the death or bankruptcy.

5.5 Upon the death or bankruptcy of a member, his personal representative or trustee in bankruptcy, although not a member, shall have the same rights, privileges and obligations that attach to the shares of the deceased or bankrupt member if the documents required by the Company Act shall have been deposited at the Company's registered office.

PART 6

ALTERATION OF CAPITAL

6.1 The Company may by ordinary resolution filed with the Registrar amend its Memorandum to increase the share capital of the Company by:

1. creating shares with par value or shares without par value, or both;
2. increasing the number of shares with par value or shares without par value, or both; or
3. increasing the par value of a class of shares with par value, if no shares of that class are issued.

6.2 The Company may alter its Memorandum to subdivide, consolidate, change from shares with par value to shares without par value, or from shares without par value to shares with par value, change the designation of or to cancel, all or any of its shares to such extent, in such manner and with such consents of members holding a class of shares which is the subject of or affected by such alteration as the Company Act provides.

6.3 The Company may alter the Memorandum or these Articles:

1. by special resolution, to create, define and attach special rights or restrictions to any shares; and
2. by special resolution and by otherwise complying with any applicable provision of the Memorandum or these Articles, to vary or abrogate the special rights and restrictions attached to any shares

and in each case by filing such resolution with the Registrar, but no right or special right or restriction attached to any issued shares shall be prejudiced or interfered with unless members holding shares of each class whose right or special right or restriction is so prejudiced or interfered with shall consent thereto in writing, or unless a resolution consenting thereto is passed as a separate class meeting of the holders of the shares of each such class by a majority of three-fourths of such members present and entitled to

vote, or such greater majority as may be specified by the special rights attached to the class of shares of the issued shares of such class. Notwithstanding such consent in writing or such resolution, no such alteration, other than a cancellation of shares, shall be valid as to any part of the issued shares of any class unless either the holders of the rest of the issued shares of such class all consent thereto in writing or unless the same is approved by a resolution passed by the votes of members holding three-fourths of such shares. If the Company is or becomes a reporting company, no resolution to create, vary or abrogate any special right of conversion attaching to any class of shares shall be submitted to any meeting of members unless, if so required by the Company Act, the British Columbia Securities Commission shall have consented to the resolution.

6.4 Unless these Articles elsewhere specifically otherwise provide, the provisions of these Articles relating to general meetings shall apply, with the necessary changes and so far as they are applicable, to a class meeting of members holding a particular class of shares but the quorum at a class meeting shall be one person holding or representing by proxy one-third of the shares affected.

PART 7

PURCHASE AND REDEMPTION OF SHARES

7.1 Subject to the special rights and restrictions attached to any class of shares, the Company may, by a resolution of the Directors and in compliance with the Company Act, purchase any of its shares pursuant to an offer made to and accepted by the holders thereof at the price and upon the terms specified in such resolution, but no such purchase shall be made if the Company is insolvent at the time of the proposed purchase or the proposed purchase would render the Company insolvent. Unless the shares are to be purchased through a stock exchange or the Company is purchasing the shares from dissenting members pursuant to the requirements of the Company Act, the Company shall make its offer to purchase pro rata to every member who holds shares of the class to be purchased.

7.2 If the Company proposes at its option to redeem some but not all of the shares of any class, the Directors may, subject to the special rights and restrictions attached to any class of shares, decide the manner in which the shares to be redeemed shall be selected.

7.3 The shares so purchased or redeemed by the Company may be sold by it, but the Company shall not exercise any vote in respect of these shares nor shall any dividend be paid thereon while they are held by the Company.

PART 8

BORROWING POWERS

8.1 The Directors may from time to time exercise all the powers of the Company to borrow money in such manner and amount, on such security, from such

sources and upon such terms and conditions as they think fit, and to issue bonds, debentures and other securities either outright or as security for any liability or obligation of the Company or any other person, and to mortgage, charge or give other security on the undertaking, (both present and future). Any bonds, debentures or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing, conversion, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may by their terms be assignable free from equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

8.2 The Company shall keep or cause to be kept within the Province of British Columbia in accordance with the Company Act a register of its debentures and debentureholders and, subject to the provisions of the Company Act, may keep or cause to be kept one or more branch registers of the holders of its debentures, within or without the Province of British Columbia as the Directors may from time to time determine and the Directors may by resolution, regulations or otherwise make such provisions as they think fit respecting the keeping of such branch registers.

8.3 Every bond, debenture or other security of the Company shall be signed manually by at least one Director or officer of the Company or by or on behalf of a trustee, registrar, branch registrar, transfer agent or branch transfer agent for the bond, debenture or other security appointed by the Company or under any instrument under which the bond, debenture or other security issued and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a bond, debenture or other security so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such bond, debenture or other security to hold at the date of the issue thereof.

8.4 If the Company is or becomes a reporting company it shall keep or cause to be kept a register of its indebtedness to every Director or officer of the Company or every associate of any of them in accordance with the provisions of the Company Act.

PART 9

GENERAL MEETINGS

9.1 Subject to the provisions of the Company Act, the first annual general meeting shall be held within fifteen (15) months from the date of incorporation and thereafter an annual general meeting shall be held once in every calendar year at such time (not being more than thirteen (13) months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors. In default of the annual general meeting being so held, the meeting may be called by any member in the same manner as nearly as possible as that in which meetings are to be called by the Directors. If the Company is or becomes a company which is not a reporting company and all the members entitled to attend and vote at an annual general meeting consent in

writing to all the business which is required or desired to be transacted at the meeting, the meeting need not be held.

9.2 All general meetings other than annual general meetings are herein referred to as and may be called extraordinary general meetings.

9.3 The Directors may, whenever they think fit, convene an extra-ordinary general meeting. An extraordinary general meeting may also be convened if requisitioned in accordance with the Company Act, by the Directors or, if not convened by the Directors, by the requisitionists as provided in the Company Act.

9.4 If the Company is or becomes a reporting company, advance notice shall be published in the manner required by the Company Act of any general meeting at which Directors are to be elected.

9.5 A notice convening a general meeting specifying the place, the day, and the hour of the meeting, and, in case of special business, the general nature of that business, shall be given as provided in the Company Act and in manner hereinafter in these Articles mentioned, or in such other manner (if any) as may be prescribed by ordinary resolution, whether previous notice thereof has been given or not, to such persons as are entitled to receive such notice from the Company. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any member, shall not invalidate the proceedings at that meeting.

9.6 Subject to the provisions of the Company Act, where any special business at a general meeting includes considering, approving, ratifying or authorizing any document or the execution thereof, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by members during usual business hours at the registered office or records office of the Company or at some other place designated in the notice.

9.7 All the members of the Company entitled to attend and vote at a general meeting may, by unanimous consent in writing, or if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting.

PART 10

PROCEEDINGS AT GENERAL MEETINGS

10.1 All business shall be deemed special business which is transacted at

1. an extraordinary general meeting, and

2. an annual general meeting, with the exception of the consideration of the financial statements, the respective reports of the Directors and Auditors, changing the number of Directors, approval of a motion to elect two or more Directors by a single resolution, the election of Directors, the appointment of Auditors, the fixing of the remuneration of the Auditors and such business as by these Articles or the Company Act may be transacted at a general meeting without prior notice thereof being given to the members.

10.2 No business shall be transacted at any general meeting unless a quorum of members, entitled to attend and vote, is present at the time when the meeting proceeds to business, but the quorum need not be present throughout the meeting; save as herein otherwise provided, a quorum shall be two persons present and being, or representing by proxy, members holding not less than one-tenth of the shares which may be voted at the meeting. If there is only one member entitled to vote at a general meeting, the quorum is one person present and being, or representing by proxy, such member. The Directors shall be entitled to attend at any general meeting, but no Director shall be counted in the quorum or be entitled to vote at any general meeting unless he shall be a member, proxyholder or representative of a corporation entitled to vote thereat.

10.3 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those persons present and being or representing by proxy, members entitled to attend and vote at the meeting shall be a quorum.

10.4 The Directors may by resolution appoint a person, who need not be a Director, officer or member of the Company to preside as Chairman at every general meeting of the Company. Failing such an appointment, the Chairman of the Board, if any, or in his absence the President of the Company shall preside as Chairman at every general meeting of the Company.

10.5 If at any meeting none of, the person appointed by the Directors to preside as Chairman, the Chairman of the Board or the President, is present within fifteen minutes after the time appointed for holding the meeting or is willing to act as Chairman, the Directors present shall choose some one of their number to be Chairman or if all the Directors present decline to take the chair or shall fail to so choose or if no Director be present, the members present shall choose one of their number to be Chairman.

10.6 The Chairman may and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save

as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

10.7 Subject to the provisions of the Company Act, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member or proxyholder of a member entitled to attend, and, unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

10.8 No resolution proposed at a meeting need be seconded and the Chairman of any meeting shall be entitled to move or second a resolution.

10.9 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

10.10 A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place within fourteen (14) days and in such manner as the Chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. Any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. The demand for a poll may be withdrawn. In any dispute as to the admission or rejection of a vote the decision of the Chairman made in good faith shall be final and conclusive.

10.11 Every ballot cast upon a poll and every proxy appointing a proxyholder who cast a ballot upon a poll shall be retained by the Secretary for such period and be subject to such inspection as the Company Act may provide.

PART 11

VOTES OF MEMBERS

11.1 Subject to any special voting rights or restrictions attached to any class of shares and the restrictions on joint holders of shares, on a show of hands every individual who is present as a member or as a proxyholder of a member shall have one vote and on a poll every member shall have one vote for each share of which he is the registered holder and may exercise such vote either in person or by proxyholder.

11.2 Any corporation, other than a subsidiary, which is a member of the Company may by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any general meeting or separate

meeting of the holders of a class of shares of the Company. The person so authorized shall be entitled to exercise, in person or by proxy, at such meeting the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and shall be counted for the purpose of forming a quorum if present at the meeting. Notice of the appointment of any such representative may be sent to the Company by written instrument, telegram, telex or any method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation being a member may appoint a proxyholder.

11.3 In the case of joint holders the vote of the senior who exercises a vote, whether in person or by proxyholder, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members. Several legal personal representatives of a deceased member whose shares are registered in his sole name shall for the purpose of this Article be deemed joint holders.

11.4 A member of unsound mind entitled to attend and vote, in respect of whom an order has been made by any Court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may appoint a proxyholder.

11.5 On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

11.6 A member shall be entitled to appoint one or more proxyholders to attend, act and vote for him on the same occasion. If such a member should appoint more than one proxyholder for the same occasion he shall specify the number of shares each proxyholder shall be entitled to vote.

11.7 The instrument appointing a proxyholder shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the seal of the corporation or under the hand of a duly authorized officer. A proxyholder need not be a member of the Company.

11.8 An instrument appointing a proxyholder and the power of attorney, if any, under which it is signed or a notarially certified copy thereof shall be deposited with the Secretary prior to the commencement of the meeting. Notwithstanding the foregoing, the Directors may from time to time by resolution make regulations providing for the lodging of instruments appointing a proxyholder at any place or places and within the time or times not exceeding forty-eight (48) hours (excluding Saturdays, Sundays and holidays) preceding the meeting or adjourned meeting specified in the notice calling a meeting of members and permitting particulars of such instruments to be sent to the Company in writing or by letter, telegram, telex or any method of transmitting legibly recorded messages and providing that instruments appointing a proxyholder so lodged may be acted upon as though the instruments themselves were produced to the Chairman of the

meeting or adjourned meeting as required by this Article and votes given in accordance with proxies deposited under such regulations shall be valid and shall be counted.

11.9 Unless the Company Act or any other statute or law which is applicable to the Company or to any class of its shares requires any other form of proxy, a proxy appointing a proxyholder, whether for a specified meeting or otherwise, shall be in the form following, or in any other form that the Directors shall approve:

The undersigned, being a member of the above named Company, hereby appoints _____ of _____ or failing him, _____ of _____ as proxyholder for the undersigned to attend, act and vote for and on behalf of the undersigned at the annual (extraordinary) general meeting of the Company to be held on the ___ day of _____, ___ and at any adjournment thereof.

Dated :

(Signature of Member)

11.10 A vote given in accordance with a proxy is valid notwithstanding the previous death or incapacity of the member giving the proxy or the revocation of the proxy or the authority under which the instrument of proxy was executed, provided that no notification in writing of the death, incapacity or revocation has been received at the registered office of the Company or by the Chairman of the meeting or adjourned meeting for which the proxy was given before the vote is taken.

PART 12

DIRECTORS

12.1 The subscribers to the memorandum are the first Directors. The Directors to succeed the first Directors may be appointed in writing by a majority of the subscribers of the memorandum and the number of Directors shall be the same as the number of Directors so appointed. The number of Directors may be changed from time to time by ordinary resolution, whether previous notice thereof has been given or not, but shall never be less than one (1) or, if the Company is or becomes a reporting company, three (3).

12.2 In the event of the death of a shareholder and if there is no Director or shareholder surviving him, the Executor named in the deceased shareholder's Will, notwithstanding any provision to the contrary in said Will, or the person or persons entitled to apply for Letters of Administration (Administrator) where no Executor is so named, shall be deemed, subject to his or their consent, to be a Director or Directors of the Company forthwith on the death of said shareholder and Article 12.1 of these Articles

shall be deemed to provide that the number of Directors of the Company be one or the number of Executors or Administrators as the case may be if more than one.

12.3 The remuneration of the Directors as such may from time to time be determined by the members, unless by ordinary resolution the Directors are authorized to determine their remuneration. Such remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such who is also a Director. The Directors shall be repaid such reasonable travelling, hotel and other expenses as they may incur in and about the business of the Company and if any Director shall perform any professional or other services for the Company that in the opinion of the Directors are outside the ordinary duties of a Director or shall otherwise be specially occupied in or about the Company's business, he may be paid a remuneration to be fixed by the Board, or, at the option of such Director, by the Company in general meeting, and such remuneration may be either in addition to, or in substitution for any other remuneration that he may be entitled to receive. The Directors on behalf of the Company, unless otherwise determined by ordinary resolution, may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit with the Company or to his spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

12.4 No Director shall be required to hold a share in the capital of the Company as qualification for his office but shall be qualified to become or act as a Director as required by the Company Act. Each Director so long as he shall be a Director is deemed to have agreed to be bound by the provisions of these Articles. The Board of Directors shall comply with any residence or other requirements contained in the Company Act.

PART 13

ELECTION AND REMOVAL OF DIRECTORS

13.1 At each annual general meeting of the Company all the Directors shall retire and the members entitled to vote thereat shall elect a Board of Directors consisting of the number of Directors for the time being fixed pursuant to these Articles. If the Company is, or becomes, a company that is not a reporting company and the business to be transacted at any annual general meeting is consented to in writing by all the members who are entitled to attend and vote thereat such annual general meeting shall be deemed for the purpose of this Part to have been held on such written consent becoming effective.

13.2 A retiring Director shall be eligible for re-election.

13.3 Where in any calendar year the Company fails to hold an Annual General Meeting in accordance with the Company Act, the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to these Articles and they may hold office until other Directors are appointed or elected or until the day on which the next Annual General Meeting is held.

13.4 If at any General Meeting at which there should be an election of Directors, the position of any of the retiring Directors is not filled, such of the retiring Directors who are not re-elected as may be requested by the newly-elected Directors shall, if willing to do so, continue in office to complete the number of Directors for the time being fixed by these Articles until further new Directors are elected at a general meeting convened for the purpose. If any such election or continuance of Directors does not result in the election or continuance of the number of Directors for the time being fixed pursuant to these Articles such number shall be fixed at the number of Directors actually elected or continued in office.

13.5 Any casual vacancy occurring in the Board of Directors may be filled by the Directors.

13.6 Between successive Annual General Meetings the Directors shall have power to appoint one or more additional Directors but the number of additional Directors shall not at any time exceed one-third of the number of Directors elected or appointed at the Annual General Meeting last held. Any Director so appointed shall hold office only until the next following annual general meeting of the Company, but shall be eligible for election at such meeting, and so long as he is an additional Director the number of Directors shall be increased by one.

13.7 Any Director may by instrument in writing delivered to the Company appoint any person to be his alternate to act in his place at meetings of the Directors at which he is not present unless the Directors shall have reasonably disapproved the appointment of such person as an alternate Director and shall have given notice to that effect to the Director appointing the Alternate Director within a reasonable time after delivery of such instrument to the Company. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote as a Director at a meeting at which the person appointing him is not personally present, and if he is a Director, to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time by instrument, telegram, telex or any method of transmitting legibly recorded messages delivered to the Company revoke the appointment of an alternate appointed by him. The remuneration payable to such an alternate shall be payable out of the remuneration of the Director appointing him.

- 13.8 The office of Director shall be vacated if the Director:
1. By notice in writing to the Company at its registered office resigns his office; or
 2. Is convicted of an indictable offence and the other Directors shall resolve to remove him; or
 3. Ceases to be qualified to act as a Director pursuant to the Company Act; or
 4. Is removed by ordinary or special resolution as provided for by these Articles.

13.9 The Company may by special resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

PART 14

POWERS AND DUTIES OF DIRECTORS

14.1 The Directors shall manage, or supervise the management of, the affairs and business of the Company and may exercise all such powers of the Company as are not by the Company Act, or by these Articles, required to be exercised by the Company in general meeting, but subject nevertheless to the provisions of all laws affecting the Company and of these Articles and to any regulations not being inconsistent with these Articles which shall from time to time be made by the Company in general meeting, whether previous notice thereof has been given or not; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that regulation had not been made.

14.2 The Directors may from time to time, and at any time, by power of attorney or other instrument under the seal, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors relating to the constitution of the Board and of any of its committees and the appointment or removal of officers and the power to declare dividends) and for such period, with such remuneration and subject to such conditions as the Directors may from time to time think fit, and any such appointment may (if the Directors think fit) be made in favour of any of the Directors or any of the members or in favour of any corporation, or of any of the members, directors, nominees or managers of any corporation or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors, and any such powers of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Directors think fit. Any such attorneys may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

14.3 The Directors shall cause the Company to comply with the provisions of the Company Act from time to time in force.

PART 15

DISCLOSURE OF INTEREST OF DIRECTORS

15.1 A Director who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Company or who holds any office or possesses any property whereby, whether directly or indirectly, a duty or interest might be created in conflict with his duty or interest as a Director shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict

with his duty and interest as a Director, as the case may be, in accordance with the provisions of the Company Act.

15.2 A Director shall not vote in respect of any contract or transaction with the Company in which he is interested and if he shall do so his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken. This Article 15.2 and Article 15.1 shall not apply in those circumstances where a Director is, under the Company Act, deemed not to be interested in a proposed contract or transaction.

15.3 A Director may hold any office or place of profit under the Company (other than, if the Company is or becomes a reporting company, the office of auditor of the Company) in conjunction with his office of Director for such period and on such terms (as to remuneration or otherwise) as the Directors may determine and no Director or intended Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, and, subject to compliance with the provisions of the Company Act, no contract or transaction entered into by or on behalf of the Company in which a Director is in any way interested shall for such reasons be liable to be voided.

15.4 Subject to compliance with the provisions of the Company Act, a Director may act by himself or his firm in a professional capacity for the Company (except as auditor of the Company) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

15.5 A Director may be or become a director or other officer or employee of, or otherwise interested in, any corporation or firm in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the Company Act, such Director shall not be accountable to the Company for any remuneration or other benefits received by him as director, officer or employee of, or from his interest in, such other corporation or firm, unless the Company otherwise directs.

PART 16

PROCEEDINGS OF DIRECTORS

16.1 The Chairman of the Board, if any, or in his absence, the President shall preside as chairman at every meeting of the Directors, or if there is no Chairman of the Board or neither the Chairman of the Board nor the President is present within fifteen minutes of the time appointed for holding the meeting or is willing to act as chairman, the Directors present shall choose one of their number to be chairman of the meeting.

16.2 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall not have a second or casting vote. Regular meetings of the Board may be held at such

place, at such time and upon such notice (if any) as the Board may by resolution from time to time determine.

16.3 A Director may participate in a meeting of the Board or of any committee of the Directors by means of conference telephone or other communications facilities by means of conference telephone or other communications facilities by means of which all persons participating in the meeting can hear each other and provided that all such persons agree to such participation. A Director participating in a meeting in accordance with this Article shall be deemed to be present at the meeting and shall be counted in the quorum therefor and be entitled to speak and vote thereat.

16.4 A Director may, and the Secretary or an Assistant Secretary upon request of a Director shall, call a meeting of the Board at any time. Notice of such meeting specifying the place, day and hour of such meeting shall be mailed, postage prepaid, addressed to each of the Directors and alternate Directors at his address as it appears on the books of the Company at least forty-eight (48) hours before the time fixed for the meeting, or such notice shall be given to each director and alternate Director either personally or by leaving it at his usual business or residential address or by telephone, telegram, telex or other method of transmitting legibly recorded messages, at least twenty-four (24) hours before such time. It shall not be necessary to give notice of a meeting of Directors to any Director or alternate Director immediately following a general meeting at which such Director shall have been elected or of the meeting of Directors at which such Director shall have been appointed.

16.5 Any Director of the Company may file with the Secretary a writing executed by him waiving notice of any meeting or meetings of the Directors being sent to him and may at any time withdraw such waiver with respect to meetings held thereafter. After filing such waiver and until such waiver is withdrawn no notice need be given to such Director of any meeting of Directors and all meetings of the Directors so held (provided a quorum of the Directors be present) shall be valid and binding upon the Company.

16.6 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not so fixed shall be a majority of the Board of Directors or, if the number of Directors is fixed at one, shall be one Director.

16.7 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by the Directors or these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the company, but for no other purpose.

16.8 Subject to the provisions of the Company Act, all acts done by any meeting of the directors or of a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such Directors or of the members of such Committee or person acting as aforesaid, or that they or any of them

were disqualified, be as valid as if every such person had been duly elected or appointed and was qualified to be a Director.

16.9 A resolution consented to in writing, or by telegram, telex or any method of transmitting legibly recorded messages by all of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. Such resolution may be in two or more counterparts each signed by one or more Directors and the signed resolution or counterparts shall be deemed to constitute one resolution in writing and shall be filed with the minutes of the proceedings of the Directors.

PART 17

STANDING AND EXECUTIVE COMMITTEES

17.1 The Directors may by resolution appoint one or more Standing Committees consisting of such member or members of their body as they think fit and may delegate to any such Standing Committee between meetings of the Board such powers of the Board (except the power to fill vacancies in the Board and the power to change the membership of or fill vacancies in any such Standing Committee or in any Executive Committee of the Board and the power to appoint or remove officers appointed by the Board) subject to such conditions as may be prescribed in such resolution, and all Committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Directors shall also have power at any time to revoke or override any authority given to any such Standing Committees except as to acts done before such revocation or overriding and to revoke the appointment or change the membership of a Standing Committee and to fill vacancies in it. Standing Committees may make rules for the conduct of their business and may appoint such assistants as they may deem necessary. A majority of the members of a Standing Committee shall constitute a quorum thereof.

17.2 The Directors may by resolution appoint an Executive Committee to consist of such member or members of their body as they think fit, which Committee shall have, any may exercise during the intervals between the meetings of the Board, all the powers vested in the Board except the power to fill vacancies in the Board, the power to change the membership of, or fill vacancies in, said Committee or any Standing Committee of the Board and such other powers, if any, as may be specified in the resolution. The said Committee shall keep regular minutes of its transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Board shall have the power at any time to revoke the appointment or change the membership of such Committee and to fill vacancies in it. The Executive Committee may make rules for the conduct of its business and may appoint such assistants as it may deem necessary. A majority of the members of said Committee shall constitute a quorum thereof.

17.3 A Standing Committee or an Executive Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present, and in case of an equality of votes the chairman shall not have a second or casting vote. A Resolution approved in writing by all the members of a Standing Committee or an Executive Committee shall be as valid and effectual as if it had been passed at a meeting of such Committee duly called and constituted.

PART 18

OFFICERS

18.1 The Directors shall, from time to time, appoint a President and a Secretary and such other officers, if any, as the Directors shall determine and the Directors may, at any time, revoke any such appointment without prejudice however to any contractual rights of such officer.

18.2 One person may hold more than one of such offices except that the offices of President and Secretary must be held by different persons unless the Company has only one member. Any person appointed as the Chairman of the Board, the President or the Managing Director must be a Director. The other officers need not be Directors. The remuneration of the officers of the Company as such and the terms and conditions of their tenure of office or employment shall from time to time be determined by the Directors; such remuneration may be by way of salary, fees, wages or commission or participation in profits or any or all of these modes and an officer may in addition to such remuneration be entitled to receive after he ceases to hold such office or leaves the employment of the Company a pension or gratuity. The Directors may decide what functions and duties each officer shall perform and may entrust to and confer upon him any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit and may from time to time revoke, withdraw, alter or vary all or any of such functions, duties and powers. The Secretary shall, inter alia, perform his functions specified in the Company Act.

18.3 Every officer of the Company who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interests as an officer of the Company shall, in writing, disclose to the President the fact and the nature, character and extent of the conflict.

18.4 Every officer of the Company shall comply with the provisions of the Company Act, the memorandum of the Company and these Articles.

PART 19
INDEMNITY AND PROTECTION OF
DIRECTORS, OFFICERS AND EMPLOYEES

19.1 Subject to the Company Act, a director or other officer of the Company is not liable for:

1. any act, receipt, neglect, or default of any other director or officer;
2. loss or damage arising from bankruptcy, insolvency or tortious acts of any person with whom any monies, securities or effects are deposited;
3. loss or damage arising or happening to the Company through the insufficiency or deficiency of any security in or upon which assets of the Company may be invested;
4. any loss occasioned by any error or oversight on his part; or
5. any loss, damage or misfortune whatsoever happening in the execution of the duties of his office or in relation thereto,

unless it happens through his own dishonesty.

19.2 Subject to the provisions of the Company Act, the Company shall indemnify a Director or former Director of the Company and a director or former director of a corporation of which the Company is or was a shareholder and the heirs and personal representatives of any such director or former director against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him or them including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he is or they are made a party by reason of his being or having been a Director of the Company or a director of such corporation, including any action brought by the Company or any such corporation. The result of any action suit or proceeding does not create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Company, or that the person did not have reasonable grounds to believe that his conduct was lawful. The Company will apply to a Court of competent jurisdiction for all approvals of the Court which may be required to make this Article effective and enforceable. Each Director on being elected or appointed shall be deemed to have contracted with the Company on the terms of the foregoing indemnity.

19.3 Subject to the provisions of the Company Act, the Directors may indemnify every officer, employee or agent of the Company or of a corporation of which the Company is or was a shareholder (notwithstanding that he is also a Director) and his heirs and personal representatives against all costs, charges and expenses whatsoever incurred by him or them and resulting from his acting as an officer, employee or agent of the Company or such corporation. In addition the Directors shall indemnify the Secretary

or an Assistant Secretary of the Company and his respective heirs and legal representatives against all costs, charges and expenses whatsoever incurred by him or them and arising out of the functions assigned to the Secretary. Each Secretary and Assistant Secretary shall on being appointed be deemed to have contracted with the Company on the terms of the foregoing indemnity.

19.4 The Directors may rely upon the accuracy of any statement of fact represented by an officer of the Company to be correct or upon statements in a written report of the Auditor of the Company and shall not be responsible or held liable for any loss or damage resulting from the paying of any dividends or otherwise acting in good faith upon any such statement.

19.5 The Directors may cause the Company to purchase and maintain insurance for the benefit of any person who is or was serving as a Director, officer or agent of the Company or as a director, officer, employee or agent of any corporation of which the Company is or was a shareholder and his heirs or personal representatives against any liability incurred by him as such Director, officer, employee or agent.

19.6 If the Directors or any of them, or any other persons become personally liable for the payment of any sum for which the Company is primarily liable, the Directors may, subject to the provisions of the Company Act, execute or cause to be executed any mortgage, charge or security over or affecting all or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from loss in respect of such liability.

PART 20

DIVIDENDS AND RESERVE

20.1 The Directors may declare such dividends, if any, as they may deem advisable and need not give notice of such declaration to any member. No dividend shall be paid otherwise than out of funds properly available for the payment of dividends and a declaration by the Directors as to the amount of such funds available for dividends shall be conclusive. The Company may pay any such dividend wholly or in part by the distribution of specific assets and in particular by paid up shares, bonds, debentures or other securities of the Company or any other corporation or in any one or more such ways as may be authorized by the Company or the Directors and where any difficulty arises with regard to the distribution the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments in substitution for all or any part of the specific assets to which any members are entitled shall be made to any members on the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees for the persons entitled to the dividend as may seem expedient to the Directors.

20.2 Any dividend declared on shares on any class by the Directors may be made payable on such date as is fixed by the Directors.

20.3 Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends on shares of any class shall be declared and paid according to the number of such shares held.

20.4 The Directors may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which such funds of the Company may be properly applied, and pending such application such funds may, at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same to reserve, carry forward such funds, which they think prudent not to divide.

20.5 If several persons are registered as joint holders of any shares, any one of them may give effectual receipts for any dividend, bonuses or other monies payable in respect of the shares.

20.6 No dividend shall bear interest against the Company. Where the dividend to which a member is entitled includes a fraction of a cent, such fraction shall be disregarded in making payment thereof and such payment shall be deemed to be payment in full.

20.7 Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register, or to such person or to such address as the holder or joint holders may direct in writing. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The mailing of such cheque or warrant shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque or warrant shall not be paid on presentation.

PART 21

SEAL

21.1 The Directors may provide a seal for the Company and, if they do so, shall provide for the safe custody of the seal which shall not be affixed to any instrument except in the presence of the following persons, namely,

1. any two Directors, or
2. the Chairman of the Board, the President, the Managing Director, a Director or a vice-President and the Secretary, the Treasurer, the Secretary-Treasurer, an Assistant Secretary or an Assistant Secretary-Treasurer, or

3. if the Company is not a reporting company, the President alone, or
4. for the purpose of certifying under seal true copies of any document or resolution, any one of the persons specified in (b) above, or
5. such person or persons as the Directors may from time to time by resolution appoint, and the said Directors, officers, person or persons in whose presence the seal is so affixed to an instrument shall sign such instrument.

21.2 To enable the seal of the Company to be affixed to any bonds, debentures, share certificates, or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the Directors or officers of the Company are, in accordance with the Company Act and/or these Articles, printed or otherwise mechanically reproduced there may be delivered to the firm or company employed to engrave, lithograph or print such definitive or interim bonds, debentures, share certificates or other securities one or more unmounted dies reproducing the Company's seal and the Chairman of the Board, the President, the Managing Director or a Vice-President and the Secretary, Treasurer, Secretary-Treasurer, an Assistant Secretary or an Assistant Secretary-Treasurer may by writing authorize such firm or company to cause the Company's seal to be affixed to such definitive or interim bonds, debentures, share certificates or other securities by the use of such dies. Bonds, debentures, share certificates or other securities to which the Company's seal has been so affixed shall for all purposes be deemed to be under and to bear the Company's seal as if it had actually been affixed thereto.

21.3 The Company may have for use in any other province, state, territory or country, an official seal which shall have on its face the name of the province, state, territory or country where it is to be used and all of the powers conferred by the Company Act with respect thereto may be exercised by the Directors or by an agent of the Company duly appointed by the Company by deed or other instrument.

PART 22

DOCUMENTS, RECORDS AND REPORTS

22.1 The Company shall keep at its records office or at such other place as the Company Act may permit, the documents, copies, registers, minutes, and records which the Company is required by the Company Act to keep at its records office or such other place.

22.2 The Company shall cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company in order properly to record the financial affairs and condition of the Company and to comply with the Company Act.

22.3 The Directors shall from time to time cause to be prepared and laid before the Company in general meeting such financial statements and reports as are required by the Company Act.

22.4 Every member shall be entitled to be furnished once gratis on demand with a copy of the last annual financial statement of the Company and, if so required by the Company Act, a copy of each such annual financial statement shall be mailed to each member as provided in the Company Act.

PART 23

NOTICES

23.1 A notice, statement or report may be given or delivered by the Company to any member either by delivery to him personally or by sending it by post to him to his address recorded in the Register of Members, or such other address as directed by the member.

23.2 A notice, statement or report may be given or delivered by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

23.3 A notice, statement or report may be given or delivered by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post prepaid addressed to them by name or by the title of representatives of the deceased or trustee of the bankrupt, or by any like description, at the address (if any) supplied to the Company for the purpose by the persons claiming to be so entitled, or (until such address has been so supplied) by giving the notice in a manner in which the same might have been given if the death or bankruptcy had not occurred.

23.4 Notice of every general meeting or meeting of members holding a class of shares shall be given in a manner hereinbefore authorized to every member holding at the time of the issue of the notice or the date fixed for determining the members entitled to such notice, whichever is the earlier, shares which confer the right to notice of and to attend and vote at any such meeting. No other person except the auditor of the Company and the Directors of the Company shall be entitled to receive notices of any such meeting.

PART 24

PROHIBITIONS

24.1 So long as the Company is a company which is not a reporting company:

- (i) no shares shall be transferred without the previous consent of the Directors expressed by a resolution passed by the Board or by an instrument or instruments in writing signed by a majority of the Directors, and

- (ii) any invitation to the public to subscribe for any shares, bonds, debentures or other securities of the Company shall be prohibited.

PART 25

RECORD DATES

25.1 The Directors may fix in advance a date, which shall not be more than the maximum number of days permitted by the Company Act preceding the date of any meeting of members or any class thereof or of the payment of any dividend or of the proposed taking of any other proper action requiring the determination of members as the record date for the determination of the members entitled to notice of, or to attend and vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in these Articles, only members of record on the date so fixed shall be deemed to be members for the purposes aforesaid.

25.2 Where no record date is so fixed for the determination of members as provided in the preceding Article the date on which the notice is mailed or on which the resolution declaring the dividend is adopted, as the case may be, shall be the record date for such determination.

PART 26

RIGHTS AND RESTRICTIONS ATTACHING TO SHARES

26.1 The rights and restrictions attached to the shares may be summarized as follows:

| Class | Dividend Entitlement | Voting Rights | Liquidation Entitlement | Redeemable | Retractable | Redemption Amount |
|-------|------------------------------------|---------------|-------------------------|------------|-------------|-------------------|
| A | Participating (Conditionally) | Voting | 5th | No | No | N/A |
| B | Non-Participating | Voting | 4th | No | No | N/A |
| C | Participating (Conditionally) | Non-Voting | 3rd | No | No | Par Value |
| D | Non-participating | Non Voting | 1st | Yes | Yes | Set by Directors |
| E | Non-Participating Participating | Non-Voting | 2nd | Yes | Yes | Set by Directors |

26.2 The Shares of the Company have the following special rights and restrictions with respect to receipt of dividends:

1. the holders of the Class E Preferred shares shall be entitled to receive and the Company shall pay, at the discretion of and as and when declared by the directors, out of funds and/or assets properly available for the payment of dividends, fixed, non-cumulative dividends of eight percent (8%) per annum on the redemption amount of the Class E Preferred shares held by such holders, such dividends to rank in priority to dividends declared for all other classes of shares; provided that no such dividends shall be declared if the Shareholders' equity in the Company as calculated on the balance sheet basis is below or shall be caused by the declaration of dividends to fall below the total redemption amount of the issued Class C Common, Class D Preferred shares and Class E Preferred shares;
2. in each year at the discretion of the directors, and subject to the provisions of paragraph 26.2(a), dividends may be paid on the Class A Common and Class C Common shares out of all profits or surpluses available for distribution, provided that dividends must not be paid on the Class A Common or Class C Common shares if to do so would reduce the value of the net assets of the Company to less than the aggregate of the redemption amounts of the issued Class D Preferred shares and Class E Preferred shares;
3. the holders of the Class B Common and Class D Preferred shares are not entitled to any payment of dividends on such shares.

26.3 The shares of the Company have the following special rights and restrictions with respect to voting rights:

1. at all meetings of the shareholders of the Company the holders of the Class A Common and Class B Common shares are entitled to one vote for each Class A and Class B Common share held; and
2. the holders of the Class C Common, Class D Preferred and Class E Preferred shares are not entitled to vote at any meeting of the shareholders of the Company and they are not entitled to receive notice of or attend any meetings of the shareholders of the Company.

26.4 In the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or upon distribution of the assets of the Company among its members for the purpose of winding-up its affairs or upon a reduction or return of its capital the holders of the following classes of shares shall be entitled to receive the following amounts in the following order of priority:

| <u>Class of Shares</u> | <u>Priority</u> | <u>Entitlement</u> |
|------------------------|-----------------|--|
| Class D Preferred | 1 | Redemption amount only |
| Class E Preferred | 2 | Redemption amount only |
| Class C Common | 3 | Par Value only |
| Class B Common | 4 | Paid up capital only |
| Class A Common | 5 | All declared and unpaid dividends, and all remaining profits and assets of the Company |

26.5 The shares of the Company have the following special rights and restrictions with respect to redemption:

1. the Class A Common, Class B Common and Class C Common shares are not redeemable;
2. the Class D Preferred and Class E Preferred shares are redeemable;
3. the Company may redeem the whole or any number of the issued Class C Common, Class D Preferred or Class E Preferred shares on payment for each share to be redeemed of the redemption amount and no more; provided however that not less than 21 days' notice in writing of such redemption is given by mailing such notice to the registered holders of the shares to be redeemed specifying a date and place or places of redemption unless the holders of the shares to be redeemed waive any notice required to be given under this paragraph which waiver, whether given before or after the redemption, will cure any default in giving such notice and if notice as required of any redemption be given by the Company and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank of Canada as specified in any notice given, on or before the date fixed for redemption, the holders thereof will thereafter have no rights against the Company in respect of such shares except upon the surrender of certificates for such shares to receive payment for them out of the monies so deposited;

26-147
4.

the Company may, at the sole discretion of the directors, pay to holders of the Class D Preferred shares (a Class D Shareholder") the redemption amount for those shares as follows:

- (i) On the date of redemption of the Class D Preferred shares (the "Redemption Date"), the Company shall issue to each Class D Shareholder a promissory note of an amount equal to the cumulative value of the redemption amount of the Class D Preferred shares held by him/her (the "Loan");
- (ii) During the three year period immediately following the Redemption Date, the Company shall make equal monthly payments of principal and interest to each Class D Shareholder. The amount of the monthly payments shall be based on the amount of the Loan, an annual interest rate of 6%, and an amortization period of 20 years;

and

- (iii) on the third anniversary of the Redemption Date, it shall pay in full to each Class D Shareholder the balance of the Loan outstanding.

5. for greater certainty the Company may redeem any class or classes of redeemable share without redeeming any other class or classes of redeemable shares and notwithstanding anything in these Articles to the contrary, if not all of the outstanding shares of any class are to be redeemed, the shares to be redeemed may be selected in such manner as the directors determine and need not be selected either in proportion to the number of shares registered in the name of each shareholder or from every or any particular holder of shares of that class;

6. if a part only of the shares of any class represented by any certificate are to be redeemed then a new certificate representing the shares which are not to be redeemed shall be issued at the expense of the Company; and

7. no shares of any particular class may be redeemed if to do so would reduce the value of the net assets of the Company to less than the aggregate of the redemption amount of all issued shares of all other classes which have rights of liquidation in priority to the rights of the class of the shares to be redeemed (as that priority is set out in paragraph 26.4).

26.6 The shares of the Company have the following special rights and restrictions with respect to retraction:

- 1. the Class A Common, Class B Common and Class C Common shares are not retractable;
- 2. the Class D Preferred and Class E Preferred shares are retractable;

3. subject to the provisions of the Company Act, the Company will:
- (i) upon receiving notice from a Shareholder holding Class D Preferred shares, redeem the number of Class D Preferred shares registered in the name of the shareholder which are specified in the notice in accordance with the provisions of subparagraph 26.5(d) of these Articles;
- or
- (ii) upon receiving notice from a Shareholder holding Class E Preferred shares, redeem the number of Class E Preferred shares registered in the name of the shareholders which are specified in the notice by paying to such shareholder for each Class E Preferred share to be redeemed the redemption amount of the share and no more;

provided however that not less than 21 days' notice in writing of such redemption must be given to the Company by the shareholder seeking to have the Class D Preferred or Class E Preferred shares redeemed, such notice to be delivered by mailing to the registered office of the Company a notice specifying the number of Class D Preferred or Class E Preferred shares to be redeemed and surrendering the necessary number of share certificates for cancellation unless the Company waives any notice required to be given under this paragraph which waiver, whether given before or after the redemption, cures any default in giving such notice; and

4. notwithstanding anything in these Articles to the contrary, any redemption of shares by the Company upon receipt of a retraction notice from any member holding Class D Common or Class E Preferred shares need not be made on a pro rata basis among every member who holds shares of the class to be redeemed.

26.7 The Class D Preferred shares have the following additional special rights and restrictions:

- 1. the Class D Preferred shares may be issued as consideration for the acquisition of property, including any outstanding shares of the company.
- 2. the aggregate redemption amount of the Class D Preferred shares issued in connection with a purchase and sale transaction will be the amount by which:
 - (i) the aggregate fair market value of all the property acquired by the Company in the transaction and in respect of which the Class D Preferred shares were issued;

exceeds

- (ii) the aggregate fair market value of all the consideration (other than any Class D Preferred shares in the Company or a right to receive any such shares) received from the Company by the transferor of such property,

as determined by the directors of the Company at the time of the issuance of the Class D Preferred shares, provided that the directors may, in accordance with the terms or any agreement between the Company and the holders of Class D Preferred shares, amend from time to time their determination of the aggregate redemption amount of the Class D Preferred shares after the time of the issuance of such shares;

3. the redemption amount of each Class D Preferred share issued in connection with a purchase and sale transaction will be determined by dividing the aggregate redemption amount for the class by the number of shares of the class issued in respect of such transaction; and
4. Class D Preferred shares shall only be issued in respect of a purchase and sale transaction if no other Class D Preferred shares are outstanding in respect of any other purchase and sale transaction.

CERTIFICATE OF OFFICER

TO: Registrar of Companies
Victoria, British Columbia

I, the undersigned, being the president of LOUIS RACZ CO. LTD.,
HEREBY CERTIFY that all the provisions of the Company Act have
been complied with in respect of the special resolutions passed
by the Company as of the 10th day of March, 1998.

I further certify that all the members entitled to apply to court pursuant to
Section 227 of the Company Act have waived their rights to do so,

Dated the 17th day of March, 1998.



ERNEST ANTHONY RACZ - President

This is Exhibit " K " referred to in the
affidavit of Lisa Maddess
sworn before me on 15 / APR / 20 19



CENTRAL SECURITIES REGISTER

LOUIS RACZ CO. LTD.

Class "B" Voting Common shares with a par value of \$1.00 each

| Cert. No. | Full Name and Address of Shareholder | Date Share Certificate Issued | Date Share Certificate Cancelled | Number of Shares | Acquired by Allotment, Conversion, Transfer (or) | If Transferred, from whom | Consideration | | Particulars |
|-----------|--------------------------------------|-------------------------------|----------------------------------|------------------|--|---------------------------|---------------|----------|-------------|
| | | | | | | | Cash or Other | Amount | |
| 6 | Louis Racz Co. Ltd. | Feb 8, 1967 | | 200 | Allotment (200) | Treasury | | \$ | |
| 8 | Louis Racz | Feb 8, 1967 | ▼ | 100 | | | | | |
| 10 | Ernest Anthony Racz | Feb 8, 1967 | Mar 17, 1998 | 100 | | | | | |
| 12 | Rosilia Racz | Feb 8, 1967 | Mar 17, 1998 | 100 | | | | | |
| 14 | Ethel Mary Racz | Feb 8, 1967 | Mar 17, 1998 | 100 | | | | | |
| 16 | Louis Racz | Jul 31, 1985 | ▼ | 192 | Allotment (192) | Treasury | Other | \$718.00 | |
| 18 | Rosalia Racz | Jul 31, 1985 | Mar 17, 1998 | 4 | Allotment (4) | Treasury | Other | \$718.00 | |
| 20 | Ernest Racz | Jul 31, 1985 | Mar 17, 1998 | 4 | Allotment (4) | Treasury | Other | \$718.00 | |
| 24 | Rosilia Racz | ▼ | Mar 17, 1998 | 292 | Transfer (292) | L. Racz (#8, #16) | | | |
| 25 | Rosilia Racz | Mar 19, 1998 | Apr 1, 1998 | 396 | Allotment (396) | Treasury | Cash | \$1.00 | |
| 26 | Ernest Anthony Racz | Mar 19, 1998 | Apr 1, 1998 | 104 | Allotment (104) | Treasury | Cash | \$1.00 | |
| 27 | Ethel Mary Racz | Mar 19, 1998 | Apr 1, 1998 | 100 | Allotment (100) | Treasury | Cash | \$1.00 | |
| 32 | Ernest Anthony Racz | Apr 2, 1998 | Jan 31, 2001 | 50 | Allotment (50) | Treasury | Cash | \$1.00 | |
| 34 | Ethel Mary Racz | Apr 2, 1998 | | 50 | Allotment (50) | Treasury | Cash | \$1.00 | |
| 39 | Rita Louise Racz | Jan 31, 2001 | Oct 22, 2014 | 50 | Transfer (50) | Estate of E.A. Racz (#32) | | | |
| 43 | 1012109 B.C. Ltd. | Oct 22, 2014 | | 50 | Transfer (50) | R.L. Racz (#39) | | | |

CENTRAL SECURITIES REGISTER

LOUIS RACZ CO. LTD.

Class "C" Common shares with a par value of \$1.00 each

| Cert. No. | Full Name and Address of Shareholder | Date Share Certificate Issued | Date Share Certificate Cancelled | Number of Shares | Acquired by Allotment, Conversion, Transfer (or) | If Transferred, from whom | Consideration | | Particulars |
|-----------|--------------------------------------|-------------------------------|----------------------------------|------------------|--|---------------------------|---------------|--------|-------------|
| | | | | | | | Cash or Other | Amount | |
| 31 | The Racz Family Trust | Apr 2, 1998 | | 70 | Allotment (70) | Treasury | Cash | \$1.00 | |
| 33 | Ernest Anthony Racz | Apr 2, 1998 | Jan 31, 2001 | 15 | Allotment (15) | Treasury | Cash | \$1.00 | |
| 35 | Ethel Mary Racz | Apr 2, 1998 | | 15 | Allotment (15) | Treasury | Cash | \$1.00 | |
| 40 | Rita Louise Racz | Jan 31, 2001 | Oct 22, 2014 | 15 | Transfer (15) | Estate of E.A. Racz (#33) | | | |
| 44 | 1012109 B.C. Ltd. | Oct 22, 2014 | | 15 | Transfer (15) | R.L. Racz (#40) | | | |

CENTRAL SECURITIES REGISTER

LOUIS RACZ CO. LTD.

Class "D" Preferred shares with a par value of \$0.01 each

| Cert. No. | Full Name and Address of Shareholder | Date Share Certificate Issued | Date Share Certificate Cancelled | Number of Shares | Acquired by Allotment, Conversion, Transfer (or) | If Transferred, from whom | Consideration | | Particulars |
|-----------|--------------------------------------|-------------------------------|----------------------------------|------------------|--|---------------------------|---------------|---------|-------------|
| | | | | | | | Cash or Other | Amount | |
| 28 | Rosilia Racz | Apr 1, 1998 | Jun 30, 1998 | 1,641 | Allotment (1,641) | Treasury | Other | \$1,000 | |
| 29 | Ernest Anthony Racz | Apr 1, 1998 | Jan 31, 2001 | 431 | Allotment (431) | Treasury | Other | \$1,000 | |
| 30 | Ethel Mary Racz | Apr 1, 1998 | | 415 | Allotment (415) | Treasury | Other | \$1,000 | |
| 36 | Rosilia Racz | Jun 30, 1998 | Jun 30, 1999 | 1,584 | | Balance from #28 | | | |
| 37 | Rosilia Racz | Jun 30, 1999 | Jun 30, 2000 | 1,531 | | Balance from #36 | | | |
| 38 | Rosilia Racz | Jun 30, 2000 | Oct 22, 2014 | 1,481 | | Balance from #37 | | | |
| 41 | Rita Louise Racz | Jan 31, 2001 | Oct 22, 2014 | 431 | Transfer (431) | Estate of E.A. Racz (#29) | | | |
| 42 | 1012109 B.C. Ltd. | Oct 22, 2014 | Nov 28, 2014 | 1,481 | Transfer (1,481) | Estate of R. Racz | | | |
| 45 | 1012109 B.C. Ltd. | Oct 22, 2014 | Oct 22, 2014 | 431 | Transfer (431) | R.L. Racz (#41) | | | |

CENTRAL SECURITIES REGISTER OF

LOUIS RACZ CO. LTD.

| Date Share Certificate Issued | Date Share Certificate Cancelled | Full Name & Address | No. of Shares | Class & Kind of Share | Par Value | Acquired By Allotments Conversion Transfer(or) | If Transferred From Whom | Cert. No. | Consideration Paid to Company | | |
|-------------------------------|----------------------------------|---|---------------|-----------------------|-----------|--|-------------------------------|-----------|-------------------------------|------|-----------------|
| | | | | | | | | | Agreed Per Share | Cash | Other than cash |
| 8.2.67 | | Ethel Mary Racz 715 Saraguay Blvd. Pierrefonds, Quebec H8Y 2G3 | 415 | D | \$.01 | conversion | | 30 | | | |
| 4.2.98 | | The Racz Family Trust c/o 101-1919 Bellevue Avenue West Vancouver, BC V7V 1R9 | 70 | C | \$1 | allotment | | 31 | | | |
| 8.2.67 | | Ethel Mary Racz 715 Saraguay Blvd. Pierrefonds, Quebec H8Y 2G3 | 50 | B | \$1 | allotment | | 34 | | | |
| 8.2.67 | | Ethel Mary Racz 715 Saraguay Blvd. Pierrefonds, Quebec H8Y 2G3 | 15 | C | \$1 | allotment | | 35 | | | |
| 8.2.67 | | Rosilia Racz 101-1919 Bellevue Avenue West Vancouver, BC V7V 1R9 | 1,481 | D | \$.01 | conversion | | 38 | | | |
| 31.1.01 | | Rita Louise Racz 205-1765 Marine Drive West Vancouver, BC V7V 1J5 | 431 | D | \$.01 | Transfer | Estate of Ernest Anthony Racz | 39 | | | |
| 31.1.01 | | Rita Louise Racz 205-1765 Marine Drive West Vancouver, BC V7V 1J5 | 50 | B | \$1 | Transfer | Estate of Ernest Anthony Racz | 40 | | | |
| 31.1.01 | | Rita Louise Racz 205-1765 Marine Drive West Vancouver, BC V7V 1J5 | 15 | C | \$1 | Transfer | Estate of Ernest Anthony Racz | 41 | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Summary of shareholdings as at February 15, 2002:

| | |
|--------------------------|--------------------------------|
| Ethel Mary Racz | 415 "D" Preferred Non-Voting |
| | 50 "B" Common Voting |
| | 15 "C" Common Non-Voting |
| Rita Louise Racz | 431 "D" Preferred Non-Voting |
| | 50 "B" Common Voting |
| | 15 "C" Common Non-Voting |
| Rosilia Racz | 1,481 "D" Preferred Non-Voting |
| Racz Family Trust | 70 "C" Common Non-Voting |

THIS SETTLEMENT made the 31st day of March, 1998.

BETWEEN:

ROSILIA RACZ, of
#101 - 1919 Bellevue Avenue,
West Vancouver, BC
V7V 1R9

(the "Settlor")

AND:

ERNEST ANTHONY RACZ of
2227 Lawson Avenue,
West Vancouver, BC
V7V 2E3

AND:

ETHEL MARY RACZ, of
715 Saraguay Blvd.,
Pierrefonds, QC
H8Y 2G3

(the "Trustees")

WHEREAS:

- A. The Settlor is the mother of Ernest Anthony Racz and Ethel Mary Racz, the mother-in-law of Rita Racz, and the grandmother of Lisa Racz and Michael Siwik.
- B. The Settlor desires to establish a trust to be known as the Racz Family Trust for the benefit of Rita Racz, Lisa Racz and Michael Siwik.

THE PARTIES AGREE:

INTERPRETATION

I. In this Settlement and in any instrument supplemental or ancillary hereto, unless the context otherwise requires:

- (a) "Accumulating Income" means the amount described in subsection 108(1) of the Act;
- (b) "Act" means the *Income Tax Act* (Canada);

This is Exhibit " L " referred to in the
affidavit of LISA MADROSS
sworn before me on 15/ APR 120 19

- (c) "Age of Majority" means the age of majority as defined in the *Age of Majority Act* (British Columbia);
- (d) "Assets" means real or personal property of every nature and kind whatsoever and wheresoever situate;
- (e) "Beneficiaries" means Rita Racz, Lisa Racz and Michael Siwik;
- (f) "Designated Person(s)" in respect of an individual means a designated person as described in subsection 74.5(5) of the Act;
- (g) "Incapable" with respect to an individual means to be mentally incapable by a Court or other proper authority or determined to be mentally or physically or both mentally and physically incapable of handling his or her affairs in the written opinion of two physicians;
- (h) "Initial Trustees" means Ernest Anthony Racz and Ethel Mary Racz;
- (i) "Preferred beneficiary" means a person described in subsection 108(1) of the Act;
- (j) "Protector" means
 - (i) while the Initial Trustees are alive, the Initial Trustees;
 - (ii) if the Initial Trustees become incapable, the persons, other than the Settlor, who are from time to time the attorney in fact, committee or other legal representative of the Initial Trustees, and
 - (iii) after the death of the last surviving Initial Trustee, the persons, other than the Settlor, who are from time to time the executors and trustees of the last will and testament of the Initial Trustees, or if either of the Initial Trustees dies intestate, the administrators of the estate of that Initial Trustee;
- (k) "Time of Division" means the earliest of:
 - (i) March 1, 2078, if the Trustees determine in writing prior to March 1, 2019, otherwise March 1, 2019; and
 - (ii) the date on which there is no surviving Beneficiary;
- (l) "Trust" or "Trusts" means the trust or trusts established under this Settlement;
- (m) "Trustee" means the trustee or trustees from time to time acting under this Settlement and includes the original trustees appointed hereunder and any trustee or trustees appointed pursuant to the provisions of paragraph 16 hereof; and
- (n) "Trust Fund" means the property referred to in paragraph 3 hereof and all other Assets which may at any time be substituted therefor, and all other Assets which are now or which at any time during the continuance of the trusts hereof may be

acquired by or assigned, transferred or appointed to the Trustees and which the Trustees may be willing to accept and hold upon the trusts hereof, and all capital accretions to and all income from such Assets, but excluding all amounts which have been paid or disbursed therefrom (whether out of capital or income) in the normal course of administration or pursuant to the provisions of this Settlement.

NUMBER AND GENDER

2. In this Settlement and in any instruments supplemental or ancillary hereto the singular includes the plural and the masculine includes the feminine and vice versa.

SETTLEMENT OF THE TRUST

3. The Settlor hereby transfers to the Trustees and the Trustees hereby acknowledge the receipt from the Settlor of one gold coin and agrees to hold the property, together with all other Assets which may hereafter form the Trust Fund in accordance with the terms of this Settlement.

TRUSTS IRREVOCABLE AGREEMENT

4. This Settlement and the Trusts hereby made are irrevocable by the Settlor and, notwithstanding anything herein expressed or implied, no part of the capital or income of the Trust Fund:

- (i) may be paid, lent or applied to or for the benefit of the Settlor;
- (ii) may revert to the Settlor;
- (iii) may be paid, lent or applied to or for the benefit of any person determined by the Settlor; or
- (iv) will require the Settlor's consent with respect to the distribution of such capital or income.

ADDITIONS TO TRUST FUND

5. The Settlor or, with the approval of the Trustees, any other person may at any time and from time to time add to the Trust Fund. Any proposed addition to the Trust Fund which if made would have an adverse impact on the utilization of the preferred beneficiary election, may not be added to the Trust Fund but rather will be held by the Trustees as a separate trust fund with the provisions of this Settlement respecting the administration of the Trust Fund applying *mutatis mutandis* to such property.

LEGAL TITLE TO TRUST ASSETS

6. Any Assets from time to time constituting the Trust Funds will be held by and registered in the name of the Trustees or in the name of the Trustees' nominees or otherwise as

the Trustees may decide. The Trustees are not liable for any loss to the Trust resulting from any act of the nominee in whose name an Asset is held.

APPLICATION OF TRUST FUND

7. The Trustees will hold the Trust Fund and until the Time of Division will pay or transfer to or apply for the benefit of the Beneficiaries or such one or more of them, to the exclusion of the other or others and in such proportions as the Trustees in the Trustees' uncontrolled discretion may determine, all or so much of the net income, if any, derived from the Trust Fund and all or so much of the capital thereof as the Trustees in the Trustees' absolute and uncontrolled discretion from time to time determines.

UNDISTRIBUTED INCOME BECOMES CAPITAL

8. Any net income from the Trust Fund which is not so paid or applied in any year or within three months thereafter will be accumulated by the Trustees and added to the capital of the Trust Fund and dealt with as a part thereof.

TIME OF DIVISION

9. At the Time of Division, the Trustees will divide the Assets of the Trust Fund and transfer them in equal shares to the Beneficiaries then living. For greater certainty, the Trustees can in their unfettered discretion distribute all the Assets of the Trust Fund pursuant to the dispositive powers vested in the Trustees under Paragraph 7 hereof.

FAILURE OF TRUST

10. If the Trusts fail because no person becomes entitled at the Time of Division to the Trust Fund, then the Trustees will divide the Assets of the Trust Fund equally between Ernest Anthony Racz and Ethel Mary Racz, or to the survivor if one of them is not then living, or, if neither Ernest Anthony Racz nor Ethel Mary Racz is then living, to those persons who would have been entitled to the estate of the survivor of Ernest Anthony Racz and Ethel Mary Racz had he or she died intestate at the Time of Division domiciled in the Province of British Columbia, other than the Settlor or the Settlor's Spouse.

TRANSFER TO ANOTHER TRUST

11. Notwithstanding any of the Trusts, powers and provisions herein, and subject to paragraph 12 hereof, the Trustees may in the Trustees' absolute discretion at any time and from time to time, transfer and convey the whole or any share, portion, part of parts of the Trust Fund, save and except any such share, portion, part or parts thereof which is indefeasibly vested in possession of one or more of the Beneficiaries, to any other trust or settlement (the "New Trust") whether established under or pursuant to the laws of the Province of British Columbia, any other province of Canada, or any other jurisdiction whatsoever, to be held by the trustees of the New Trust with and subject to the powers and provisions of the New Trust provided that the Beneficiaries alive at the date of such transfer must be one or more of the Beneficiaries of the Trust, and that the respective interests and rights of the Beneficiaries with respect to the share, portion, part or parts of the Trust Fund so transferred and conveyed will under the New Trust be

the same as or substantially the same, insofar as is possible under the laws or the jurisdiction governing the New Trust, as the interests and rights of the Beneficiaries to the Trust Fund under this Settlement. Upon such a transfer being made, the Trusts herein declared concerning the property comprised in such transfer will cease and determine and the said property will for all purposes be subject to the trusts, powers and provisions contained in the New Trust.

TRUSTEES' POWERS

12. In addition to all other powers conferred upon the Trustees by the other provisions of this Settlement or by any statute or general rule of law, the Trustees have and are hereby given the power and authority in the Trustees' absolute and uncontrolled discretion at any time and from time to time to administer the Trust Fund in whatever manner the Trustees may determine and will have the right to take any action in connection with the Trust Fund and to exercise any rights, powers and privileges which may exist or arise in connection therewith to the same extent and as fully as an individual could if the individual was the sole owner of the Trust Fund. Without in any way limiting the generality of the foregoing, the Trustees will have the powers and authority set out in Schedule "A" attached hereto.

RESIGNATION OF TRUSTEE

13. Any Trustee will be entitled at any time to resign on 30 days' written notice to the Protector or upon such shorter notice as that person will accept as sufficient.

REMOVAL OF TRUSTEE

14. The Protector is entitled at any time for any reason that person deems sufficient upon giving a Trustee notice in writing to remove any Trustee and the removal of such Trustee will be effective immediately upon the Trustee receiving that notice.

APPOINTMENT OF TRUSTEE

15. The Protector will be entitled to appoint by instrument in writing any person, including any company, as a substitute Trustee to fill any vacancy occurring in the office of the Trustee hereunder or to act as an additional Trustee and every person so appointed as a Trustee shall, before as well as after the Trustee Fund becomes by law or by assurance or otherwise vested in the person, have the same powers, authorities and discretions, and may in all respects act as if the person had been originally appointed a Trustee by this Settlement.

RULES OF CONDUCT

16. If there is more than one Trustee hereunder then the Trustees may adopt any rules and regulations which they from time to time deem proper to govern their own procedure and all questions requiring action by the Trustees for the time being in office.

DECISIONS BY MAJORITY

17. The Trustees may act either by a resolution passed by a majority thereof at a meeting or by an instrument in writing signed by a majority of the Trustees, any such decision or

act of a majority of the Trustees, any such decision or act of a majority of the Trustees will, for all purposes of this Settlement, be deemed the decision or act of all the Trustees and every deed or instrument of every nature or description executed by a majority of the Trustees for the time being in office will be as valid, effectual and binding as if executed by all.

DECISIONS MADE IN CANADA

18. All decisions of the Trustees must be made in Canada unless the Trustees by supplemental indenture determine otherwise and any decision of the Trustees made outside of Canada will have no effect unless a supplemental indenture permits such decisions to be made outside Canada.

FEES

19. The Trustees are entitled to a fee for acting as Trustees under the provisions of the Settlement of such reasonable amount as is agreed upon between the Person entitled to appoint Trustees and the Trustees but not in excess of the maximum allowed by any rule of law or practice prevailing in the jurisdiction in which the Trustees are resident and situated, and such fees may be charged to and paid out of either income or capital or both of the Trust Fund.

PROFESSIONAL FEES

20. Where any barrister or solicitor or accountant is a Trustee and has rendered necessary professional services to the Trust, that person is entitled to be paid out of the Trust Fund such sums that are fair and reasonable in respect of such services in addition to the fee payable to such person in the capacity of Trustee.

TRUSTEE LIABILITY

21. The Trustees are not responsible for any act or omission or any error of judgment not amounting to actual fraud in the management and administration of the Trust Fund. The Trustees are not personally liable upon any moneys to become due from or by any claims against the Trust Fund or upon any investment executed by the Trustees under these provisions. The Trustees have the power to bind the Trust without rendering the Trustees personally liable.

TRUSTEE INDEMNITY RE: EXERCISE OF DISCRETION

22. The Trustees will be fully protected in exercising any discretion granted to the Trustees in this Settlement and will not be liable to the Settlor or the Settlor's estate or to any beneficiaries of the Trust hereby created or to any other person whatsoever by reason of the exercise of any such discretion. The Trustees will exercise the powers and discretions given to the Trustees in what the Trustees deem to be the best interests, whether monetary or otherwise, of the Beneficiaries, whether or not such exercise may have the effect of conferring an advantage on any one or more of the Beneficiaries at the expense of the other Beneficiaries or would otherwise, but for the foregoing, be considered as being other than an impartial exercise of the Trustees' duties hereunder or as not being the maintenance of an even hand among the Beneficiaries, and all such exercise of the Trustees' powers and discretions will be binding upon

all the Beneficiaries and will not be subject to any question by any person, official, authority, court or tribunal.

TRUSTEE INDEMNITY RE: TAXES, LEVIES, DAMAGES

23. The Trustees are not personally liable for the payment of any taxes that may be subject to assessment or payment during the currency of the Trust Fund which are the result of any failure by the Trustees to withhold, report or pay any taxes relating to the administration of the Trust or Trust Fund and in the event that the Trustees should be called upon to pay any taxes, penalties or other charges, the Trustees will be reimbursed for any amounts paid personally by the Trustees out of the capital or income of the Trust Fund. This provision for indemnity and reimbursement will also extend and apply to any other fines, levies, assessments or damages levied against the Trustees, whether by a court or otherwise, in respect of or arising out of any matter or thing done or omitted to be done in connection with the management, operation or administration of the Trust Fund.

OBLIGATIONS OF SUCCESSOR TRUSTEE

24. No successor Trustee will be required or be under any duty to examine, question, verify or audit the books, records, or accounts of any predecessor Trustee.

SITUS

25. The situs of the administration of the Trust created hereunder is Canada.

ACCEPTANCE BY THE TRUSTEES

26. The Trustees hereby accept the Trusts hereof and agree to be bound by the provisions of this Settlement and to hold the Trust Fund upon the Trusts hereof.

~~LAW GOVERNING TRUST~~

27. This Settlement will be governed by the laws of the Province of British Columbia.

IN WITNESS WHEREOF the parties hereto have hereunder set their hands and seals as of the date first herein mentioned.

SIGNED, SEALED AND DELIVERED)
by ROSILIA RACZ in the presence of:)

Helene Kowalski)
Name)

148 Spruce Ave Coq)
Address)

Care Worker)
Occupation)

Rosilia Racz)
ROSILIA RACZ)

SIGNED SEALED AND DELIVERED)
by ERNEST ANTHONY RACZ in the)
presence of:)

Ernest Racz)
Name)

8693-206 B Street)
Address)

Langley BC V1M 3X5)

Property Manager)
Occupation)

Ernest Racz)
ERNEST ANTHONY RACZ)

SIGNED, SEALED AND DELIVERED
by ETHEL MARY RACZ in the presence
of:

Michael Luck
Name

75 Sotogary Blvd. E. Detroit, Mich
Address

Student
Occupation

Ethel Mary Racz
ETHEL MARY RACZ

SCHEDULE "A"

TRUSTEE'S POWERS

Without in any way limiting the generality of paragraph 12, a Trustee will have the power and authority:

INVESTMENT

- (a) to invest any money constituting part of the Trust Fund in any investments which the Trustee considers advisable, notwithstanding that such investments may not be investments authorized by law for trustees and the Trustee will not be responsible for any loss which may be occasioned by reason of making such investments or the retention of them:

DISPOSAL OF ASSETS OF TRUST FUND

- (b) to sell, transfer, assign, exchange, convey, mortgage, lease or otherwise dispose of any of the Assets from time to time constituting the Trust Fund in any manner the Trustee deems proper and at a price, upon such terms and for such consideration as the Trustee deems suitable; to give any option with respect to any property in the Trust Fund and generally to perform all acts of alienation and ownership with respect to the Trust Fund to the same extent and with the same effect as if the Trustee was the absolute owner of the Trust Fund:

MANAGEMENT OF PROPERTY

- (c) to manage real or leasehold property entrusted to the Trustee or held by the Trustee under the Settlement and to make ordinary and extraordinary repairs and alterations and improvements thereon as the Trustee deems advisable; to raise buildings and erect new buildings; to subdivide and plot real property, to lay out and dedicate ways, roads and public places; to grant or release easements; to enter into partition, party-wall and boundary line agreements and agreements of any other kind with respect to real property; and to make any payment for repairs, alterations and improvements or services or in connection with such management out of the capital or income of the Trust Fund as the Trustee deems proper;

VOTING OF SHARES

- (d) to vote all shares or other securities, to exercise all rights incidental to the ownership of shares, bonds, or other securities, investments and property held as part of the Trust Fund, and to issue proxies to others; to vote to elect the Trustee to any executive or other board or committee of any company whose shares form part of the Trust Fund and to serve in any office or on any board or committee and accept and receive remuneration for the Trustee's services without diminution of the Trustee's compensation under this Settlement; to sell or exercise any subscription rights and in connection with the exercise of subscription rights to use Trust moneys for such purpose; to consent to and join in any plan,

reorganization, readjustment, merger, amalgamation or consolidation with respect to any company whose shares, bonds or other securities at the sale of the undertaking or assets or any portion of the assets or undertaking of any such company; and generally to act in respect of any securities forming part of the Trust Fund as fully and effectively as if they were not Trust property but always in such manner as the Trustee in the Trustee's uncontrolled discretion considers to be in the best interests of the Beneficiaries;

BANK ACCOUNTS

- (e) to open and operate any bank account as may be expedient in the opinion of the Trustee and to deposit cash balances in the hands of the Trustee at any time in any chartered bank or trust company and for the purposes of the Trust, to draw, make, endorse, deposit or deal in cheques, bills or exchange, promissory notes, drafts or any other mercantile, commercial or security documents of any nature or kind; and to enter into contracts, or agreements of any nature or kind with a bank or trust company; and for such purposes the signature of the Trustee as Trustee, and not in the Trustee's personal capacity, is valid and binding upon the Trust;

PARTNERSHIP

- (f) to enter into any partnership or limited partnership agreement or agreements;

INCORPORATION

- (g) to incorporate any company under the laws of the Province of British Columbia or any other jurisdiction in Canada or elsewhere, at the expense of the Trust Fund for the purpose of investing the whole or any part of the Trust Fund wholly or partly in shares or other security of such company;

LIFE INSURANCE POLICY

- (h) to retain any life insurance policy entrusted to the Trustee or from time to time held by the Trustee as Trustee; to accept as assignee for a consideration or as a donation to form part of the Trust Fund, any life insurance policy or benefit under such policy; to purchase insurance on the life of any Beneficiary; to purchase insurance on the life of anyone in whom a Beneficiary has an insurable interest and to select such type of policy and mode of premium payments as the Trustee deems advisable; to pay premiums on the policy out of capital or income as the Trustee deems proper, provided any insurance policy will be payable to the Trustee and will be held as part of the Trust Fund, and the proceeds thereof, when received by the Trustee, will form part of the Trust Fund; and for such purposes the Trustee will have full power and authority to borrow money on the security of any policy, to sell such policy or surrender the same and to accept in exchange therefore, or in lieu thereof, any different policy and all the powers of an absolute

owner for the purpose of dealing with the policy in such manner as the Trustee considers in the best interests of the Beneficiaries;

ANNUITIES

- (i) to purchase annuities for one or more of the Beneficiaries and to select such type of annuity and mode of payment as the Trustee deems advisable;

INSURANCE

- (j) to carry insurance against hazards, including public liability, in such amounts and in any type of insurance company satisfactory to the Trustee, as the Trustee deems advisable;

BORROWING

- (k) upon such terms and subject to such conditions as the Trustee may consider appropriate, to borrow on behalf of the Trust such amount or amounts as the Trustee deems necessary or advisable, and, for the purpose of securing the repayment of any amount so borrowed, to mortgage, pledge, hypothecate or otherwise charge all or any part of the Trust Fund;

LENDING

- (l) to advance moneys out of the Trust Fund by way of loan to any person or company, including a Beneficiary, such loans to be made with or without interest, upon such terms as to payment and with or without security, as the Trustee deems advisable;

GUARANTEE

- (m) to guarantee, with or without security, the performance of contracts and the performance of undertakings and obligations of any person, company, partnership or association, including the payment of interest, principal and premium, if any, on bonds, debentures, or other securities, mortgages, or liabilities of any such person, company, partnership or association, provided such guarantee can reasonably be regarded as having been given for the benefit or advantage of the Trust Fund and the Beneficiaries;

INDEMNIFICATION

- (n) to enter into any agreement of indemnification for the benefit of any Beneficiary, persons, company or partnership, with or without security, provided that such indemnification can be reasonably regarded as having been given for the benefit or advantage of the Trust Fund and the Beneficiaries;

RELEASES

- (o) to waive or agree to waive, in whole or in part, unpaid accrued interest, or accumulated dividends in respect of any investment which may be held by the Trustee at any time, or to release any person, company or partnership from any obligation to the Trust with or without compensation therefor;

EMPLOYEES AND AGENTS

- (p) to employ and compensate agents, accountants, solicitors, brokers or other assistants and advisors deemed by the Trustee to be helpful for the property settlement or administration of the Trust, and to do so without liability for any neglect, omission, misconduct or default of any employed person, provided the person was selected and retained with reasonable care;

DOCUMENTS

- (q) to execute and deliver agreements, assignments, bills of sale, contracts, deeds, notes, powers of attorney, receipts and any and all other instruments in writing necessary or appropriate in the opinion of the Trustee for the settlement or administration of the Trust, and to execute any instrument without warranty by or without recourse to the Trustee: in executing the deed or other instrument, the Trustee will not be bound to secure the consent or approval of any person, official, authority, tribunal or court whomsoever or whatsoever;

PROCEEDINGS AFFECTING THE TRUST FUND

- (r) to institute, prosecute and defend any suit or actions or other proceedings affecting the Trustee or the Trust Fund or any part thereof, to compromise or settle any arbitration, to compromise or compound any debts owing to or by the Trust upon evidence that to the Trustee seems sufficient, to make partition in whole or in part at public auction or private sale or otherwise upon any terms the Trustee deems advisable with any co-owners or comprised in the Trust Fund and to make such partition either by sale or by set-off or by agreement or otherwise (including where deemed desirable, provision for equality or exchange);

DISTRIBUTIONS

- (s) upon any distribution or division of the Trust Fund or of any part thereof to distribute or divide the same either wholly or in part in money or in other Assets of the Trust Fund and for the purpose of such distribution or division, and for any other purpose hereunder, to place a value on the Assets or of any share therein as the Trustee deems just and proper and any valuation is absolutely final and binding upon all persons entitled hereunder: to determine what share of any specific Asset will be given or allocated to any particular Beneficiary upon any distribution from or division of the Trust Fund and to distribute or divide the same subject to the payment of any amount as will be necessary to adjust the shares of the various Beneficiaries;

INCOME TAX MATTERS

- (t) to make any designation, allocation or apportionment and without restricting the generality thereof in respect of capital cost allowance, depletion allowance, capital gains or losses, capital dividends, stock dividends or taxable dividends to, among or between the Beneficiaries and the Trust itself as is required or permitted under the relevant provision of the Act or any other taxing statute affecting the Trust;
- (u) to make, or refrain from making, in the Trustee's absolute discretion, any election, determination or designation permitted by the Act or any other statute or regulation enacted by the parliament or government of Canada, by the legislature or government of any province of Canada, or by any other legislative or governmental body of any other country, province, state or territory, and such exercise of discretion by the Trustee is conclusive and binding upon all the Beneficiaries;
- (v) to pay out of the income or capital of the Trust Fund, as the Trustee from time to time in the Trustee's absolute discretion determines, any taxes or other imposts payable in connection with the Trust Fund or payable by any Beneficiary in respect of the Trust Fund or any part thereof;

PREFERRED BENEFICIARY ELECTION

- (w) to join with any Preferred Beneficiary of the Trust Fund in making any election, in the prescribed manner, pursuant to any provisions of the Act enabling the Trustee to do so, in order to allocate for purposes of the Act the whole or any part of the Accumulating Income of such fund or share in any taxation year to the Beneficiary, provided however that the making of such an election will not vest any income or property in the Preferred Beneficiary;
- (x) at any time to pay to any Preferred Beneficiary of the Trust Fund an amount out of the Accumulating Income of the Trust Fund in any year sufficient to enable such Beneficiary to pay any increased liability of his or hers under the Act resulting from any election made by such Preferred Beneficiary and the Trustee pursuant to any provisions of that Act enabling them to do so, whereby some or all of the Accumulating Income of the Trust Fund for that taxation year is allocated to the Preferred Beneficiary for income tax purposes; and
- (y) where the Trustee considers it to be in the interests of a Preferred Beneficiary who is under the Age of Majority or a Preferred Beneficiary under other disability, to execute on behalf of such Preferred Beneficiary an election, in the prescribed manner, pursuant to any provisions of the Act enabling the Trustee to do so, in order to allocate for purposes of the Act the whole or any part of the Accumulating Income in any taxation year of the fund to such Preferred Beneficiary; and

AMOUNTS PAYABLE TO BENEFICIARIES

- (z) to make amounts payable to one or more of the Beneficiaries by signing a trust minute under seal which irrevocably declares an amount to be payable to a Beneficiary at which time the Beneficiary will have a legally enforceable right to payment of that amount:

PAYMENTS TO BENEFICIARIES AND THIRD PARTIES

- (aa) to issue promissory notes as negotiable instruments as payment in full of any outstanding debt:

NON-ARM'S LENGTH TRANSACTIONS

- (ab) to engage in any transaction authorized or empowered whether express or implies hereunder, with either the Trustee personally, and of the Beneficiaries or any persons related to them, including companies in which the Trustee, Beneficiaries or related persons are interested, provided that such transactions are on the same basis as might reasonably be negotiated with any stranger.

RECTIFICATION AND AMENDMENTS

- (ac) provided any alteration, amendment, enlargement, change, correction or modification does not, in the opinion of the Trustee, prejudice the rights of the Beneficiaries hereunder:
- (i) the Trustee may without reference to or the consent or concurrence of any Beneficiary, by supplemental indenture or otherwise, make any changes or corrections in this Settlement or any indenture supplemental hereto, which in his opinion are corrections or changes required for the purposes of curing or correcting any ambiguity or defect or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or therein; and
- (ii) the Trustee may, by supplemental indenture or otherwise, alter, amend, enlarge or modify the provisions contained in this Settlement or any indenture supplemental hereto if such alteration, amendment, enlargement or modification is, in the opinion of the Trustees, beneficial to the Beneficiaries or required for the purpose of complying with any statute of Canada or any Province thereof, or any order, rule or regulation made pursuant to such statute, or for the purpose of overcoming difficulties in the administration of the Trusts hereof.

IN THE MATTER OF THE RACZ FAMILY TRUST

THIS DEED OF RESIGNATION, APPOINTMENT AND RELEASE is made as of March 19, 2001, between:

ETHEL MARY RACZ, of
715 Saraguay Blvd.,
Pierrefonds, QC
H8Y 2G3

This is Exhibit " M " referred to in the
affidavit of LISA Maddess
sworn before me on 17 APR 2019

AND:

RITA LOUISE RACZ, of
2227 Lawson Avenue,
West Vancouver, BC
V7V 2E3

AND:

LISA RACZ, of
640 The Del,
North Vancouver, BC
V7N 2Y1

AND:

MICHAEL SIWIK, of
715 Saraguay Blvd.,
Pierrefonds, QC
H8Y 2G3

WHEREAS:

- A. The Racz Family Trust was established by Deed of Settlement (the "Deed") on March 31, 1998 by Rosilia Racz, of West Vancouver, BC as Settlor (the "Settlor").
- C. By the Deed, the Settlor appointed Ernest Anthony Racz and Ethel Mary Racz as Trustees of the Racz Family Trust. The Deed also designates the trustees to be the protectors of the Trust. The Deed grants to the protectors the power to appoint in writing any person as a substitute trustee to fill any vacancy occurring in the office of the Trustee.
- D. On December 16, 2000 Ernest Anthony Racz died.
- E. Rita Louise Racz, Lisa Racz and Michael Siwik (the "Beneficiaries") are collectively all of the beneficiaries of the Racz Family Trust;

- F. Prior to his death Ernest Anthony Racz furnished to the Beneficiaries accounts in respect of his administration of the Racz Family Trust and the Beneficiaries have been given a reasonable opportunity to review those accounts. The Beneficiaries approve of those accounts and have agreed to release the heirs, executors, administrators and assigns of Ernest Anthony Racz from all liability with respect to his administration of the Racz Family Trust, without requiring the executor of Ernest Anthony Racz to pass accounts relative to the administration of the Racz Family Trust by Ernest Anthony Racz pursuant to the Trustee Act, R.S.B.C. 1996, c. 464 as amended;
- G. Ethel Mary Racz, in her capacity as the Protector and the Continuing Trustee of the Racz Family Trust, and in exercise of the power conferred on her by section 27 of the Trustee Act, R.S.B.C. 1996, c. 464, as amended, and every other power her enabling, wishes to appoint Michael Siwik as her Co-Trustee in place of Ernest Anthony Racz.
- H. Michael Siwik desires to administer the trust and has agreed to accept the appointment as trustee of the trusts in accordance with the Deed of Settlement.

THE PARTIES AGREE:

- 1. Ethel Mary Racz, in her capacity as the continuing trustee and the Protector of the Racz Family Trust, in exercise of the power conferred on her by Section 27 of the *Trustee Act*, R.S.B.C. 1996, c. 464, and every other power her enabling, appoints Michael Siwik as a new trustee to be a trustee with her of the Racz Family Trust and to perform the trusts thereof in place of Ernest Anthony Racz and Michael Siwik accepts that appointment.
- 2. Each of the beneficiaries of the Racz Family Trust:
 - a. acknowledges that he/she has examined or has had a reasonable opportunity to examine the accounts of the Racz Family Trust up to the date of death of Ernest Anthony Racz and approves and consents to them;
 - b. waives any further accounting in respect of the actions of Ernest Anthony Racz as Trustee in relation to the administration of the Racz Family Trust or any matter in connection with it, including the passing by the representative of Ernest Anthony Racz of trust accounts relating to the Racz Family Trust, pursuant to the Trustee Act, R.S.B.C., 1996 c. 464 as amended;
 - c. remises, releases, quit claims and forever discharges the executors, administrators, successors and assigns of Ernest Anthony Racz from and against any and all actions, proceedings, claims and demands for or on account of or in respect of the Racz Family Trust or any matter in connection with it or for or on account of or in respect of anything done, omitted to be done, or suffered to be done by Ernest Anthony Racz in or about the administration of the Racz Family Trust, whether or not expressed or referred to in this Agreement including, without limitation, the capital encroachments made by Ernest Anthony Racz in favour of the beneficiaries of the Racz Family Trust since its establishment; and

- d. acknowledges that he/she has had a reasonable opportunity to seek independent legal advice in connection with the matters contained in this Deed and enters this Deed voluntarily;
- 3. Michael Siwik as the new Trustee, waives any further accounting in respect of the actions of Ernest Anthony Racz in relation to the administration of the Racz Family Trust.
- 4. Rita Louise Racz, Lisa Racz and Michael Siwik waive any further accounting in respect of the actions of Ernest Anthony Racz in relation to the administration of the Racz Family Trust.

This Deed shall enure to the benefit of and be binding upon the parties, and their respective heirs, executors, administrators and assigns.

BY SIGNING THIS DEED IN THE PLACES INDICATED BELOW, the parties agree to be bound by its terms and conditions:

SIGNED in the presence of:)
)
Robert J. Spicer)
 Name)
4400 des Sources)
 Address)
D.V.O. QC. H8Y-3B7)
Advisor RBC Investments.)
 Occupation)

E. Marie Racz

 ETHEL MARY RACZ

SIGNED in the presence of:)
)
HEATHER TRYON 981-5006)
 Name)
ROYAL BANK OF CANADA)
Park Royal Branch)
678 West Royal Street, West Vancouver, B.C. V7T 1H8)
 Address)
Financial Advisor)
 Occupation)

R. Racz

 RITA LOUISE RACZ

SIGNED in the presence of:

HEATHER TRYON 981-5005

Name

ROYAL BANK OF CANADA

Address Part: Royal Branch
Royal Bank, West Vancouver, B.C. V7T 1H6

~~Financial Advisor~~

Occupation

SIGNED in the presence of:

Robert J. Spicer

Name

4400 des Sources 1

Address

D.D.O. QC. H8Y-3B7

Advisor. RBC Investments

Occupation

J.S.

Lisa Racz

LISA RACZ

Michael Siwik
MICHAEL SIWIK

RESOLUTIONS

OF

DIRECTORS

OF

LOUIS RACZ CO. LTD.
effective as at June 30th, 1998 (year end).

This is Exhibit " N " referred to in the
affidavit of LISA MADNESS
sworn before me on 15 / APR / 20 19

BE IT RESOLVED:

1. That Corporate Dividends totalling \$64,803.00 be paid to the following Class C shareholders of record:

ERNEST ANTHONY RACZ @ \$9,720.45
ETHEL MARY RACZ @ \$9,720.45
RACZ FAMILY TRUST @ \$45,362.10


2. That the Company redeem 57 Class D Preferred shares from shareholder of record Rosilia Racz, in and for consideration of the sum of \$57,000.00; and
3. That to effect such redemption that share Certificate #28 in the aggregate of 1641 Class D shares be duly endorsed by the said Rosilia Racz, and cancelled; and
4. That share Certificate #36 be issued in the name of Rosilia Racz, representing the balance of Class D shares held by her.
5. That share Certificate #36 be issued under the hand of any Director of the Company.



ERNEST ANTHONY RACZ



ETHEL MARY RACZ



ROSILIA RACZ
 By her Attorney Ernest ~~Anthony~~ Racz

RESOLUTIONS

OF

DIRECTORS

OF

LOUIS RACZ CO. LTD.
effective as at June 30th, 1999 (year end).

This is Exhibit " 0 " referred to in the
affidavit of LISA Maddess
sworn before me on 15 APR 120 19

BE IT RESOLVED:

- 1. That Corporate Dividends totalling \$51,331.00 be paid to the following Class C shareholders of record:

ERNEST ANTHONY RACZ @ \$7,699.65
ETHEL MARY RACZ @ \$7,699.65
RACZ FAMILY TRUST @ \$35,931.70


- 2. That the Company redeem 53 Class D Preferred shares from shareholder of record Rosilia Racz, in and for consideration of the sum of \$52,978.80; and
- 3. That to effect such redemption that share Certificate #36 in the aggregate of 1584 Class D shares be duly endorsed by the said Rosilia Racz, and cancelled; and
- 4. That share Certificate #37 be issued in the name of Rosilia Racz, representing the balance of Class D shares held by her, namely 1531 Class D shares.
- 5. That share Certificate #37 be issued under the hand of any Director of the Company.



ERNEST ANTHONY RACZ



ETHEL MARY RACZ



ROSILIA RACZ
 By her Attorney Ernest Anthony Racz

RESOLUTIONS OF DIRECTORS OF LOUIS RACZ CO. LTD.

PRESENT:

ERNEST ANTHONY RACZ
ETHEL MARY RACZ
ROSILIA RACZ

This is Exhibit "P" referred to in the affidavit of LISA MADDESS sworn before me on 15 / APR / 20 19

effective June 30th, 2000:

1. That the Company declare dividends in the aggregate of \$47,878.40 to the Class C shareholders of record, as follows:

| | |
|---------------------------|-------------|
| ERNEST ANTHONY RACZ | \$ 7,181.76 |
| ETHEL MARY RACZ | \$ 7,181.76 |
| RACZ FAMILY TRUST..... | \$33,514.88 |

effective August 22nd, 2000:

1. That the Company redeem 50 Class D Preferred shares from shareholder of record ROSILIA RACZ for and in consideration of \$1,000.00 per share;
2. That to effect such redemption of shares that share Certificate number 37 issued in the name of Rosilia Racz for 1531 Class D Preferred shares be duly endorsed, and cancelled, and that share Certificate number 38 be issued in the name of Rosilia Racz for 1481 Class D Preferred shares representing the balance of her Class D Preferred shares in the capital stock of the Company;
3. That the said share Certificate shall be issued under the hand of any Director of the Company.

ERNEST ANTHONY RACZ

ETHEL MARY RACZ
(see Counterpart)

ROSILIA RACZ by her Attorney
Ernest Racz:

(Ernest Racz)

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN PROBATE

On the 19th day of March, 2001,
the last Will and Testament
(Copy attached) of

ERNEST ANTHONY RACZ otherwise known as
ERNEST A. RACZ and ERNEST RACZ

late of West Vancouver, British Columbia

deceased, who died on the 16th day of December, 2000,

at North Vancouver, Province aforesaid

was proved before a Master or a Judge of the Supreme Court of British Columbia, and
administration of the estate which, by law, passes to the personal representative of the
deceased was granted to

RITA LOUISE RACZ,

This is Exhibit " Q " referred to in the
affidavit of LISA MADDOSS
sworn before me on 15 / APR / 20 19

as Executrix.

Sealed by the Court on the 19th day of March, 2001.



J. ANDREWS Deputy District Registrar.
DEPUTY DISTRICT REGISTRAR

Extracted by Brister, Yeager Solicitors



THIS IS THE LAST WILL AND TESTAMENT of me, ERNEST ANTHONY RACZ, presently residing at 2227 Lawson Avenue, West Vancouver, B.C., V7V 2E3.

232227



I HEREBY REVOKE all Wills and Testamentary Dispositions of every nature or kind whatsoever by me heretofore made.

2. If my wife, RITA LOUISE RACZ, survives me, I GIVE, DEVISE and BEQUEATH all my property of every nature and kind, wheresoever situate, including any property over which I may have a general power of appointment, and including any Retired Savings Plans I may have at my demise, to my said wife for her own use and benefit absolutely, AND I APPOINT her the sole Executrix of this my Will.

3. IN THE EVENT my wife shall predecease me, or be unable to so act, I NOMINATE, CONSTITUTE and APPOINT my daughter, LISA MARIE MADDESS, presently residing at 722 Westview Crescent, North Vancouver, B.C., V7N 3S8, to be the Executrix and Trustee of this my Will.

4. I GIVE, DEVISE and BEQUEATH all my property of every nature and kind and wheresoever situate, including any property over which I may have a

Handwritten signatures and initials at the bottom of the page.

SUPREME COURT OF BRITISH COLUMBIA

MAR 19 '01

VANCOUVER REGISTRY

This is "A" referred to in the affidavit of RITA LOUISE RACZ Sworn before me at WEST VANCOUVER this 9th day of MARCH 2001.

A Commissioner for taking Affidavits within the Province of British Columbia

general power of appointment, to my said Trustee upon the following trusts, namely:-

(a) To use her discretion in the realization of my estate with power to my Trustee to sell, call in and convert into money any part of my estate not consisting of money at such time or times, in such manner and upon such terms, and either for cash or credit, or for part cash and part credit as my said Trustee may, in her discretion decide upon, with power and discretion to postpone such conversion of such estate, or any part or parts thereof, for such length of time as she may think best, AND I HEREBY DECLARE that my said Trustee may retain any portion of my estate in the form in which it may be at my death (notwithstanding that it may not be in the form of an investment in which Trustees are authorized to invest trust funds and whether or not there is a liability attached to any such portion of my estate) for such length of time as my said Trustee may in her discretion deem advisable and my Trustee shall not be held responsible for any loss that may happen to my estate by reason of so doing;

(b) To pay out of the capital of my general estate my just debts, funeral and testamentary expenses, and all succession duties and inheritance and death taxes, whether imposed by or pursuant to the law of this or any province, state, country or jurisdiction whatsoever, that may be payable in connection with any

SUPREME COURT OF BRITISH COLUMBIA

MAR 19 2001

VANCOUVER REGISTRY



at *SH* *SH*

insurance on my life or any gift or benefit given by this my Will, or any Codicil thereto, and whether such duties and taxes be payable in respect of estates or interests which fall into possession at my death, or at any subsequent time; AND I HEREBY AUTHORIZE my Trustee to pay any such duty or tax prior to the due date thereof or to commute the duty or tax on any interest in expectancy;

(c) To transfer the residue of my estate then remaining to my said daughter, LISA MARIE MADDESS, for her own use and benefit absolutely.

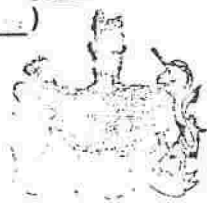
IN WITNESS WHEREOF I have hereunto set my hand this 12 day of February, 1996.

SIGNED, PUBLISHED and DECLARED)
by ERNEST ANTHONY RACZ, as and)
for his last Will and Testament)
in the presence of us, both)
present at the same time, who)
at his request, in his presence)
and in the presence of each)
other have hereunto subscribed)
our names as witnesses:-)

Susan Hase)
3664 Baird Road)
North Vancouver BC)
Secretary)

Donald E. Brister)
DONALD E. BRISTER)
Barrister & Solicitor)
No. 216 - 2558 AVENUE DRIVE,)
WEST VANCOUVER, B.C.)
VTV 112)

SUPREME COURT
OF BRITISH COLUMBIA
MAR 19 '01
VANCOUVER
REGISTRY



[Handwritten signature/initials]

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215
3



BULL
HOUSSER

Bull, Housser & Tupper LLP
Suite 900 - 900 Howe Street
Vancouver, BC V6Z 2M4
T 604.687.6573
F 604.641.4949
www.bht.com

Reply Attention of: Barbara E. Janzen
Direct Phone: 604.641.4981
Direct Fax: 604.646.2598
E-Mail: bej@bht.com
Our File: 06-2691
Date: May 15, 2014

Etus Maria Racz, in her personal capacity, as trustee of the Racz Family Trust and as director of Louis Racz Co. Ltd.
c/o Liebman Legal Inc.
1 Westmount Square, #1500
Montreal, QC H3Z 2P9

Etus Maria Racz, in her personal capacity, as trustee of the Racz Family Trust, and as director of Louis Racz Co. Ltd.
715 Saraguay Blvd, East
Pierrefonds, PQ H8Y 2G3

Attention: Moe Liebman

Elizabeth Gidney, as personal representative of the Estate of Johanne Gidney, deceased
709 Saraguay Blvd, East
Pierrefonds, PQ H8Y 2G3

Lisa Maddess ✓
c/o Friesen & Epp
5660 Yew Street
Vancouver, BC V6M 3Y3

Attention: Kenneth Friesen

Rita Racz, in her own personal capacity and as director of Louis Racz Co. Ltd.
c/o Friesen & Epp
5660 Yew Street
Vancouver, BC V6M 3Y3

Michael Siwik, as trustee of the Racz Family Trust
715 Saraguay Blvd, East
Pierrefonds, PQ H8Y 2G3

Attention: Kenneth Friesen

Larry South, as personal representative of the Estate of Johanne Gidney, deceased
4999 St. Catherine Street West, Suite 250
Westmount, QC H3Z 1T3

RECEIVED
MAY 22 2014

Dear Sirs/Mesdames:

Re: Estate of Rosilia Racz (the "Estate")

We are solicitors for Colin Topley, the administrator of the Estate.

This is Exhibit " R " referred to in the affidavit of LISA MADDESS sworn before me on 11 APR 120 14



BULL
HOUSSER

We are requesting your participation in a plan for reorganizing Louis Racz Co. Ltd. (the "Company") and redeeming the 1481 Class D Preference shares (the "Class D Shares") held by the Estate in the Company in a way that will both prevent double taxation of the value of the Class D Shares to the Estate, as well as increase the Company's adjusted cost basis in the land that it owns (which will benefit the remaining shareholders of the Company by allowing them to receive more after-tax proceeds if the Company's assets are ever sold). The expected tax benefit to the Estate would be as much as \$562,483.80 and the expected tax benefit to the other shareholders of the Company would be approximately \$280,000.

FACTS

1. The Estate owns 1481 Class D Shares of the Company. The other shareholders are as follows:
 - (a) Rita Racz ("Rita"): 431 Class D Shares, 50 Class B Common Voting shares and 15 Class C Common Non-Voting shares;
 - (b) Ethel Racz ("Etus"): 415 Class D Shares, 50 Class B Common Voting shares and 15 Class C Common Non-Voting shares; and
 - (c) Racz Family Trust (the "Trust"): 70 Class C Common Non-Voting shares.
2. The Beneficiaries of the Estate are:
 - (a) Etus;
 - (b) estate of Johanne Gidney; and
 - (c) Lisa Maddess ("Lisa").
3. The beneficiaries of the Trust are:
 - (a) Rita;
 - (b) Lisa; and
 - (c) Michael Siwik ("Michael").
4. The directors of the Company are Etus and Rita.
5. The only significant asset of the Company is an apartment building that generates rental income.

6. We understand that the Company does not intend to sell the apartment building at this time.
7. The fair market value and adjusted cost base of the Class D Shares is \$1,481,000.
8. The paid up capital of the Shares, for tax purposes, is nominal.
9. We assume for the present purposes that the Company is treating the income that it earns as active business income and is not generating refundable dividend tax on hand ("RDTOH") in the Company. If this assumption is not correct, the basic plan would remain the same but some additional thought should be given to whether the timing or details of some of the steps need to be adjusted.

ANALYSIS

It is perhaps most helpful to start with an explanation of the potential for the Estate to be taxed twice in respect of the gain on the Class D Shares, and then to turn to the solution that is proposed to deal with this problem, as well as a discussion of the benefits that will accrue to the remaining shareholders as a result of the proposed reorganization.

The Double Tax Problem

Upon her death, Rosilia Racz ("Rosilia") was deemed by subsection 70(5) of the *Income Tax Act* of Canada (the "ITA") to have disposed of her Class D Shares immediately before her death for proceeds equal to the fair market value of those Class D Shares (\$1,481,000). Tax has been paid in respect of that gain. As a result, the Estate has full adjusted cost base, but no paid up capital, in the Class D Shares.

If the Estate simply demands that the Company redeem its Class D shares, then it will be considered to have received dividend proceeds of \$1,481,000. The top marginal tax rate on dividends that are not eligible dividends is presently 37.98%. Thus, at the top marginal tax rate, there could be tax of as much as \$562,483.80 payable by the Estate on this dividend. The tax in respect of the redemption is payable entirely in the year of the redemption, notwithstanding that the redemption proceeds are payable by the Company over three years.

The Estate would also be considered to have disposed of its shares of the Company for proceeds equal to \$1,481,000 less the amount of the deemed dividend (\$1,481,000), that is, for nil proceeds. Thus, the Estate would be considered to have suffered a capital loss of \$1,481,000. This capital loss would not likely be usable to the Estate unless there are other estate assets with large unrealized capital gains.



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Accordingly, if no planning is done, tax will have been paid twice on the Class D Shares. First, tax was paid in respect of the deemed disposition by Rosilia of the Class D Shares immediately before death. Second, tax will have been paid on the full amount of the redemption proceeds of the Class D Shares (which amount will be taxed as a dividend). The Estate in this scenario would be left with a capital loss of possibly limited or no value to it.

Thus, if no planning is done tax will essentially be paid twice in respect of the Class D Shares, and the value of the capital loss will likely be trapped in the Estate.

The Pipeline Plan

One option that could be implemented to possibly avoid double taxation is to create what is called a "pipeline". However, in order to implement this plan, the participation of all of the shareholders (the Estate, Etus, Rita and the Trust) is required.

If any shareholder did not participate, there would be two negative tax consequences. First, there would be Part IV tax trapped inside the new corporation to be formed as part of the pipeline ("NewCo") that would not be able to be recovered (this consequence would affect the Estate and its beneficiaries). Second, the ability to bump up the adjusted cost base to the Company of the land it holds would not be available (this consequence would deny the Company and its remaining shareholders the benefit of that increase).

The basic plan would work as follows:

1. NewCo is formed, with the Estate owning the initial shares;
2. the Estate sells its Class D Shares of the Company to NewCo for a promissory note in the principal amount of \$1,481,000 (there is no gain on this sale because the Estate has an adjusted cost base in the Class D Shares equal to the principal amount of the note);
3. the remaining shareholders of the Company sell their shares of the Company to NewCo for equivalent shares of NewCo pursuant to the tax-deferred rollover provisions of section 85 of the ITA;
4. the Company begins redeeming the Class D shares from NewCo on the three year schedule as set out in the articles of the Company (the proceeds from this redemption will be treated as tax-free inter-corporate dividends to NewCo and so there will be no Part I tax, and should also not attract Part IV tax because NewCo will control the Company at this time);



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5. NewCo gradually pays off the note with the cash it acquires as a result of the redemption of the Company shares (the payment of the amount owing on account of the purchase price for the Class D Shares will not attract tax);

6. at least one year after the sale by the Estate in step 2, the Company amalgamates with or winds up into NewCo and avails itself (to the extent possible) of the increase in its adjusted cost base of the land component of the Esquimalt Avenue property pursuant to the provisions of subsection 87(11) and/or paragraph 88(1)(d) of the ITA. (Subsection 88(1) of the ITA generally allows for a tax-deferred wind-up of a wholly owned subsidiary, as the Company will stand in relation to NewCo, and as part of this wind-up, the adjusted cost base of land to NewCo can be increased to the extent permitted by paragraph 88(1)(d), as discussed below, which will permit the shareholders of NewCo that remain after the redemption of the Estate's Class D shares to be able to realize greater after-tax proceeds on an eventual sale of NewCo's real property. The provisions of 88(1)(d) will also apply on a vertical amalgamation due to subsection 87(11) of the ITA. In the present case, an amalgamation is likely preferable to a winding-up because it is simpler to avoid the application of property transfer tax on an amalgamation).

The Benefit to the Shareholders – Increasing the Adjusted Cost Basis of the Land

If all of the shareholders participate in the pipeline plan described above, not only will the Estate not have to pay tax twice in respect of the Class D Shares of the Company it holds, but the shareholders of the Company who will remain after the Estate's shares are redeemed can also obtain a significant potential tax savings. This tax savings would arise because of the potential to increase the adjusted cost basis of the land held by the amalgamated NewCo upon the amalgamation of NewCo and the Company. An explanation of the relevant ITA provisions follows.

Simply put, when a wholly-owned subsidiary corporation winds up into its parent pursuant to the terms of subsection 88(1) of the ITA, subsection 88(1)(d) permits the parent company to acquire land owned by the subsidiary corporation at an increased adjusted cost base. These rules also apply in the case of a vertical amalgamation. In the present case, an amalgamation will be preferable because registration of the amalgamated entity as the registered owner of the real property following the amalgamation will not attract property transfer tax.

The maximum amount of this permitted increase (or "bump") is, put very simply, the excess of NewCo's cost of the Company's shares over the cost to the Company of the non-depreciable property (i.e. the land) held by the Company plus the amount of the



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Company's cash on hand. The maximum increase is reduced by any capital dividends paid by the subsidiary (we are not aware of any such dividends having been paid).

The cost of the shares of the Company to NewCo if the pipeline is implemented as planned and discussed above would be \$1,481,000 in respect of the Class D Shares and likely only a nominal amount in respect of other shares (because the other shares would be transferred to NewCo by the other shareholders at their historical cost pursuant to the rollover provisions of section 85 of the ITA).

Based on the land title office and BC Assessment Authority documents that we have reviewed, the adjusted cost base of the land to the Company is likely very low, and the current fair market value much greater.

The historical acquisition cost of the real property seems to have been either \$255,000 or \$455,000 in 1968 (\$455,000 is the number typed on the fee simple registration application, but it is crossed off and \$255,000 is written in – we have assumed for the present purposes that \$255,000 is the correct figure and that it is all allocable to the land instead of the building). If this is the only asset in the Company, we can assume for these purposes that any additions to capital cost of the real property since acquisition have been allocated to the building and that this \$255,000 figure represents the entire tax cost of the Company's land assets.

The fair market value of the land is, according to the BC Assessment for 2014, \$6,932,000.

Leaving aside any question of depreciation and recapture, the capital gain that would result on a sale of the land (using these figures) is \$6,677,000, one-half of which would be taxable. Any increase permitted to NewCo in the present case will reduce the ultimate gain on an eventual sale of the building accordingly.

Returning to the question of the calculation of the permitted increase to the adjusted cost base of the land, such permitted increase will be (using the figures set out above) equal to NewCo's cost of the Company shares (\$1,481,000) less the Company's cost of the land (\$255,000) for a total increase of \$1,226,000 (which would shelter \$613,000 of taxable capital gains upon a sale of the land by NewCo). If the land were later sold by NewCo and the proceeds flowed through to shareholders, we would expect this to result in a total tax savings of approximately \$280,000.



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Total tax and other savings if the pipeline and bump planning are successfully implemented

In summary, the Estate and its beneficiaries, as well as all other shareholders of NewCo, will benefit if the plans discussed in this memorandum are implemented. First, there will be tax savings in the Estate if the pipeline planning can be implemented so that the Estate can receive capital proceeds on its sale of the Class D Shares as opposed to deemed dividends. This saving will be as much as \$562,483.80 as set out above, and any amount saved here will flow through to the beneficiaries of the Estate.

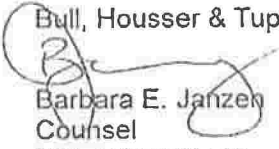
Second, the portion of the plan that permits an increase to NewCo of the cost amount of the land that is currently held by the Company will also benefit the remaining shareholders of the Company.

Without knowing the personal tax attributes of all of the persons who will be the remaining shareholders of NewCo, it is difficult to estimate what the tax savings would be on a total liquidation and distribution of NewCo's assets (i.e. the real property currently owned by the Company) if the above plan is implemented and the cost to NewCo of the land increased to the maximum permitted amount under paragraph 88(1)(d). That being said, we expect that such planning would save the remaining shareholders approximately \$280,000 of tax in aggregate on the \$1,226,000 of sheltered capital gains. These potential savings will, of course, only be fully realized on an eventual asset sale by NewCo and a subsequent distribution of the proceeds therefrom, but unless everyone participates in the proposed transactions set out in this letter at this time, the opportunity to use the cost attributable to the Estate's Class D Shares to bump the adjusted cost basis of the Company's land will be lost.

We hope that all of you will agree to participate in this plan, which we believe to be in the best interests of the Estate and the remaining shareholders of the Company. If you require any additional information or have any questions or comments about the proposed plan, we would welcome the opportunity to speak about the matters discussed in this letter with you or your advisors.

Yours truly,

Bull, Housser & Tupper LLP


Barbara E. Janzen
Counsel
BEJ/ajm/5052624.02
cc: Colin Topley

Minutes of all members entitled to vote at the Annual General Meeting of LOUIS RACZ CO. LTD. (the "Company") held at 5670 Yew Street, Vancouver, British Columbia on February 24, 2016 at 9:30 a.m.

Present: Rita Racz; Shareholder and Director

Rita Racz in the chair and acting as Secretary of the Meeting.

UPON MOTION, the Shareholders present or by proxy unanimously resolved as follows:

- (a) that the financial statements for the Company for the period ending June 30, 2015, be approved as presented;
- (b) that the option of appointing auditors for the year ending June 30, 2015, be waived;
- (c) that the appointment of Rita Racz as director be approved with the option for the appointment of a further director upon request of the other voting shareholder;

There being no further business, the meeting was adjourned at 9:50 a.m.


RITA RACZ
Chair

CONSENT RESOLUTIONS OF THE DIRECTORS OF

1012109 B.C. LTD.
(the "Company")

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

WHEREAS the Company has been incorporated under the British Columbia *Business Corporations Act* on August 28, 2014 and has received Incorporation Number BC1012109.

Allotment of Incorporator's Share

WHEREAS the Company has received \$1.00 in respect of 1 Non-Participating Common share without par value in the authorized share structure of the Company subscribed for by Riley R. Burr (the "Incorporator") in the incorporation agreement of the Company (the "Incorporator's Share").

RESOLVED THAT:

1. \$1.00 be set as the issue price for the Incorporator's Share and the Incorporator's Share be allotted and issued to the Incorporator as fully paid for \$1.00 per share; and
2. share certificate no. 1C representing the Incorporator's Share be issued and the Incorporator's name and other necessary particulars be entered in the Central Securities Register of the Company.

Transfer of the Incorporator's Share

RESOLVED THAT:

1. the transfer of the Incorporator's Share to Rita Louise Racz be approved and consented to;
2. share certificate no. 1C representing the Incorporator's Share be cancelled; and
3. share certificate no. 2C representing 1 Non-Participating Common share be executed and delivered to Rita Louise Racz and the name of the shareholder and other necessary particulars of the share transferred be entered in the Central Securities Register of the Company.

Quorum

RESOLVED that the quorum for meetings of directors be fixed at a majority of the Board.

General Signing Authority

RESOLVED that all documents and instruments, other than banking documents, executed on behalf of the Company, may be signed in accordance with the terms of a resolution of the directors or, failing such a resolution, then by:

1. any two directors;

This is Exhibit " S " referred to in the
affidavit of LISA MADDOSS
sworn before me on 1 APR 120 19

2. any officer, together with any director; or
3. if the Company only has one director, that director.

Appointment of Solicitors and Authority to Sign Notices

RESOLVED that the firm of Bull, Housser & Tupper LLP (the "Company's Solicitors") be appointed solicitors for the Company, and that any partner of, or associate employed by, the Company's Solicitors who has the relevant knowledge of the Company be authorized to sign and file (electronically or otherwise) any annual report, notice of directors or change of directors, notice of change of address, and any other document or Notice required to be filed with the Registrar of Companies and similar regulatory authorities in other jurisdictions to record any matter already authorized by resolution of the directors or shareholders of the Company.

Fiscal Year End

RESOLVED that the fiscal year end of the Company be September 30 of each year.

Registered and Records Offices

RESOLVED that the Company appoint Turlex Office Services Limited Partnership ("Turlex") as its agent for the maintenance of the Company's registered and records office under the provisions of the British Columbia *Business Corporations Act*, and that the said offices be located at Suite 900 – 900 Howe Street, Vancouver, British Columbia, V6Z 2M4, or at such other location within the City of Vancouver, Province of British Columbia, as Turlex may from time to time determine.

Registered and Records Offices Agreement

RESOLVED THAT:

1. the Company do enter into that certain agreement submitted by Turlex between the Company and Turlex relating to the registered and records offices of the Company;
2. any one director may, for and on behalf of the Company, execute and deliver such agreement; and
3. if Turlex gives notice to the Company that it will no longer act as agent for the maintenance of the Company's registered and records offices, the director[s] authorize Turlex to file a Notice of Change of Address changing the registered and records offices of the Company to the current British Columbia prescribed address of a director or officer of the Company.

Bankers

RESOLVED that the Company appoint as its bank _____, and adopt such banking resolutions as required by the said bank.

Accounting Records

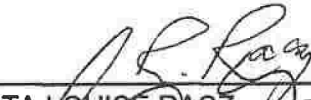
RESOLVED that the accounting records of the Company be kept at the Company's head office or principal place of business or at such other place as the directors may from time to time determine.


Appointment of Accountants

RESOLVED that _____ be appointed accountants of the Company to hold office until the next annual reference date of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at August 28, 2014.



RITA LOUISE RACZ


COLIN FOPLEY

CONSENT RESOLUTIONS OF THE DIRECTORS OF**1012109 B.C. LTD.**

(the "Company")

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

Approval of Agreement

WHEREAS the Company proposes to enter into an agreement (the "Purchase and Sale Agreement") with Rita Louise Racz (the "Vendor"), in connection with the purchase and sale of 50 Class "B" Voting Common, 15 Class "C" Common and 431 Class "D" Preferred shares (the "Subject Shares") held by the Vendor in the authorized share structure of Louise Racz Co. Ltd. in consideration for the allotment and issuance to the Vendor of 49 Common, 15 Non-Voting Common and 431 Preference shares without par value in the authorized share structure of the Company in payment therefor.

RESOLVED THAT the Purchase and Sale Agreement be and the same is hereby approved, and that any one director of the Company be and is hereby authorized to negotiate and finalize the terms of and to execute the Purchase and Sale Agreement on behalf of the Company, and to do all things as he or she may consider necessary or desirable to carry out the purchase of shares of Louis Racz Co. Ltd. thereunder.

Allotment of Shares

WHEREAS, pursuant to the Purchase and Sale Agreement, the Company has agreed to allot and issue 49 Non-Participating Common, 15 Non-Voting Common and 431 Preference shares without par value to the Vendor who has transferred to the Company the Subject Shares with a fair market value of \$1,267,885 in payment for such shares.

RESOLVED THAT:

1. the directors of the Company determine the fair market value of the Subject Shares as of the date of the purchase of the Subject Shares which are to be purchased by the allotment and issue of 49 Common, 15 Non-Voting Common and 431 Preference shares without par value in the authorized share structure of the Company to the Vendor, to be in all circumstances of this transaction the sum of \$1,267,885;
2. 49 Non-Participating Common shares without par value in the authorized share structure of the Company be allotted and issued as fully paid and non-assessable at and for the price of \$1 each to the Vendor;
3. 15 Non-Voting Common shares without par value in the authorized share structure of the Company be allotted and issued as fully paid and non-assessable at and for the price of \$55,789 each to the Vendor;

4. 431 Preference shares without par value in the authorized share structure of the Company be allotted and issued as fully paid and non-assessable at and for the price of \$1,000.00 each to the Vendor
5. the following amounts be added to the capital of the Company:
 - (a) \$49.00 with respect to the Non-Participating Common shares;
 - (b) \$15.00 with respect to the Non-Voting Common shares; and
 - (c) \$4.31 with respect to the Preference shares;
6. the following share certificates be executed by any one director of the Company:

| Certificate No. | Registered Holder | Number and Class of Shares |
|-----------------|-------------------|-----------------------------|
| 3C | Rita Louise Racz | 49 Non-Participating Common |
| 1NVC | Rita Louise Racz | 15 Non-Voting Common |
| 1P | Rita Louise Racz | 431 Preference |


7. the necessary particulars in respect of such shares and such allotment be entered in the Central Securities Register of the Company.

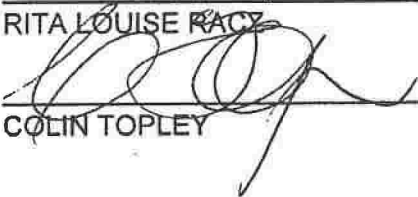
Approval of Election Form T2057

RESOLVED THAT the election form contemplated by paragraph 6 of the Purchase and Sale Agreement be and the same is hereby approved, and that it be executed by any one director of the Company signing the same on behalf of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at October 22, 2014.



 RITA LOUISE RACZ


 COLIN TOPLEY

CONSENT RESOLUTIONS OF THE DIRECTORS OF

1012109 B.C. LTD.

(the "Company")

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

Approval of Agreement

WHEREAS the Company proposes to enter into an agreement (the "Purchase and Sale Agreement") with Colin Topley, as executor of the Estate of Rosilia Racz (the "Vendor"), in connection with the purchase and sale of 1,481 Class "D" Preferred shares with a par value of \$0.01 each (the "Subject Shares") held by the Vendor in the authorized share structure of Louis Racz Co. Ltd. in consideration for the issuance of a promissory note in payment therefor.

RESOLVED THAT the Purchase and Sale Agreement be and the same is hereby approved, and that any one director of the Company be and is hereby authorized to negotiate and finalize the terms of and to execute the Purchase and Sale Agreement on behalf of the Company, and to do all things as he or she may consider necessary or desirable to carry out the purchase of shares of Louis Racz Co. Ltd. thereunder.

Approval of Promissory Note

RESOLVED THAT the promissory note contemplated by paragraph 4 of the Purchase and Sale Agreement, in the principal amount of \$1,481,000, be and the same is hereby approved, and that the said promissory note be executed by any one director of the Company signing the same on behalf of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at October 22, 2014, 2014.



 RITA LOUISE RACZ


 COLIN TOPLEY

SPECIAL RESOLUTION #1 OF
THE DIRECTORS OF

LOUIS RACZ CO. LTD.

(the "Company")

Whereas an Annual General Meeting was scheduled for June 26, 2014 at 10 a.m. and as quorum of members was not present at 10:30 a.m., the matter was adjourned pursuant to section 10.3 of the Articles to July 3, 2014 to 10 a.m. at which time the meeting resumed and, the undersigned, being a director of the Company entitled to vote on the resolution;

And whereas the Estate of Rosalia Racz (the "Estate") owns 1481 shares (the "Preferred Shares") in the Company with a fair market value of and adjusted costs base of \$1,481,000 and the Estate wishes to sell the Preferred Shares to another company so that it has cash to distribute to its beneficiaries, the majority of which have requested same;

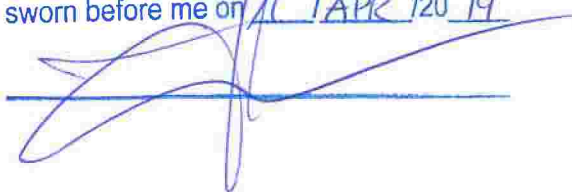
And whereas a reorganization plan has been developed for the purpose of the redemption of the Preferred Shares in a tax efficient manner and in keeping with the plan;

RESOLVED, as a special resolution, that the Company:

1. Rita Racz be appointed chairperson;
2. The financial statements for Louis Racz Co. Ltd. for the period ending June 30, 2013 be approved as presented;
3. The option of appointing auditors for the year ending June 30, 2014 be waived;
4. The plan as set out in the letter of Barbara Janzen dated May 15, 2014 (the "Pipeline Plan") as attached herewith is hereby approved;
5. There is approval of the sale of the shares in the Company to the New Company as set out in the Pipeline Plan;
6. There being no further business, the meeting was adjourned at 10:35 a.m.


RITA RACZ, director

This is Exhibit "T" referred to in the
affidavit of USA Maddess
sworn before me on 11 APR 120 19



**CONSENT RESOLUTIONS OF THE DIRECTOR OF
LOUIS RACZ CO. LTD.
(the "Company")**

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Transfer of Shares

WHEREAS, pursuant to an agreement of Purchase and Sale dated the date hereof between Rita Louise Racz and 1012109 B.C. Ltd., Rita Louise Racz agreed to sell and 1012109 B.C. Ltd. agreed to buy 50 Class "B" Voting Common shares with a par value of \$1.00 each, 15 Class "C" Common shares with a par value of \$1.00 each and 431 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company.

RESOLVED THAT:

1. the transfer of 50 Class "B" Voting Common shares with a par value of \$1.00 each, 15 Class "C" Common shares with a par value of \$1.00 each and 431 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company from Rita to 1012109 B.C. Ltd. be approved and consented to;
2. the following share certificates be cancelled:

| Certificate No. | Registered Holder | Number and Class of Shares |
|-----------------|-------------------|----------------------------|
| 39 | Rita Louise Racz | 50 Class "B" Voting Common |
| 40 | Rita Louise Racz | 15 Class "C" Common |
| 41 | Rita Louise Racz | 431 Class "D" Preferred |

3. the following share certificates be executed by any one director of the Company:

| Certificate No. | Registered Holder | Number and Class of Shares |
|-----------------|-------------------|----------------------------|
| 43 | 1012109 B.C. Ltd. | 50 Class "B" Voting Common |
| 44 | 1012109 B.C. Ltd. | 15 Class "C" Common |
| 45 | 1012109 B.C. Ltd. | 431 Class "D" Preferred |

4. the necessary particulars in respect of such shares and the aforementioned transfers be entered in the Central Securities Register of the Company.

DATED as at October 22, 2014.



RITA LOUISE RACZ

This is Exhibit " U " referred to in the
affidavit of USA Madress
sworn before me on 11/1 APR 2014

CONSENT RESOLUTIONS OF THE DIRECTOR OF**LOUIS RACZ CO. LTD.**

(the "Company")

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Transfer of Shares

WHEREAS, pursuant to an agreement of Purchase and Sale dated the date hereof between Colin Topley, as executor of the Estate of Rosilia Racz (the "Estate") and 1012109 B.C. Ltd., the Estate agreed to sell and 1012109 B.C. Ltd. agreed to buy 1,481 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company.

RESOLVED THAT:

1. the transfer of 1,481 Class "D" Preferred shares with a par value of \$0.01 each in the authorized share structure of the Company from the Estate to 1012109 B.C. Ltd. be approved and consented to;
2. share certificate no. 38, representing 1,481 Class "D" Preferred shares in the name of Rosilia Racz, be cancelled;
3. share certificate no. 42, representing 1,481 Class "D" Preferred shares in the name of 1012109 B.C. Ltd. be executed by any one director of the Company; and
4. the necessary particulars in respect of such shares and the aforementioned transfer be entered in the Central Securities Register of the Company.

DATED as at October 22, 2014.



RITA LOUISE RACZ

CONSENT RESOLUTIONS OF THE DIRECTOR OF

LOUIS RACZ CO. LTD.

(the "Company")

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Redemption of Class "D" Preferred Shares

WHEREAS, pursuant to the Articles of the Company, the Company intends to redeem 431 Class "D" Preferred shares at a price of \$1,000.00 per share from 1012109 B.C. Ltd. and the holder of the said shares has waived the notice provisions on the redemption.

RESOLVED THAT:

1. 431 Class "D" Preferred shares with a par value of \$0.01 each be redeemed, from the sole shareholder, by the payment (in accordance with the terms set out in the Articles of the Company) of \$1,000.00 (together with all dividends declared thereon but unpaid) for each such share to be redeemed and that such redeemed shares be restored to the status of authorized but unissued shares;
2. share certificate no. 45 representing 431 Class "D" Preferred shares registered to 1012109 B.C. Ltd. be cancelled; and
3. the necessary particulars in respect of such redemption be entered in the Central Securities Register of the Company.

These resolutions and the redemption authorized hereby are approved upon the director of the Company having been satisfied that the Company is not insolvent and that the redemption of the Class "D" Preferred shares will not render the Company insolvent.

DATED as at October 22, 2014.



RITA LOUISE RACZ

WAIVER AND CONSENT

The undersigned hereby waives notice of the Company's intention to redeem shares as set out in the within resolutions, and hereby consents to said redemption and the procedures followed herein.

DATED as at October 22, 2014.

1012109 B.C. LTD.

Per: _____

This is Exhibit " V " referred to in the
affidavit of LISA Maddess
sworn before me on 17 APR 2014

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**CONSENT RESOLUTIONS OF THE DIRECTOR OF
LOUIS RACZ CO. LTD.
(the "Company")**

The undersigned, being the sole director of the Company entitled to vote on the resolutions, hereby consents to and adopts in writing the following resolutions:

Redemption of Class "D" Preferred Shares

WHEREAS, pursuant to the Articles of the Company, the Company intends to redeem 1,481 Class "D" Preferred shares at a price of \$1,000.00 per share from 1012109 B.C. Ltd. and the holder of the said shares has waived the notice provisions on the redemption.

RESOLVED THAT:

1. 1,481 Class "D" Preferred shares with a par value of \$0.01 each be redeemed, from the sole shareholder, by the payment (in accordance with the terms set out in the Articles of the Company) of \$1,000.00 (together with all dividends declared thereon but unpaid) for each such share to be redeemed and that such redeemed shares be restored to the status of authorized but unissued shares;
2. share certificate no. 42 representing 1,481 Class "D" Preferred shares registered to 1012109 B.C. Ltd. be cancelled; and
3. the necessary particulars in respect of such redemption be entered in the Central Securities Register of the Company.

These resolutions and the redemption authorized hereby are approved upon the director of the Company having been satisfied that the Company is not insolvent and that the redemption of the Class "D" Preferred shares will not render the Company insolvent.

DATED as at 11/28/14, 2014.



RITA LOUISE RACZ

WAIVER AND CONSENT

The undersigned hereby waives notice of the Company's intention to redeem shares as set out in the within resolutions, and hereby consents to said redemption and the procedures followed herein.

DATED as at 11/28/14, 2014.

1012109 B.C. LTD.

Per: 

This is Exhibit " W " referred to in the affidavit of Lisa Maddess sworn before me on 15/ APR 20 19

LOUIS RACZ CO. LTD.
(the "Company")

RESOLUTIONS CONSENTED TO IN WRITING AS OF THE 4TH DAY OF SEPTEMBER, 2015, BY THE SOLE DIRECTOR OF THE COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT A MEETING OF THE DIRECTOR DULY CALLED AND CONSTITUTED

The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Director is of the reasonable and honest opinion that it is in the best interests of the Company that it borrow \$2,000,000.00 (the "Principal Amount") from Vancouver City Savings Credit Union (the "Lender").

Under and pursuant to a commitment letter dated August 19th, 2015, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Company and accepted by the Company, the Lender has agreed to make available to the Company the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Company borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The demand promissory note, all indebtedness mortgage and assignment of rents, environmental indemnity agreement and general security agreement (collectively the "Security") presented to the Director be granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by the Secretary or any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.
4. The security for repayment of the Principal Amount is, among other things, a first all indebtedness mortgage of the Company's interest in Parcel Identifier: 008-837-368, Lot B Block 3 South 1/2 of District Lot 1055 Plan 12609 and Parcel Identifier: 010-793-763, Lot 2 of Lot B Block 3 South 1/2 of District Lot 1055 Plan 6902.
5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.


Rita Louise Racz

Status: Registered

Doc #: CA4672521

RCVD: 2015-09-14 RQST: 2019-03-07 10.05.18

FORM_B_V22

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Sep-14-2015 08:44:19.001

CA4672521 CA4672522

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 6 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.

Mark Christian
Baron 6K6F4Z

Digitally signed by Mark Christian Baron
6K6F4Z
DN: c=CA, ou=Mark Christian Baron
6K6F4Z, o=Lawyer, cn=Vary ID as
www.court.ca/LKUP.cfm?id=6K6F4Z
Date: 2015.09.11 10:18:03 -0700

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

Carol Chan, Paralegal, Richards Buell Sutton LLP

Barristers and Solicitors

Telephone: 604.661.9265

700-401 West Georgia Street

Our File: 17671-2579

Vancouver

BC V6B 5A1

Document Fees: \$156.20

STC Fees: \$22.06

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

SEE SCHEDULE

STC? YES

This is Exhibit " X " referred to in the
affidavit of Lisa Madress
sworn before me on 11 APR 2019

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

LOUIS RACZ CO. LTD.

101 - 1575 ESQUIMALT AVENUE

Incorporation No

WEST VANCOUVER

BRITISH COLUMBIA

BC0072725

V7V 1R4

CANADA

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

VANCOUVER CITY SAVINGS CREDIT UNION

HAVING AN OFFICE AND POSTAL ADDRESS AT

5TH FLOOR, 183 TERMINAL AVENUE

Incorporation No

VANCOUVER

BRITISH COLUMBIA

FI-97

CANADA

V6A 4G2

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) Interest Act (Canada) Statement.
The equivalent rate of interest calculated
half yearly not in advance
is See Schedule % per annum.

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the
applicant wants registered ?

YES NO

If YES, page and paragraph number:

Pages 5 and 6, paragraphs
17.1, 17.2, 17.3, 17.4 and 17.5

(k) Place of payment:

Postal Address in Item 4

(l) Balance Due

Date:
ON
DEMAND

MORTGAGE – PART 1

PAGE 2 OF 6 PAGES

6. MORTGAGE contains floating charge on land ?
YES NO

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

8. INTEREST MORTGAGED:
Freehold
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: MT900380
(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:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

RIGHT OF WAY 361509M

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)

RONALD J. ARGUE
Barrister & Solicitor
5670 Yew Street
Vancouver, BC V6M 3Y3
604-266-7174

| Execution Date | | |
|----------------|----|----|
| Y | M | D |
| 15 | 09 | 09 |

Borrower(s) Signature(s)

LOUIS RACZ CO. LTD.
by its authorized signatory(ies):

Name: Rita Racz

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

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

008-837-368 LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 12609

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

010-793-763 LOT 2 OF LOT B BLOCK 3 SOUTH 1/2 OF DISTRICT LOT 1055 PLAN 6902

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

Page 4

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 the Mortgagor's Promises and Agreements.

(b) Interest Rate:

Such rate or rates of interest as may be agreed to in writing from time to time with respect to the Mortgagor's Promises and Agreements, and payable after as well as before maturity, default and judgment.

(e) Payment Dates:

The dates when the Mortgagor's Promises and Agreements are required to be paid, observed, performed and satisfied.

(h) Interest Act (Canada) Statement:

The equivalent rate of interest calculated half yearly or yearly, not in advance, is as set forth in the Mortgagor's Promises and Agreements.

10. ADDITIONAL OR MODIFIED TERMS:

This Mortgage is dated for reference the 4th day of September, 2015.

The following paragraphs of MT900380 are added, deleted or amended:

Paragraphs 1.1(b), (o), (s) and (w) of MT900380 are deleted and the following substituted therefor:

- "1.1(b) "Covenantor" means the person who, as a covenantor has signed the Mortgage Form or a schedule to the Mortgage Form or a Guarantee and Postponement of Claim in the Mortgagee's usual form or who, as a covenantor, has otherwise promised to pay the Mortgage Money to the Mortgagee;
- 1.1(o) "Mortgagee" means Vancouver City Savings Credit Union, a British Columbia Credit Union having an office at 5th Floor, 183 Terminal Avenue, Vancouver, British Columbia, V6A 4G2 and includes any person to whom the mortgagee transfers this Mortgage;
- 1.1(s) "Mortgagor's Promises and Agreements" means all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the Mortgagor to the Mortgagee or remaining unpaid by the Mortgagor to the Mortgagee heretofore or hereafter incurred or arising and whether incurred or arising from agreement or dealings between the Mortgagor and the Mortgagee or from any agreement or dealings with a third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor or however otherwise incurred or arising and whether the Mortgagor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, including, without

**LAND TITLE ACT
FORM E**

SCHEDULE

Page 5

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

limitation, that arising pursuant to any and all Commitment Letters, as may be amended from time to time, issued by the Mortgagee and accepted by the Mortgagor.

- 1.1(w) "Prime" means the floating rate of interest established and announced by the Mortgagee from time to time as a reference rate for purposes of determining rates of interest it will charge on loans. A certificate of any employee of the Mortgagee authorized to issue such certificate shall be conclusive evidence of Prime from time to time."

The following paragraphs are added as paragraphs 1.1(aa), 5.1(w), 12.8, 16.4 and 17.1 through 17.5 of MT900380:

- "1.1(aa) "Commitment Letter" or "Commitment Letters" means, collectively, any and all loan commitments issued by the Mortgagee to, and accepted by, the Mortgagor, as may be amended from time to time.
- 5.1(w) the Mortgagor if a company or Society will not change its name or agree to amalgamate with another company or Society without first advising the Mortgagee so that the Mortgagee may make or give such necessary filings or notices to protect or preserve any security for repayment of the Mortgage Money or the priority of such security and the Mortgagor agrees to pay the cost of so doing including the fees and disbursements of the Mortgagee's lawyers,
- 12.8 Each reference in section 12 (Strata Lot Provisions) to the *Condominium Act*, R.S.B.C. 1996 shall be a reference to the *Strata Property Act*, S.B.C. as amended from time to time.
- 16.4 The Mortgagor acknowledges and agrees that the execution and delivery of this Mortgage shall in no way merge or extinguish the terms and provisions of a Commitment Letter and that the terms and conditions contained in a Commitment Letter continue in full force and effect; provided that in the case of an inconsistency or conflict between the provisions of a Commitment Letter and the provisions of this Mortgage, the provisions of this Mortgage shall prevail.

ASSIGNMENT OF RENT

- 17.1 In paragraphs 17.2 through 17.5, "Assignment" means the Mortgagor's assignment of rent to the Mortgagee contained in paragraphs 17.2 through 17.5;
- 17.2 The Mortgagor assigns to the Mortgagee the rent payable under all present and future leases, licences, tenancy agreements and rights to occupy the Land (singularly or collectively referred to as the "Leases" in this Assignment) and all renewals thereof and from the proceeds of all policies of insurance which may provide payment to the Mortgagor in the event of the occurrence of any insured casualty and all the right, title and interest of the Mortgagor therein for the sole benefit of the Mortgagee.
- 17.3 The Mortgagor covenants with the Mortgagee:
- (a) that if requested by the Mortgagee the Mortgagor will execute or cause to be executed good and sufficient assignments of all rent payable under future Leases and benefits and advantages to be derived therefrom and from the proceeds of any policy of insurance as aforesaid such future assignments to contain the same provisions as this Assignment.

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.

- (b) to execute such further assurances, documents and writings as may be required by the solicitors for the Mortgagee to carry out the true intent and purposes of this Assignment and the assignment of the rent accruing under the Leases,
- (c) not to grant any further assignment of rent accruing under the Leases to any other person unless such person acknowledges the priority of the Mortgagee to the rent accruing under the Leases.

17.4 PROVIDED and it is understood and agreed that:

- (a) nothing herein contained shall be deemed to have the effect of making the Mortgagee responsible for the collection of the rent under the Leases or any part thereof or for the performance of any covenants, terms, or conditions of the Leases and that the Mortgagee shall not by virtue of this Assignment be deemed to be a mortgagee in possession of the Land and the Mortgagor specifically covenants and agrees with the Mortgagee that the Mortgagor will keep, observe and perform all of the covenants, terms and conditions contained in the Leases and specifically covenants and agrees that the Mortgagor will not, nor will anyone on the Mortgagor's behalf, collect or receive the rent payable under the Leases more than one (1) month in advance nor will the Mortgagor accept a surrender of any one or more of the Leases or agree to any change in its or their covenants, terms or conditions or agree to its or their assignment without the written consent of the Mortgagee,
- (b) the Mortgagee shall be liable to account only for such money as may actually be received by the Mortgagee by virtue of this Assignment less all fees and disbursements on an indemnity basis and proper collection charges, and that such money when so received by the Mortgagee, shall be applied on account of the money secured by the Mortgage,
- (c) nothing in this Assignment shall be deemed to give the Mortgagee the right or power to grant leases,
- (d) nothing in this Assignment shall be deemed to affect any or all of the remedies of the Mortgagee under and by virtue of the Mortgage but the Mortgagee may at the Mortgagee's option obtain and exercise such remedies without first realizing upon any or all securities given as collateral to the Mortgage and in whichever order the Mortgagee sees fit, any rule of law or equity to the contrary notwithstanding,
- (e) until a default has occurred under the Mortgage and for so long as the lessees continue to pay the rent reserved by the Leases as it becomes due from month to month (and not more than one (1) month in advance) the Mortgagor may enjoy the reversion of the Land without disturbance or interference by the Mortgagee.

17.5 The Mortgagor and the Mortgagee agree that this Assignment shall enure to the benefit of and be binding upon the parties hereto, their executors, administrators, successors and assignees respectively and that whenever the singular or either gender is used in this Assignment they shall be construed as meaning the plural or other gender or body politic or corporate when the context or the parties so require and if the Mortgagor consists of more than one person their covenants shall be joint and several."

END OF DOCUMENT



Burns Fitzpatrick LLP
 Suite 1400, 510 Burrard Street,
 Vancouver, BC, Canada V6C 3A8
 t: 604.602.5000 | f: 604.685.2104

Contact: Scott A. Turner
 dir: 604.602.5005
 e: sturner@burnsfitz.com

File No. 20694

May 8, 2018

Ethel Mary Racz
 715 Saraguay Blvd.
 Pierrefonds, QC H8Y 2G3

Dear Ms. Racz.:

Re: Louis Racz Co. Ltd. (the "Company")
And re: The Racz Family Trust (the "Trust")

VIA COURIER

This is Exhibit " Y " referred to in the
 affidavit of LISA MADRASS
 sworn before me on 15 APR 2019

We are counsel for Rita Racz. Under cover of separate letters, our client has sent you, via registered mail, three things:

1. notice of the Annual General Meeting of the above Company, which is set for May 31, 2018, in our offices in Vancouver;
2. notice of the appointment of Toby Symes as a replacement trustee of the above Trust; and
3. a without prejudice offer for winding up the Company and the Trust.

Our client's letters and the two notices are being sent to you by registered mail. With this letter, we are sending the same materials to you by courier, to better ensure that you receive them. We understand that you have, in the past, retained legal counsel to assist you in matters relating to the Company and the Trust. You should certainly feel free to forward this letter and the attached materials to legal counsel. Indeed, we would encourage you to do so. We believe that what our client is proposing is fair. However, the steps being proposed are significant and our client would prefer to proceed with your consent or, if you have legal counsel, in consultation with your legal counsel.

My telephone number in Vancouver is 604-602-5005. My email address is sturner@burnsfitz.com.

May 8, 2018

page 2 of 3

I look forward to hearing from you or your counsel, should you or your counsel choose to respond.

Very truly yours,

BURNS FITZPATRICK LLP

Re: Scott A. Turner*

*Denotes a Professional Law Corporation

SAT/cf

Encl.

cc: Client

RITA RACZ
2363 Marine Drive
West Vancouver, BC V7V 1K9

May 3, 2018

Original via mail

Ethel Mary Racz
715 Saraguay Blvd.
Pierrefonds, QC H8Y 2G3

Dear Etus :

Re: Louis Racz Co. Ltd. (the "Company")
And re: The Racz Family Trust (the "Trust")

Attached please find a formal Notice of the Annual General Meeting of the Louis Racz Company. I have scheduled the meeting for 2:00 p.m. on Thursday, May 31, 2018, in Vancouver, at the address set out in the Notice. (The address is the address of the office of my lawyer, Scott Turner, whose firm is called Burns Fitzpatrick LLP.)

You will see from the Notice that I am proposing that the Company sell its main asset, the Cedar Terrace apartment building, and that net proceeds, after payment of taxes and expenses, be divided out to the shareholders, who are you, me and the Racz Family Trust (the beneficiaries of which are me, Lisa and Michael).

With this letter, as well, I am sending you a second, without prejudice proposal for proceeding. I know that we have had our disagreements in the past, but it would certainly make life easier for everyone, including you and Michael, if we could proceed by agreement. In this regard, if you don't think that what I am suggesting is fair, I am open to any sensible suggestions that you may have as to how we might proceed.

You should carefully review these materials and consider retaining counsel to represent you. If you do retain counsel, I would ask that you please have him or her call Mr. Turner. He can be reached at: 604-602-5005 or sturner@burnsfitz.com.

Please be aware that if you do not attend the AGM, in person or by proxy, the meeting will go ahead without you, in accordance with the Articles. It is my intention to vote my shares in favour of the proposed resolutions.

I look forward to seeing you at the AGM, either in person or by proxy.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Racz", with a long horizontal flourish extending to the right.

Rita Racz

cc: Lisa Maddess
Michael Swik
Scott Turner
Toby Symes
Helena Plecko

LOUIS RACZ CO. LTD.
5670 Yew Street
Vancouver, BC V6M 3Y3

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting (the "Meeting") of the shareholders (the "Shareholders") of Louis Racz Co. Ltd. (the "Company") will be held at 1400 – 510 Burrard Street, Vancouver, British Columbia on May 31, 2018 at 2:00 p.m. (Vancouver time), for the following purposes:

1. to receive and consider the Report of the Directors to the Shareholders;
2. to receive and consider the financial statements of the Company for the period ending June 30, 2017;
3. to elect directors of the Company to serve until the next Annual General Meeting of the Company or until their successors are elected or appointed;
4. to waive the requirement to appoint auditors;
5. to consider and, if thought appropriate, pass a special resolution pursuant to s. 301 of the *Business Corporations Act* (the "Asset Sale Resolution") that the Company sell the property located at 1575 Esquimalt Avenue West, West Vancouver, British Columbia, and legally described as PID: 010-793-763 and 080-837-368 (the "Property"), including the land, building, equipment, inventory and good will associated with the Cedar Terrace apartment building operated at that location;
6. to consider and, if thought appropriate, pass an ordinary resolution that:

Rita Racz, acting alone, be authorized and directed to, for and on behalf of the Company, execute and deliver all such agreements and do all acts and things, including:

- (i) the retention of listing agents and other professionals;
- (ii) the execution and delivery of any deeds, agreements or other documents

as may in the opinion of Rita Racz be reasonably required to give full and complete effect to the Asset Sale Resolution and the transactions contemplated thereby, and that any documents or instruments so executed or delivered and any acts or things so done will be binding on the Company.

7. to consider and, if thought appropriate, pass an ordinary resolution that the Company

retain Patrick Mangan of KPMG to prepare and file, as appropriate, financial statements and tax returns for the Company for the year ending June 30, 2018, and otherwise to act as the Company's external accountant.

8. to consider and, if thought appropriate, pass an ordinary resolution that, following the sale of the Property and the payment of all appropriate capital gains, property and other taxes, real estate commissions and other expenses associated with the sale of the Property, the balance of the proceeds from the sale of the Property (the "Net Proceeds"), together with all other cash and investment assets of the Company, be paid out:
 - a. first, to redeem the remaining Class D shares of the Company for the price of \$1,000 per share; and
 - b. second, as a dividend to the Class C shareholders of the Company, pro rata according to their shareholding entitlement (the "Dividend").
9. to consider and, if thought appropriate, pass an ordinary resolution that, following the redemption of the Class D shares and payment of the Dividend, the Company be dissolved pursuant to Division 2 of Part 10 of the *Business Corporations Act* (the "Dissolution Resolution") and that:

Rita Racz, acting alone, be authorized and directed, for and on behalf of the Company, to retain counsel and do all acts and things, including the execution and delivery of any deeds, agreements or other documents, as may be reasonably required to give full and complete effect to the Dissolution Resolution.
10. to transact such other business as may properly come before the Meeting or any adjournment of adjournments thereof.

Record Date

The Board of Directors of the Company has fixed May 1, 2018, as the record date for determining the Shareholders who are entitled to receive notice and to vote at the Meeting.

Proxies

The Articles of the Company provide that shareholders may attend either in person or by proxy. The form of proxy required by the Articles of the Company is attached.

Quorum

Under the Articles of the Company, a quorum for a shareholders meeting is two persons present and being, or representing by proxy, members holding not less than one-tenth of the shares which may be voted at the meeting.

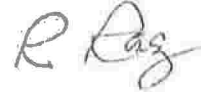
If within ½ hour from the time set for the holding of a meeting of shareholders, a quorum is not present, the meeting will be adjourned to the same day in the next week at the same time and

place.

If at the meeting the following week, within ½ hour from the time set for the holding of the meeting, a quorum is not present, then the persons present will constitute a quorum and the meeting will proceed.

Dated at West Vancouver, British Columbia, this 3 day of May, 2018.

BY THE BOARD OF DIRECTORS



Rita Racz

FORM OF PROXY

LOUIS RACZ CO. LTD.

The undersigned, being a member of the above-named Company, hereby appoints _____ of _____, or, failing him or her, _____ of _____, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the annual (extraordinary) general meeting of the Company to be held on the __ day of ____, 2018, and at any adjournment thereof.

Dated: _____

RITA RACZ
2363 Marine Drive
West Vancouver, BC V7V 1K9

May 3, 2018

Via registered mail

Ethel Mary Racz
715 Saraguay Blvd.
Pierrefonds, QC H8Y 2G3

Dear Etus:

Re: The Racz Family Trust (the "Trust")

Please find attached a Notice that I have prepared, revoking any prior appointment or appointments by which I may have made your son, Michael, a Trustee of the above Trust. (I have no written record of any such appointment, but I have a vague recollection that I may have signed something in the past which might be construed as an appointment and, if I did, I now wish to undo that appointment.) In Michael's place (if he has been a Trustee) or in my late husband's place (if Michael was never appointed), I am now appointing Toby Symes to act as the second Trustee of the Trust. A copy of Toby's CV is attached. I believe he is well-suited for this task.

You of course remain as the other Trustee of the Trust. I am appointing Toby to act as the second Trustee at this time, because the Time of Division for the Trust is fast approaching and I want to ensure that my and Lisa's interests are fully represented as we deal with winding up the Trust. Under cover of a separate letter, I will be sending you my proposal for winding up your father's company and the Trust, and distributing the assets to the beneficiaries. I am hopeful that we will be able to resolve matters amicably. However, if we are not, I will at least have the comfort of knowing that there is an second Trustee in place.

Very truly yours,


Rita Racz

cc: Scott Turner
Lisa Maddess
Michael Siwik
Toby Symes

TOBY McLEAN SYMES
Curriculum Vitae

Education and Professional Designations

| | | |
|------------|---------------------------------|------|
| B. Comm. | University of Canterbury (N.Z.) | 1968 |
| M.B.A. | University of Alberta | 1970 |
| A.N.Z.I.M. | Auckland (N.Z.) | 1973 |
| A.C.A. | Auckland (N.Z.) | 1974 |
| C.A. | Ontario. | 1976 |
| C.A. | British Columbia. | 1978 |
| C.B.V. | British Columbia. | 1980 |
| C.Arb. | British Columbia. | 1989 |

Areas of Specialization :

1. Business Valuation for purchase, sale, tax, estate planning and litigious engagements.
2. Litigation Support, particularly damages for breach of contract, shareholder disputes including minority oppression actions, income losses, negligence claims, matrimonial settlements and expropriation matters.

Experience :

| | |
|---------------|--|
| 1995 to date. | President, Symes Valuation Services Ltd. |
| 1979 to 1995. | Deloitte and Touche and predecessors, twelve years as a partner. |
| 1974 to 1979. | Thorne Riddell (now KPMG). |
| 1964 to 1974. | Other C.A. firms and industrial experience. |

Over 30 years experience in public accounting, management consulting and finance, in public practice and industry.

Twenty Five years concentration in business valuation and related matters.

Author of various papers and courses in valuations and lecturer.

Course instructor for ICABC valuations courses since 1995.

Expert witness in the Supreme Court of B.C., the Federal Court of Canada and various commercial arbitrations on many occasions.

Memberships :

Canadian Institute of Chartered Business Valuators (member of the conduct and discipline committee since 1996 and president of the Vancouver Chapter 1980/1).

Institute of Chartered Accountants of B.C. ("ICABC")

New Zealand Institute of Chartered Accountants.

New Zealand Institute of Management.

British Columbia Arbitration and Mediation Institute.

British Columbia Expropriation Association (president 1993/5 and director 1992/7).

Richmond Country Club.

THE RACZ FAMILY TRUST
NOTICE OF APPOINTMENT
AND REPLACEMENT OF TRUSTEE

May 3, 2018

TAKE NOTICE that I, Rita Racz, executor of the will and administrator of the estate of the late Ernest Racz, and thus the Protector of Ernest Racz under the Settlement made March 31, 1998 (the "Settlement"), establishing the Racz Family Trust (the "Trust"), do hereby:

1. Revoke all prior appointments made by me, if any, of any substitute Trustee or Trustees to take the place of my late husband Ernest Racz, who was an Initial Trustee of the Trust;
2. Without limiting the generality of the foregoing, specifically revoke any instrument I may have signed or statement I may have made appointing Michael Siwik as a Trustee of the Trust;
3. To the extent necessary, pursuant to section 14 of the Settlement, remove the said Michael Siwik as Trustee of the Trust; and
4. Pursuant to Section 15 of the Settlement, appoint Toby Symes to fill the vacancy created by the death of my late husband and to act as a Trustee of the Trust from this date forward.

All capitalized terms used in this Notice and not otherwise defined have the meaning ascribed to them in the Settlement.



Rita Racz

RITA RACZ
2363 Marine Drive
West Vancouver, BC V7V 1K9

May 3, 2018

Original via mail

Ethel Mary Racz
715 Saraguay Blvd.
Pierrefonds, QC H8Y 2G3

Dear Etus :

Re: Louis Racz Co. Ltd. (the "Company")
And re: The Racz Family Trust (the "Trust")

WITHOUT PREJUDICE:

I write to make a proposal. I would like to wind up your father's Company and the Trust that your mother set up in 1998, and distribute the money to the appropriate beneficiaries. I have had assistance from a lawyer in preparing this letter. However, I wanted the letter to come from me, rather than him, in the hope that we may be able to resolve matters between us, and not have to resort to legal proceedings – although I am prepared to seek assistance from the court if need be.

My proposal is as follows:

- we will both, as the sole voting shareholders of the Company, consent to a resolution that the Company's main asset, the Cedar Terrace apartment building, be sold to an arm's-length third-party purchaser for fair market value;
- following the sale of the apartment building, we will both consent to resolutions that the net proceeds from the sale (after payment of taxes, including property and capital gains taxes, commissions and conveyancing costs), together with all other cash and investment assets of the Company, will be distributed by way of dividends to the existing Class C and D shareholders of the Company. The first dividend would go to you, as the sole Class D shareholder, in the amount of \$415,000. The balance would be divided rateably among the Class C shareholders, who are:
 - you (15%);
 - me (through my holding company, 1012109 B.C. Ltd.) (15%); and
 - the Trust (70%)

- at the same time, you, as a Trustee of the Trust, will consent to a distribution of the cash proceeds payable to the Trust (which I estimate may be as much as \$7,000,000) in equal shares to Michael and Lisa.

The proposal that I am making offers a significant benefit to Michael. At present, the Trust is scheduled to be wound up on March 1, 2019. Assuming I am still alive at that time (and I certainly hope to be), the Trust's assets would be divided three ways – that is, one third to me, one third to Lisa and one third to Michael. Assuming the net value of the Trust's assets is about \$7,000,000, we would each receive about \$2,333,333 from the Trust. Under the proposal that I am making, Michael would receive half of the Trust's assets, or about \$3,500,000, a difference of more than \$1,150,000.

I am of course prepared to listen to any reasonable suggestions that you may have as to how my proposal might be improved. However, I am determined to proceed with the sale of the apartment building and a distribution of the net proceeds, because I need the money for my comfort and health care in my remaining years.

I have prepared a formal notice of a meeting of the voting shareholders of the Company, which I am sending to you concurrently with this letter. The notice sets out in more precise detail the resolutions I think we will need to pass in order to carry out my proposal. Please review them carefully. I expect that you will want to review them with your lawyer(s). If you do retain counsel, I would suggest that it would be appropriate for them to contact my lawyer, Scott Turner. He can be reached at: 604-602-5005 or sturner@burnsfitz.com.

Please let me know how you would like to proceed. I hope that we can sort this out in the coming weeks and proceed with the sale of the apartment building and a distribution of proceeds in an orderly way, so that we can all move forward with our lives.

Very truly yours,



Rita Racz

cc: Scott Turner
Lisa Maddess
Helena Plecko

TO: BURNS FITZPATRICK LLP

This is Exhibit " Z " referred to in the affidavit of LISA MADDRESS sworn before me on 15/ APR /20 19

FROM: ETUS MARIA RACZ

ATTN: SCOTT A. TURNER

RE: LOUIS RACZ CO. LTD. AND RACZ FAMILY TRUST

DATE: MAY 30, 2018

NO. OF PAGES (incl. cover) 11

Etus Maria Racz

715 Saraguay Blvd. E.

Pierrefonds, Quebec H8Y 2G3

May 30, 2018

BY FACSIMILE AND REGISTERED MAIL

Burns, Fitzpatrick LLP

Suite 1400, 510 Burrard Street

Vancouver, B.C. V6C 3A8

ATTN: Scott A. Turner

Dear Mr. Turner:

RE: Louis Racz Co. Ltd. (the "Company") and the Racz Family Trust (the "Trust")

I am providing you with "Deeds of Resignation, Appointment and Release" which were drawn up by Quentin Adrian. The document dated January 23, 2001 was sent to me before Mr. Adrian had discussed the matter with me. He was, however, having discussions with your client. The document dated March 19, 2001, was sent after I contacted Mr. Adrian. The Trust resides in Quebec and has resided in Quebec since March 19, 2001. According to the Trust's interpretation of "Protector", I am a Protector; your client is not.

In April, 2001, Mr. Robert Yeager, the Company solicitor, filed an annual report. It showed your client not only as a director but as president of the Company. There had been no Annual General meeting ("AGM") and, although I was a Director, Mr. Yeager refused to speak with me. This false Report was corrected when I arrived in Vancouver. Your client was removed as a director and as president. This left my mother and me ~~and~~ Directors.

My mother, Rozalia Racz, a First Director since 1967, was removed when Loo, J. decided that she was incapable based on a fabricated Application for Committeeship. At that time, a resident director was required and your client became a Director. The Application for Committeeship was brought to court by Robert Yeager acting for your client's daughter. At the Trial on the '93 Will, Mr. Yeager testified that he had been concealing the '93 Will in order to protect his client, the Committee.

There have been numerous decisions over the past seventeen years. All are based on false evidence and all conform to the Loo decision in 2001.

The Company tax returns filed by KPMG for years-ended 2014, 2015, 2016 and 2017 are incorrect as they are based on fraudulent transactions. Your client again was assisted by several lawyers beginning with Ken Friesen who also acted for the Committee at the Trial on the '93 Will. The incorrect tax returns will be investigated so as to satisfy the concerns which I have raised with Canada Revenue Agency ("CRA").

Yours truly,



Etus Maria Racz

Enclosures: documents dated January 23, 2001 and March 19, 2001 (8 pages)

**RESOLUTIONS
OF THE SHAREHOLDERS OF
LOUIS RACZ CO. LTD.**

WHEREAS the Annual General Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Louis Racz Co. Ltd. (the "**Company**") was held at **1400 – 510 Burrard Street, Vancouver, British Columbia on June 7, 2018 at 2:00 p.m.** (Vancouver time); and

WHEREAS 1012109 B. C. Ltd. ("**101 Co.**"), a shareholder of the Company holding 50 Class B voting shares, was present by its director, Rita Racz; and

WHEREAS the other Class B shareholder of the Company, Ethel Racz, although duly notified of the time and place of the Meeting, did not attend the Meeting:

NOW THEREFORE:

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. Rita Racz be appointed as the sole Director of the Company to serve until the next Annual General Meeting of the Company or until her successor is elected or appointed;
2. the Company retain Patrick Mangan of KPMG to prepare and file, as appropriate, financial statements and tax returns for the Company for the year ending June 30, 2018, and otherwise to act as the Company's external accountant;
3. the requirement that the Company retain an auditor be waived;

AND BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

4. pursuant to s. 301 of the *Business Corporations Act*, the Company sell the property located at 1575 Esquimalt Avenue West, West Vancouver, British Columbia, and legally described as PIDs: 010-793-763 and 080-837-368 (the "**Property**"), including the land, building, equipment, inventory and good will associated with the Cedar Terrace apartment building operated on the Property at that location (the foregoing resolution being referred to herein as the "**Asset Sale Resolution**");

AND BE IT FURTHER RESOLVED BY ORDINARY RESOLUTION THAT:

5. Rita Racz, acting alone, be authorized and directed to, for and on behalf of the Company, execute and deliver all such agreements and do all acts and things, including:
 - a. the retention of listing agents and other professionals to sell the Property; and
 - b. the execution and delivery of any deeds, agreements or other documents,

This is Exhibit "AA" referred to in the affidavit of Lisa Maddess sworn before me on 1 APR 2019

as may in the opinion of Rita Racz be reasonably required to give full and complete effect to the Asset Sale Resolution and the transactions contemplated thereby, and that any documents or instruments so executed or delivered and any acts or things so done will be binding on the Company;

6. following the sale of the Property and the payment of all appropriate capital gains, property and other taxes, real estate commissions and other expenses associated with the sale of the Property, the balance of the proceeds from the sale of the Property (the "**Net Proceeds**"), together with all other cash and investment assets of the Company, be paid out:
 - a. first, to redeem the remaining Class D shares of the Company for the price of \$1,000 per share; and
 - b. second, as a dividend to the Class C shareholders of the Company, pro rata according to their shareholding entitlement (the "**Dividend**");
7. following the redemption of the Class D shares and payment of the Dividend, the Company apply to be dissolved pursuant to Division 2 of Part 10 of the *Business Corporations Act* (the "**Dissolution Resolution**"); and
8. Rita Racz, acting alone, be authorized and directed, for and on behalf of the Company, to retain counsel and do all acts and things, including the execution and delivery of any deeds, agreements or other documents, as may be reasonably required to give full and complete effect to the Dissolution Resolution.

The undersigned, having been present at the Meeting as a representative of 101 Co. and as Chair of the Meeting, and as the sole Director of the Company, do hereby certify that the above Resolutions were passed unanimously by the sole Shareholder attending the Meeting.

Dated at Vancouver, British Columbia, this __ day of June, 2018.


Rita Racz

From: Marissa Lydynia <MLydynia@spiegelsohmer.com>
Date: February 19, 2019 at 1:02:07 PM PST
To: "rrloves25@hotmail.com" <rrloves25@hotmail.com>, "juniorshch@hotmail.com" <juniorshch@hotmail.com>
Subject: The Racz Family Trust and the Louis Racz Co. Ltd.

Dear Ms. Racz and Ms. Maddess,

I am an attorney representing The Racz Family Trust (the "Trust"), which was constituted on March 31, 1998. I understand you are two of the beneficiaries of the Trust. We have been consulted by the trustees with respect to the "21 year anniversary rule" relating to the trust. By way of background, every 21 years, a trust is deemed to dispose of its property, which results in capital gains tax on any trust property that has appreciated in value. This disposition can be avoided by distributing the trust property [in this case, 70 Class C shares of the Louis Racz Co. Ltd. (the "Company")] to the beneficiaries before the end of the 21 years. The Trust provides that the trustees can exercise their discretion and distribute the trust property in their discretion prior to March 1, 2019. Accordingly, the trustees will be exercising their discretion and transferring the shares of the Company held by the Trust to the beneficiaries before the end of this month, which is by next Thursday, February 28, 2019 to avoid the deemed capital gain taxes.

Mrs. Ethel Mary Racz provided me with your contact information, as she informed me you have previously retained individuals or law firms to prepare corporate documentation for the Company. Please confirm who currently prepares the annual minutes and corporate resolutions for the Company. I need to liaise with such individuals to provide instructions to them with respect to the preparation of the share transfer resolutions transferring the shares of the Company held by the Trust to the beneficiaries. We would like this work to be completed as soon as possible prior to February 28, 2019. Because time is of the essence, I would appreciate if you could provide me with the contact information for such individual by the end of day tomorrow.

In addition, I have paperwork for you both to sign in your capacity as beneficiaries of the trust that I will send for your signature once I hear back from you.

Please do not hesitate to contact me if you have any questions.

Yours truly,

Marissa Lydynia
Marissa Lydynia

Avocate / Lawyer
T: 514 875-7003

SPIEGEL SOHMER

1255, rue Peel, bureau 1000
Montréal, Québec, H3B 2T9
T: 514 875-7003
F: 514-875-8237

This is Exhibit "BB" referred to in the
affidavit of Lisa Maddess
sworn before me on 11 APR 2019

**DECISIONS OF THE TRUSTEES OF
THE RACZ FAMILY TRUST
(the "Trust")**

This is Exhibit " CC " referred to in the affidavit of Lisa Maddess sworn before me on 11 APR 20 19

DISTRIBUTION AND ALLOCATION

WHEREAS the Trust was established by Deed of Trust on March 31, 1998 (the "Agreement");

WHEREAS pursuant to Article 1(e) of the Agreement, the beneficiaries of the Trust are Rita Racz, Lisa Racz Maddess and Michael Siwik;

WHEREAS pursuant to Article 7 of the Agreement, the Trustees may, until the Time of Division, such term as defined in the Agreement, pay, transfer to and apply all or so much of the income and capital of the Trust to any one or more of the beneficiaries, the whole in their absolute and uncontrolled discretion;

WHEREAS the capital of the Trust includes seventy (70) Class C shares in the capital stock of the Louis Racz Co. Ltd. (the "Company");

WHEREAS the Trustees wish to exercise their discretion and encroach upon the capital of the Trust to pay, transfer to and apply seventeen and a half (17.5) Class C shares of the Company to Rita Racz, seventeen and a half (17.5) Class C shares of the Company to Lisa Racz Maddess and thirty-five (35) Class C shares of the Company to Michael Siwik;

WHEREAS it is the intent of the Trustees that the foregoing allocation and distribution be made on a tax-deferred basis in accordance with Subsection 107(2) of the *Income Tax Act* (Canada) and any applicable provincial equivalent;

IT IS DECIDED:

THAT pursuant to the foregoing, on this date, the twenty-first day of February, two thousand and nineteen, the Trust hereby pays, transfers and applies to the beneficiaries of the Trust the seventy (70) Class C shares in the capital stock of the Company in the following proportions:

- (a) Seventeen and a half (17.5) Class C shares to Rita Racz;
- (b) Seventeen and a half (17.5) Class C shares to Lisa Racz Maddess; and
- (c) Thirty-five (35) Class C shares to Michael Siwik;

THAT any of the Trustees of the Trust be authorized, for and on behalf of the Trust, to sign any document and to do any such thing necessary or useful to give effect to the present decision.

THE foregoing decision is hereby adopted by the trustees of the Trust.

DATED AND SIGNED THIS TWENTY-FIRST DAY OF FEBRUARY, 2019.

THE RACZ FAMILY TRUST

PER: *E. Maria Racz*
Ethel Mary Racz, Trustee

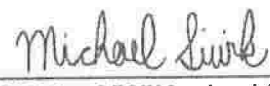
PER: *Michael Siwik*
Michael Siwik, Trustee

INTERVENTION

AND HERETO INTERVENED each of the beneficiaries of the trust to the present Decision of the Trustees, which said intervenants acknowledge the provisions of this Decision of the Trustees and agree to be bound by same.



RITA RACZ, in her capacity as a
beneficiary of the Racz Family Trust



MICHAEL SIWIK, in his capacity as a
beneficiary of the Racz Family Trust



LISA RACZ-MADDESS, in her capacity as
a beneficiary of the Racz Family Trust



**DIRECTORS RESOLUTIONS
OF
LOUIS RACZ CO. LTD.
(the "Company")**

WHEREAS:

- A. Pursuant to a Decision of the Trustees of the Racz Family Trust on this date relating to the distribution of the shares of the Company held by the Racz Family Trust, the Company has received applications for the transfer of certain shares together with Share Certificates endorsed for transfer or Instruments of Transfer.

RESOLVED THAT:

1. The following share transfers be approved:

| Name of Transferor | Name of Transferee | Number and Class of Shares |
|---------------------------|---------------------------|--|
| The Racz Family Trust | Michael Siwik | 35 Class "C" Common Shares with a par value of \$1.00 each |
| The Racz Family Trust | Rita Racz | 17.5 Class "C" Common Shares with a par value of \$1.00 each |
| The Racz Family Trust | Lisa Maddess | 17.5 Class "C" Common Shares with a par value of \$1.00 each |

2. The following Share Certificates be cancelled:

| Share Cert. No. | Name of Transferor | Number and Class of Shares |
|------------------------|---------------------------|--|
| 31 | The Racz Family Trust | 70 Class "C" Common Shares with a par value of \$1.00 each |

3. The following Share Certificates be issued and signed by any director or officer of the Company:

| Share Cert. No. | Name of Transferee | Number and Class of Shares |
|-----------------|--------------------|--|
| 46 | Michael Siwik | 35 Class "C" Common Shares with a par value of \$1.00 each |
| 47 | Rita Racz | 17.5 Class "C" Common Shares with a par value of \$1.00 each |
| 48 | Lisa Maddess | 17.5 Class "C" Common Shares with a par value of \$1.00 each |

4. The names of the transferees and other necessary particulars be entered in the Central Securities Register of the Company.

Effective date: February 21, 2019


Rita Louise Racz

Scott Turner

From: Scott Turner
Sent: March 1, 2019 11:37 AM
To: Marissa Lydynia
Subject: Louis Racz Co

Marissa: Are you acting for Etus and Michael generally? The Company has sold its main asset, the Cedar Terrace apartment building. Net proceeds were about \$15,000,000. There will be some tax consequences. KPMG are working on that. The Company would like to redeem Etus' Class D shares and make dividend distributions on the Class C shares, including those that have now been transferred to the Trust beneficiaries. The plan is to then wind the company up. It may take some time to sort out the tax issues, but it should be possible to make at least some interim distributions in the coming weeks.

If you are acting, I will write to you more formally and include details of the sale and other information. If not, I will write to the shareholders directly. Feel free to call me if you have questions.

**SCOTT A. TURNER**

Partner | bio: Scott Turner
 direct: 604.602.5005 | cell: 778.688.5784

Burns Fitzpatrick LLP

Suite 1400, 510 Burrard Street,
 Vancouver, BC, Canada V6C 3A8
 t: 604.602.5000 | f: 604.685.2104
burnsfitz.com

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This is Exhibit "DD" referred to in the
 affidavit of LISA MADDOSS
 sworn before me on 1 APR 2019

A handwritten signature in blue ink, appearing to be "Lisa Maddoss", written over a horizontal line.

Scott Turner

From: Scott Turner
Sent: March 1, 2019 2:58 PM
To: Moe Liebman
Subject: RE: Louis Racz Co

I take it you are now acting for Etus and Michael qua shareholders?

**SCOTT A. TURNER**

Partner | bio: Scott Turner
 direct: 604.602.5005 | cell: 778.688.5784

Burns Fitzpatrick LLP

Suite 1400, 510 Burrard Street,
 Vancouver, BC, Canada V6C 3A8
 t: 604.602.5000 | f: 604.685.2104
burnsfitz.com

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From: Moe Liebman <moe@liebmanlegal.com>
Sent: March 1, 2019 2:54 PM
To: Scott Turner <STurner@burnsfitz.com>
Cc: MLydynia@spiegelsohmer.com
Subject: Louis Racz Co

Dear Mr Turner,

We have been advised by our colleague Ms Lydynia that the main asset/property (of Louis Racz Co) has been sold for around 15 million dollars. My clients are unaware of same.

Please send me details regarding the sale and names of lawyers who transacted same.

Yours truly,

Moe Liebman
 Liebman Légal Inc.
 1 Westmount Square #1750
 Montreal, Canada H3Z 2P9

moe@liebmanlegal.com
 Tél/Tel: (514) 846-0294
 Télécopieur/Fax: (514) 935-2314
www.liebmanlegal.com

This is Exhibit "EE" referred to in the
 affidavit of Lisa Maddess
 sworn before me on 1 / APR / 20 19



Burns Fitzpatrick LLP
Suite 1400, 510 Burrard Street,
Vancouver, BC, Canada V6C 3A8
t: 604.602.5000 | f: 604.685.2104

Contact: Scott A. Turner
dir: 604.602.5005
e: sturner@burnsfitz.com

File No. 020694

March 1, 2019

VIA COURIER

Liebman Légal Inc.
1 Westmount Square #1750
Montreal, QC H3Z 2P9

Attention: Moe Liebman

Dear Mr. Liebman:

Re: Louis Racz Co. Ltd. (the "Company")

I write further to your email communication of March 1, 2019. I confirm that you are acting for Etus (Ethel) Racz and her son, Michael Siwik, both of whom are shareholders of the above Company. We act for the Company.

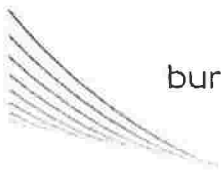
Shareholders' Meeting

A meeting of the shareholders of the Company was held in our offices on June 7, 2018. A copy of the resolutions passed at that meeting is attached. Your client, Ethel Racz, was given notice of the meeting, but did not attend. I attach copies of the materials that were sent to her. Copies were also sent to Mr. Siwik. We can provide you with proof of delivery of the notice if that is necessary. (Your client in fact responded to some of the correspondence, as it related to the Racz Family Trust, which at the time was a Class C non-voting shareholder.)

Sale of Cedar Terrace

One of the resolutions passed at the meeting was a resolution to sell the Company's main asset, an apartment building in West Vancouver. The legal description of the property is in the document.

This is Exhibit "FE" referred to in the affidavit of LISA Maddess sworn before me on 11 APR 2019



March 1, 2019

page 2 of 2

Pursuant to the asset sale resolution, the Cedar Terrace building was sold. The sale completed on January 31, 2019. Attached to this letter is a report that we delivered to the Company following the closing. Net proceeds from the sale in the amount of \$15,029,261.05 were received by our firm on January 31, 2019. (Net proceeds received from the purchaser were \$16,788,542.84. From that amount, we paid the sum of \$1,759,281.79 to Vancouver City Savings Credit Union, to discharge a mortgage, leaving a balance of \$15,029,261.05.) On the Company's instructions, we have placed most of the proceeds (\$15,000,000) in an interest-bearing trust account.

Redemptions and Distributions

The resolutions of June 7, 2018, contemplate certain share redemptions and distributions of dividends. Resolution 6 directs that:

6. [F]ollowing the sale of the Property and the payment of all appropriate capital gains, property and other taxes, real estate commissions and other expenses associated with the sale of the Property, the balance of the proceeds from the sale of the Property (the "**Net Proceeds**"), together with all other cash and investment assets of the Company, be paid out:
 - a. first, to redeem the remaining Class D shares of the Company for the price of \$1,000 per share; and
 - b. second, as a dividend to the Class C shareholders of the Company, pro rata according to their shareholding entitlement (the "**Dividend**");

The Company wishes to proceed with the redemption of your client's Class D shares. (The redemption price of \$1,000 per share is the same price at which the other Class D shares of the Company previously were redeemed.) Subject to receiving confirmation from KPMG, we understand that the Class D share redemption can now proceed. Please advise whether we should make our trust cheque payable to your client, directly, or to your firm, in trust.

With respect to dividends on the Company's Class C shares, our client is taking advice from KPMG as to how best, and when, to do this.

Very truly yours,

BURNS FITZPATRICK LLP

Per: Scott A. Turner*

*Denotes a Professional Law Corporation

SAT/al

Enclosure

cc: Client

Marissa Lydynia

burnsfitz.com

Scott Turner

From: Moe Liebman <moe@liebmanlegal.com>
Sent: March 5, 2019 2:07 PM
To: Scott Turner
Cc: vertonef@sutton.com; Marissa Lydynia
Subject: Sale of Louis Racz Co. Ltd. main asset Cedar Terrace

This is Exhibit "GG" referred to in the affidavit of LISA MADDESS sworn before me on 11 APR 2019

WITHOUT PREJUDICE

Dear Colleague & Mr Vertone,

Our client Mrs Racz does not agree, nor did she consent with the sale of the Company's main property being the Cedar Terrace apartment building in Vancouver, which was not sold in the ordinary course of business. If the sale actually took place it is invalid as my client owns a majority company and is in disagreement of same.

We call upon you not to make any changes in building ownership without our client's express written consent.

Govern yourselves accordingly.

Moe Liebman
Liebman Legal Inc
1 Westmount Square #1750
Montréal, Canada, H3Z 2P9
Tél/Tel: (514) 846-0294
Télécopieur/Fax: (514) 935-2314
Site Web/Web Site: www.liebmanlegal.com

Scott Turner

From: Moe Liebman <moe@liebmanlegal.com>
Sent: March 7, 2019 7:28 AM
To: Scott Turner
Subject: Re: Read: Sale of Louis Racz Co. Ltd. main asset Cedar Terrace

Without prejudice.

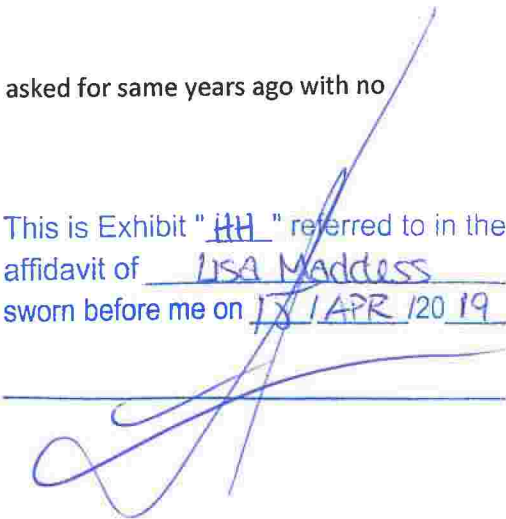
Dear Mr Turner,

Please advise details of the approximate 2 million dollar loan for the company. I asked for same years ago with no response.

Moe Liebman
 Liebman Légal Inc.
1 Westmount Square #1750
Montreal, Canada H3Z 2P9

moe@liebmanlegal.com
 Tél/Tel: (514) 846-0294
 Télécopieur/Fax: (514) 935-2314
www.liebmanlegal.com

This is Exhibit "HH" referred to in the
 affidavit of Lisa Maddess
 sworn before me on 18 APR 2019



On Mar 5, 2019, at 5:07 PM, Scott Turner <STurner@burnsfitz.com> wrote:

Your message

To: Scott Turner
 Subject: Sale of Louis Racz Co. Ltd. main asset Cedar Terrace
 Sent: Tuesday, March 05, 2019 2:07:04 PM (UTC-08:00) Pacific Time (US & Canada)

was read on Tuesday, March 05, 2019 2:07:46 PM (UTC-08:00) Pacific Time (US & Canada).

<mime-attachment>



Burns Fitzpatrick LLP
 Suite 1400, 510 Burrard Street,
 Vancouver, BC, Canada V6C 3A8
 t: 604.602.5000 | f: 604.685.2104

Contact: Scott A. Turner
 dir: 604.602.5005
 e: sturner@burnsfitz.com

File No. 020694

March 8, 2019

Liebman Légal Inc.
 1 Westmount Square #1750
 Montreal, QC H3Z 2P9

Attention: Moe Liebman

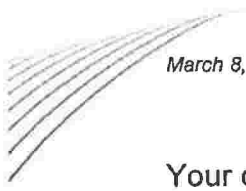
Dear Mr. Liebman:

Re: Louis Racz Co. Ltd. (the "Company")

This is Exhibit " 11 " referred to in the
 affidavit of LISA MADNESS
 sworn before me on 11 APR 2019

I write to respond to your email of March 7, 2019. In your email, you have inquired as to the Vancouver City Savings Credit Union ("VanCity") mortgage that was registered against title to the lands comprising the Cedar Terrace apartment building.

The VanCity mortgage was originally registered against title to the property on September 14, 2015. A copy of the VanCity mortgage, as it was originally registered, is included among the documents attached to this letter. The mortgage was granted by the Company to secure repayment of a loan obtained from VanCity, the proceeds of which were used to pay for the redemption of 1,912 Class D shares of the Company, which were then held by 1012109 B.C. Ltd. ("101 Co."), a holding company owned by Rita Racz. The Class D shares held by 101 Co. included 431 Class D shares that had been bequeathed to Rita Racz by her husband, Ernest Racz, on his death, and 1,481 Class D shares held by the Estate of Rozalia Racz as a result of an estate freeze in 1998. (Rozalia Racz originally received 1,641 Class D shares from the estate freeze. As a result of redemptions in 1998, 1999 and 2000, which, as a director of the Company, your client approved, that number had been reduced to 1,481 by the time of Mrs. Racz's death in 2004.) The Estate of Rozalia Racz sold its Class D shares to 101 Co., and the proceeds of the VanCity mortgage used to pay for the redemption of those shares (\$1,481,000) were then paid to the Administrator of Rozalia Racz's estate, Colin Topley.



March 8, 2019

page 2 of 3

Your client will have received some of this money, as a beneficiary of her mother's estate.

I attach as evidence of the foregoing, the following:

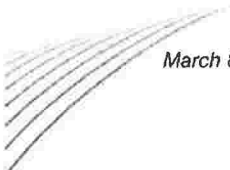
1. Letter dated April 21, 1998, from Adrian & Co. to Ernest and Ethel Racz;
2. Resolutions of the directors of the Company dated June 30, 1998;
3. Resolutions of the directors of the Company dated June 30, 1999;
4. Resolutions of the directors of the Company dated June 30, 2000;
5. Special resolution of the director of the Company dated as of July 3, 2014;
6. Three consent resolutions of the director of the Company dated October 22, 2014;
7. Consent resolutions of the director of the Company dated November 28, 2014;
8. Resolutions of the director of the Company dated September 4, 2015;
9. VanCity mortgage registered September 14, 2015; and
10. Central Securities Register of the Company showing the various transfers of Class D shares.

All of the Company's Class D shares have been redeemed for \$1,000 each. That is the price that was established for tax purposes in 1998. It is the price your client would have received in 2014, if she had not declined or refused to participate in the redemption at that time. It is the same price at which the shareholders of the Company resolved to have the Company redeem your client's 415 Class D shares at the Company's 2018 AGM.

Having regard to the foregoing, we ask, again, that your client surrender her Class D shares for redemption. In this regard, we attach the following documents for signature by your client:

1. Notice of Redemption of Class D Preferred Shares with Waiver of Notice
2. Surrender of Share Certificate

You will see that we propose to make the redemption of your client's Class D shares effective March 31, 2019. Please have your client execute the documents in the spaces provided for her signature, and return the originals to me by courier.



March 8, 2019

page 3 of 3

Payment of the redemption amount will be made by way of a cheque drawn on our trust account. Please advise whether your client would like the cheque made out to her, personally, or to your firm, in trust.

In accordance with the terms of the resolutions of the shareholders of the Company passed last June, the dividends payable on the Class C Preferred shares, which will go to your client and her son, Michael Siwik, will be paid once the taxes and liabilities of the Company are determined. If your client will agree, I am advised that Rita Racz and Lisa Maddess would also agree to an interim distribution on account of those dividends. That could be done by way of a consent resolution. Let me know if your client would like to proceed in that way.

Very truly yours,

BURNS FITZPATRICK LLP



Per: Scott A. Turner*

*Denotes a Professional Law Corporation

SAT/al
Enclosure

TO: BURNS FITZPATRICK LLP

This is Exhibit "JJ" referred to in the
affidavit of Lisa Madress
sworn before me on 17 APR 20 19

ATTN: SCOTT TURNER

FROM: ETUS MARIA RACZ

RE: LOUIS RACZ CO. LTD.

DATE: MARCH 18, 2019

No of pages:

(incl. cover) 9

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Que. H8Y 2G3

BY FACSIMILE

March 18, 2019

Burns Fitzpatrick LLP
Suite 1400 510 Burrard Street
Vancouver, B.C. V6C 3A8

ATTN: Scott Turner

Dear Mr. Turner:

RE: Louis Racz Co. Ltd. ("the Company")

Early in 2015, Ken Friesen, a lawyer acting for Rita, informed me that unless a two million dollar loan was provided to the Company, it would be necessary to sell the Company asset, the Cedar Terrace. Vancity provided the loan (\$2,000,000) in September 2015. When my Montreal lawyer asked for information on the loan, he was told by Vancity that the loan was a confidential matter, I assume, between Rita and Vancity. The Company has paid Vancity (principal and interest) in excess of \$440,000.

Over the past few years, there have been major renovations to the building and it appears from the December 2018 statements, that the income for the year-ended 2019 could be as much as \$500,000. This income would be paid out to the Class C shareholders as dividends at a tax reduced rate. Furthermore, the property continually appreciates in value. As it is neither necessary nor reasonable to sell the property at this time, I am wondering why Rita is so anxious to sell the Cedar Terrace. Also in 2015, I informed Ken Friesen that I did not wish to redeem my 415 D preferred shares nor do I wish to redeem them at this time.

The resolutions (re: redemptions in 1998, 1999, 2000) were signed by Ernie (Ernest) and later forwarded to me for signing. The redemptions did not continue after Ernie's death in December 2000.

I rejected the "pipeline" plan as outlined by Barbara Janzen in her letter of May 15, 2014. When Ken Friesen, acting for Rita, called for an AGM (annual general meeting), I advised that I did not believe an AGM was required at that time as it mainly concerned the "pipeline" plan which I had already rejected.

As repayment of the loan is an integral part of the "proposed" sale of Cedar Terrace, I will require all fully executed documents in regard to the loan. I also require all documentation in regard to the "proposed" sale, i.e. offer to purchase, acceptance of the offer, commissions, taxes to be paid and any other documentation re: the "proposed" sale.

Please forward, by courier, all requested documents to my residence in Pierrefonds.

Yours truly,



Ety Maria Racz

c.c. Moe Liebman

Enclosure:

- 1- Letter from Etus Racz to Barbara Janzen – June 2, 2014 (2 pages)
- 2- Letter from Etus Racz to Ken Friesen – June 18, 2014 (1 page)
- 3- Minutes of AGM – July 3, 2014 (1 page)
- 4- Resolutions consented to – Sept. 4, 2015 (1 page)

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Quebec H8Y 2G3
June 2, 2014

Bull Houser & Tupper LLP
Suite 900-900 Howe Street
Vancouver, B.C. V6Z 2M4

Attention: Barbara E. Janzen

RE: Estate of Rozalia Racz

Dear Ms. Janzen,

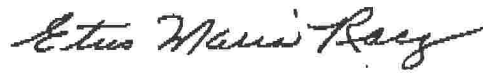
As you are aware, I am pursuing a criminal investigation into the cause and circumstances of Rozalia's death. It is ongoing. This investigation will include a review of the 2001 Application for Commitment and the 2008 Trial on the Will. Over the past four years, I have provided all parties with evidence of criminal acts committed in both the Application and the Trial. The evidence from LVCC shows forcible confinement and the failure to provide the necessities of life which caused Rozalia's death. These are criminal acts.

I believe an investigation will conclude that Lisa Maddess cannot inherit from Rozalia's Estate. It would also determine the legitimate costs to be paid by the Estate. I do not believe this would include costs of criminal acts.

Considering the evidence which I have provided to all parties, it is inconceivable that any person aware of the seriousness of the crimes and the terrible suffering and death caused by these acts would not be in favour of a criminal investigation unless the person is involved in the criminal acts or in the cover-up.

I do not agree to your proposal. It is premature. Michael Siwik is in agreement with my decision.

Yours truly,



Etus Maria Racz
(Trustee for the Racz Family Trust)
(Director of Louis Racz Co. Ltd.)



Michael Siwik
(Trustee for the Racz Family Trust)

c.c. Moe Liebman
Ken Friesen
Elizabeth Gidncy
Larry South

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Quebec H8Y 2G3
June 18, 2014

BY FACSIMILE AND POST

Friesen & Epp
5660 Yew Street
Vancouver, B.C. V6M 3Y3

Dear Mr. Friesen,

RE : Louis Racz Co. Ltd. Annual General Meeting (AGM) – your letter dated June 9, 2014

I do not agree to an AGM at this time as its only purpose is to consider Bull, Housser & Tupper's proposal which I have already rejected. The Estate cannot ask the Company to redeem shares held in trust. When the beneficiaries have received their shares, they can, if they choose, have their shares redeemed. The shares have not been distributed; the proposal is premature.

As I do not accept the decision on the Will, I do not accept Lisa Maddess, your client, as a beneficiary.

Rita Racz, the mother of Lisa Maddess, in asking for an AGM to discuss the proposal, is acting in the interest of her daughter, not in the interest of the Company. I believe there is a conflict.

Liebman Legal Inc. will review the 2008 Trial as well as the 2001 Application in which Rita Racz played a major role. The complaint to the Law Society clearly shows that in 2001, Rita acted in the interest of her daughter and against the Company.

The double-tax, as envisioned by the proposal, can be easily avoided by selling the shares of Louis Racz Co. Ltd. if and when Cedar Terrace is sold.

Yours truly,



Etus Maria Racz

c.c. Moe Liebman

Minutes of all members entitled to vote at the Annual General Meeting of LOUIS RACZ CO. LTD. (the "Company") held at 101 1575 Esquimalt, West Vancouver, British Columbia on July 3, 2014 at 10:00 a.m.

Present: Rita Racz, Shareholder and Director

Rita Racz in the chair and acting as secretary of the meeting.

QUORUM

The Annual General Meeting having been originally set for June 26, 2014, and a quorum of members not being present at 10:30 a.m. on that day, the Annual General Meeting was adjourned pursuant to section 10.3 of the Articles to one week hence, July 3, 2014 at 10:00 a.m., at which time the meeting resumed.


UPON MOTION, the Shareholders unanimously resolved as follows:

- (a) that the financial statements for the Company for the period ending June 30, 2013 be approved as presented;
- (b) that the option of appointing auditors for the year ending June 30, 2014 be waived;
- (c) that the appointment of Rita Racz as director be approved with the option for the appointment of a further direction upon request of the other voting shareholder;
- (d) that the Shareholders approve the principles of the plan as set out in the letter of Barbara Janzen dated May 15, 2014 (the "Pipeline Plan") as attached herewith and state that it is their intent to fully participate in the Pipeline Plan in their capacities as shareholder, including but not limited to authorizing the sale of their shares to the New Company in accordance with the Plan.

UPON MOTION, the Directors unanimously resolved as follows:

- (a) that the Pipeline Plan as attached herewith is hereby approved;
- (b) that sale of the shares in the Company to the New Company as set out in the Pipeline Plan is hereby approved.

There being no further business, the meeting was adjourned at 10:35 a.m.



 RITA RACZ
 Chair

Racz Estate/0443

LOUIS RACZ CO. LTD.
(the "Company")


RESOLUTIONS CONSENTED TO IN WRITING AS OF THE 4th DAY OF SEPTEMBER, 2015, BY THE SOLE DIRECTOR OF THE COMPANY AND THEREBY TAKING EFFECT AS IF PASSED AT A MEETING OF THE DIRECTOR DULY CALLED AND CONSTITUTED

The Company may from time to time borrow money and mortgage its property to secure repayment of such money and as the Director is of the reasonable and honest opinion that it is in the best interests of the Company that it borrow \$2,000,000.00 (the "Principal Amount") from Vancouver City Savings Credit Union (the "Lender").

Under and pursuant to a commitment letter dated August 19th, 2015, as may be amended from time to time, (the "Commitment Letter") issued by the Lender to the Company and accepted by the Company, the Lender has agreed to make available to the Company the Principal Amount for the purpose set forth in the Commitment Letter.

RESOLVED that:

1. The Company borrow the Principal Amount from the Lender.
2. The Commitment Letter is approved, ratified and confirmed.
3. The demand promissory note, all indebtedness mortgage and assignment of rents, environmental indemnity agreement and general security agreement (collectively the "Security") presented to the Director be granted by the Company to the Lender substantially in the forms as presented, and be executed for and in the name of the Company by the Secretary or any director of the Company, with such changes, if any, as may be required by the Lender and approved by the person executing the same on behalf of the Company and that such execution shall be conclusive evidence of the approval of the Security.
4. The security for repayment of the Principal Amount is, among other things, a first all indebtedness mortgage of the Company's interest in Parcel Identifier: 008-837-368, Lot B Block 3 South 1/2 of District Lot 1055 Plan 12609 and Parcel Identifier: 010-793-763, Lot 2 of Lot B Block 3 South 1/2 of District Lot 1055 Plan 8902.
5. The person or persons authorized to execute the Security is or are authorized for and in the name of the Company to execute and deliver under the seal of the Company or otherwise all such other documents, including all collateral security relating to the Security and for such purpose, the Company hereby adopts as its seal any wafer attached to the Security and to do all acts that such person or persons, exercising discretion may consider to be necessary to give effect to this resolution or as may be required by the Lender.



Rita Louise Racz