

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

LAURENTIAN BANK OF CANADA

Applicant

- and -

**9089802 CANADA CORP., SEPITMAN CANADA CORP., 8637989 CANADA CORP.,
2404685 ONTARIO INC., LULOO HOMES INC., TEKSUN INC.,
2717852 ONTARIO CORP. and 2717740 ONTARIO LTD.**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

RESPONDING RECORD

August 8, 2025

MEHRABI LAW OFFICE
4950 Yonge Street, Suite 2200
Toronto, ON M2N 6K2

Esmail Mehrabi (LSO # 60792C)
T: 416-862-2502
F: 416-686-8882
mehrabi@mehrabilawoffice.com

Lawyer for the Respondents

TO: CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

George Benchetrit (LSO # 34163H)
T: 416-218-1141
george@chaitons.com

David Im (LSO # 89765G)

T: 416-218-1124

E: dim@chaitons.com

Lawyers for the Applicant

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TAB 1

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AFFIDAVIT OF ABBAS AAMERI

I, **ABBAS AAMERI**, of the City of Markham, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a director of 9089802 Canada Corp. (hereinafter referred to as “**908 Corp.**”), and as such, have the personal knowledge of the matters to which I depose below, except where expressly indicated otherwise. Where I make statements on information or belief, I have identified the source of the information or belief and believe the statements to be true.

BACKGROUND

2. In 2014 and 2015, 908 Corp. purchased land municipally known as 40A, 40B and 60 Harris Avenue, Richmond Hill, Ontario (the “**Property**”) for the purpose of the development of approximately 49 homes (the “**Development Project**”).

3. To facilitate the purchase, 908 Corp. obtained a loan from Laurentian Bank of Canada (hereinafter referred to as the “**Bank**”). The Bank extended to 908 Corp. (a) a loan in the maximum amount of \$13,863,000, and (b) a letter of credit in the maximum amount of \$3,900,000, as reflected in a commitment letter dated March 10, 2021. Attached hereto as Exhibit “A” is a copy of the Commitment Letter and its amendments.
4. After receipt of the loan money, 908 Corp. moved to start developing the Property by obtaining various regulatory approvals.
5. The Development Project and its regulatory approvals was delayed due to a number of issues which were result of the COVID-19 pandemic. For example, the approval to the site plan amendments that was supposed to be completed within a month took more than a year.
6. In the meantime, dozens of the houses were sold to purchasers through pre-construction contracts, under which they provided deposits.
7. The next step in the Development Project was obtaining financing for the actual construction. 908 Corp. started actively looking for lenders to finance the construction. Due to market fluctuation and increasing costs of labour and material, some of the potential lenders, including Royal Bank of Canada, withdrew their interest.
8. In November of 2024, on behalf of 908 Corp. and through our broker, we approached KingSett Capital (hereinafter referred to as “**KingSett**”), to secure financing for the Development Project.
9. In its initial review of the project, KingSett advised us that it would require an estimated additional injection of \$800,000.00 into the project to meet the gap created due to inflation; however, it needed to seek the opinion of cost management consultant to confirm this amount.

Kingsett retained the services of O’Keefe & Associates Limited in for this purpose (hereinafter referred to as the “**Cost Consultant**”).

10. On January 14, 2025, KingSett presented us with a Commitment Letter for first mortgage construction financing on the Property, pending the review from the Cost Consultant. This offer was set to expire on March 31, 2025. Attached hereto as Exhibit “**B**” is a copy of Kingsett’s Commitment Letter.

11. On March 6, 2025, the Cost Consultant provided a Budget Review and Progress Draw Report for the Development Project which alerted us to a financing shortfall and stated that KingSett would require an additional capital injection of \$2,431,415.56 in the Development Project before agreeing to provide financing. Attached hereto as Exhibit “**C**” is a copy the Cost Consultant Budget Review and Progress Draw Report.

12. In addition to this, there was \$600,000 in arrears owing to the Bank which the Bank tolerated; however, KingSett required 908 Corp. to pay this amount owing to the Bank before advancing its loan.

13. In total, therefore, KingSett required 908 Corp. to contribute \$3,031,415.56 of its own funds toward the Development Project before advancing its loan.

14. At this point, 908 Corp. and its investors did not have the funds to cover the \$3,031,415.56 KingSett required before it released its funds as their capital was tied up on other projects. Consequently, 908 Corp. was forced to try to obtain mezzanine financing to fill in the gap which was directly caused by market fluctuation and inflation that increased labour and material costs.

15. To obtain mezzanine financing, I approached a lender named Sharno Developments Inc. (hereinafter referred to as “**Sharno**”) to secure funding for the Property and finance the over \$3,000,000 required to be contributed to the Development Project by KingSett.
16. Sharno advised it required time to exercise due diligence before offering a loan. As a result, I requested KingSett extend the expiry of the commitment it offered. KingSett agreed to extend the expiry of its offer to June 30, 2025.
17. On June 30, 2025, Sharno was still undergoing its due diligence process. During this process, Sharno was in contact with the Bank and KingSett.
18. In late July 2025, Sharno informed us that they were finalizing the financing and that we should expect a commitment letter shortly. Sharno also advised us to contact KingSett to inquire about the status of their commitment, which had expired on June 30, 2025.
19. On July 30, 2025, our broker, Chad Gemmel, spoke with a KingSett representative named Adam Balaban (hereinafter referred to as “**Mr. Balaban**”) regarding the previous commitment made by KingSett. Mr. Balaban confirmed that KingSett is still interested in providing the required financing, and on Friday August 8, 2025 Mr. Balaban sent an email confirming that KingSett has extended the outside date of their commitment date to October 15, 2025 but noted that the matter would need be reviewed again by their Internal Credit Committee since the commitment had expired. Attached hereto as Exhibit “**D**” is a copy of the emails to our broker Mr. Gemmel.
20. On August 5, 2025, Sharno offered a commitment to 908 Corp. of at least \$3,000,000. Sharno agreed to use \$600,000 of this amount to pay off the Bank for its outstanding arrears that accrued. Attached hereto as Exhibit “**E**” is a copy of Sharno’s Commitment Letter.

RECEIVERSHIP IS PREMATURE

21. Sharno has indicated that they are prepared to close on their financial commitment within 60 days of August 5, 2025. This timeline has been clearly communicated by their team, and we are working collaboratively to ensure that all necessary documentation and due diligence are completed in a timely manner to meet this schedule.

22. In parallel, we are in discussions with KingSett, and we fully expect that they too will be able to close within a similar 60-day timeframe. Based on our ongoing engagement and the progress of negotiations, there is every reason to believe that this closing will proceed smoothly and the Bank loan will be paid off.

23. With Sharno's and KingSett's financing arrangements, we will have the capital required to satisfy our outstanding obligations to the Bank. This will allow us to transition out of the current financing structure and move forward with the Development Project through our alternative lending partners who are already engaged and ready to support the project.

24. We are, and have been, working diligently to bring the Development Project to completion.

25. Simultaneously while pursuing construction financing from KingSett and Sharno, we have been developing a contingency plan in the unlikely event that financing does not materialize. We have engaged and retained Michael Durand (hereinafter referred to as "**Mr. Durand**"), who has extensive experience in obtaining loans from Canada Mortgage and Housing Corporation ("**CMHC**"), to assist us in obtaining alternative financing from CMHC should the Development Project, in its current form, be unable to proceed. Mr. Durand has provided an affidavit regarding his experience and qualifications, the viability of the alternative plan, and the anticipated timeline for its completion.

26. Under these circumstances, there is no urgency, nor any practical or financial justification to put the Development Project into receivership. Entering into receivership would not only create significant complications for home purchasers within the Development Project that are relying on project delivery, but would also introduce unnecessary delays to construction progress. Moreover, it would undermine the interests of existing investors who have already contributed capital and placed their trust in the successful completion of the project. Maintaining the current course provides the most effective path forward for all stakeholders.

27. If circumstances change or our two plans within the timeline provided do not come to fruition, the Bank can return to the Court to provide an update and seek the appointment of a receiver. However, at this time, it is in no one's interest to incur substantial costs, inherent risk, and delays associated with receivership.

28. The Bank has indicated that a forbearance agreement was negotiated and signed, but the required fees were not paid under the agreement. The only reason the forbearance was not finalized was because we requested a longer period, beyond just a couple of weeks, to finalize matters with Sharno. It was clear that Sharno would not be able to complete its work within such a short timeframe, and it made neither financial nor practical sense to finalize an agreement we knew would fail or require immediate renegotiation.

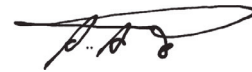
29. As for the construction lien registered by Great North Drain Ltd. on the project via instrument No.: YR3586992, we have a tentative agreement to settle amount at the time of the refinancing closing using funds from the equity holders' cash reserve. As such, this lien is not expected to pose an issue at closing.

30. I make this affidavit for the purpose of providing a response to the Bank's application and for no other or improper purpose.

Sworn remotely by Abbas Aameri of Markham, Ontario, before me at the City of Toronto, in the Province of Ontario, this 8th day of August, 2025, in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely



Commissioner for Taking Affidavits



ABBAS AAMERI

Esmail Mehrabi

**THIS IS EXHIBIT “A” TO THE AFFIDAVIT OF
ABBAS AAMERI OF MARKHAM, ONTARIO,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**



A Commissioner, etc.

Esmaeil Mehrabi



130 Adelaide St. West, Suite 300
Toronto, Ontario M5H 3P5

March 10th, 2021

9089802 Canada Corp.
4789 Yonge Street
Toronto Ontario
M2N 0G3

ATTENTION: Abbas Aameri

Dear Sir and Madam: Aabas Aameri and Parisima Fotouhi

RE: Borrower: 9089802 Canada Corp.
Property Address: 40A, 40B & 60 Harris Ave, Richmond Hill (the "**Property**")
Project Name: Harris Gate
Mortgage Number: 8100-0 - TBD

LAURENTIAN BANK OF CANADA ("**Laurentian Bank**" or "**LBC**" or the "**Lender**") is pleased to offer to the Borrower a commitment (the "**Commitment**") to finance a loan (the "**Loan**") upon the following terms and security:

1. BORROWER:

9089802 Canada Corp. (the "**Borrower**") is ~~not~~ a bare trustee/nominee and accordingly both the registered legal titleholder and beneficial owner of the Property; and will execute the mortgage and other documents required by the Lender. not the (the JV co-tenants are the beneficial owners)

2. OWNERSHIP STRUCTURE:

The Lender shall receive satisfactory executed corporate documents from legal counsel confirming the ownership structure of the Borrower as set out below. The Borrower shall provide an organizational chart (signed by the Borrower as to its accuracy) within seven (7) business days of acceptance of this Commitment pursuant to Section 14 of Schedule A attached hereto under the heading "**Organizational Charts**".

3. GUARANTOR(S):

Abbas Aameri and Parisima Fotouhi and Ahmadreza Rouhani and Hadi Makaremi (collectively, the "**Guarantors**"). Refer to the Security section of this Commitment for further particulars applicable to all such guarantees.

4. CREDIT PARTIES:

In this Commitment each party, including the Borrower, the Guarantor, and Beneficial Owner if applicable, is called a "**Credit Party**" and such parties together are called the "Credit Parties".

5. PROJECT/SECURED PROPERTY:

A 2.55-acre site with ~290 feet of frontage on Harris avenue and ~380 feet deep in Richmond Hill, Ontario, to be improved with 49 freehold townhomes including 38 on a common condo element condo road. ("the Property").

38 common element town homes and 11 freehold town homes

6. PURPOSE OF LOAN:

To provide financing for the servicing and construction financing of the Project as detailed above in compliance with the plans and specifications approved by the Lender.

7. SYNDICATION OF FACILITIES:

N/A

8. FACILITIES:

The following facilities will be made available to the Borrower, when not in default (collectively, the "Facilities"):

Facility 1: \$14,000,000 (maximum) Demand Interim Non-Revolving Land and Servicing Loan

A demand loan in the amount of the lesser of the following:

- (a) \$14,000,000;
- (b) 68.0% of costs; and
- (c) 58.1% of completed appraised value.

Use of Funds		Source of Funds		
Land value	\$15,025,641	LBC Servicing Loan	\$14,000,000	68.0%
Servicing Hard Costs	\$3,743,814	Borrower's Equity	\$5,969,455	29.0%
Deferred Servicing	\$621,000	Deferred Costs / Equity	\$621,000	3.0%
Soft Costs	\$200,000			
Finance	\$800,000			
Contingency	\$200,000			
Total Servicing Costs	\$20,590,455	Total	\$20,590,455	

Notes: All figures to be confirmed by the Cost Consultant. To the extent that the approved budget submitted is less than the budget as outlined above, both the Loan and the other amounts may at the Lender's option be reduced accordingly. Approval for the Loan is based on projected budget costs for the Project as presented to and approved by the Lender.

Facility 2: \$7,500,000.00 (maximum) Demand Interim Revolving Unit Construction Loan

A demand loan in the amount of the lesser of the following:

- (a) \$7,500,000.00;
- (b) 75.0% of completed value (including pro rata facility 1 exposure);
- (c) Advance Margin as provided herein.

The average detached single-family home is projected to have budgeted construction hard cost and soft cost of \$610,000 and the average sales price is projected to be \$1,300,000.

ADVANCE MARGIN (the "Advance Margin"):

Blocks of townhouse units will be permitted upon receipt of fully executed Agreements of Purchase and Sale for a minimum of 50% of the townhouse units per block under construction from bona fide arms-length purchasers with minimum cash deposits equal to 10% of the purchase price per unit.

Note that there is the exception to allow for the construction of the first block of 3 units to be built without presales

Pre-Sold Units:

Individual unit advances are to be calculated at 90.0% of hard and soft costs less purchaser's deposits used in the project.

Model / Unsold Inventory Units:

Advances on model and inventory / unsold units shall be limited to 70.0% of hard and soft costs. There will be an ongoing allowance for 2 townhouse model units and a maximum of 4 unsold inventory townhouse units.

Facility 3: \$1,800,000 Letters of Credit Facility

Provided the Loan is not in default, Letters of Credit will be available for items in the approved budget up to the amount of Facility 2 for the following purpose(s): (a) to municipal bodies for development purposes; and, (b) where applicable, to Tarion Warranty Corporation in respect of purchaser deposits for the Project. Letters of Credit may only be issued for terms of one (1) year and are renewable prior to their maturity provided the Borrower is not in default and the term of the Commitment has not then expired.

Letters of Credit, other than those for Tarion Warranty Corporation are to be duplicate in nature.

Letters of Credit for Tarion Warranty Corporation may only be released and returned for cancellation upon the Borrower obtaining replacement security from a substitute deposit insurer on terms acceptable to the Lender, and delivery by the substitute insurer of a priorities agreement in form and content acceptable to the Lender.

Any draws under letters of credit, other than those for Tarion Warranty Corporation], will reduce the amounts available under Facility 2. On completion and repayment of the Loan, any remaining outstanding Letters of Credit must be fully secured with cash deposits.

Letters of Credit may only be issued after the security documents are registered on title and, if applicable, security is posted with and acceptable to Laurentian Bank.

~~Any and all letters of credit issued under this facility shall be deemed advanced upon issuance thereof and any amounts drawn thereon from time to time shall be forthwith payable to the Lender upon demand therefor together with interest from the date of such draws until repayment thereof in full, at the rate provided for in Facility 2 and together with all of the Lender's costs incurred in respect thereof, which interest and costs shall be in addition to the letter of credit fees noted herein.~~

9. TERM/MATURITY:

The earlier of demand by the Lender or 24 months from 1st day of the calendar month next following the date of the first advance of the Loan.

10. INTEREST RATE:**Facility 1: Demand Interim Non-Revolving Land and Servicing Loan**

A variable annual rate which is 175 basis points (1.75%) above the annual prime rate of interest announced, quoted or charged from time to time by LBC at the location designated by the Lender (the "LBC Prime Rate"), as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans made by the Lender in Canada, adjusted daily and compounded monthly. The applicable interest rate shall vary automatically without notice to the Borrower upon each change in the LBC Prime Rate. Notwithstanding anything contained herein, the applicable interest rate shall not be less than the floor rate of 4.20% (the "**Floor Rate**"). Interest will accrue from the date of disbursement of funds to the Lender's solicitors trust account and/or the Borrower's bank account. The Lender reserves the right to adjust the

Facility 2: Demand Interim Revolving Unit Construction Loan

A variable annual rate which is 175 basis points (1.75%) above the annual prime rate of interest announced, quoted or charged from time to time by LBC at the location designated by the Lender (the "LBC Prime Rate"), as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans made by the Lender in Canada, adjusted daily and compounded monthly. The applicable interest rate shall vary automatically without notice to the Borrower upon each change in the LBC Prime Rate. Notwithstanding anything contained herein, the applicable interest rate shall not be less than the floor rate of 4.20% (the "**Floor**

Rate"). Interest will accrue from the date of disbursement of funds to the Lender's solicitors trust account and/or the Borrower's bank account. The Lender reserves the right to adjust the interest spread on 30 days notice to the Borrower.

Facility 3: Letters of Credit

The Borrower will pay an annual fee of 1.75% of each Letter of Credit amount upon the issuance of each Letter of Credit, and subsequently, upon each anniversary of the issuance thereof. The Letter of Credit rates are subject to change based on the pricing schedule in effect at Laurentian Bank, from time to time.

11. PAYMENTS:

Interest only will be paid monthly on the 1st day of each month during the term. All payments received by the Lender will be applied first to interest in arrears, then to the current interest, and then to principal. Interest on overdue interest shall be calculated at the same rate as interest on the Loan, but shall be compounded monthly.

The Loan will be repaid by the Borrower in full on the earlier of the written demand of the Lender and 24 months from the first day of the calendar month following the date of the first advance of the Loan.

12. PREPAYMENT PRIVILEGES:

Except if in default, the Loan may be prepaid in whole or in part on thirty (30) days' written notice.

13. LOAN SECURITY:

As security for the Loan, the following (collectively, the "**Security Documents**"), to be registered where applicable in first priority position, shall be delivered to the Lender prior to the first advance of funds, in form and substance satisfactory to the Lender and its solicitors:

- (a) Charge on the freehold title to the Property, payable on demand, in the amount of ~~\$23,300,000~~ **\$24,500,000**.
- (b) Unconditional joint and several Guarantees from the Guarantors, as principal debtors of all indebtedness and liabilities of the Borrower to the Lender pursuant to the Loan and the Commitment, together with an assignment and postponement of claims by all such Guarantors.

The Guarantors acknowledge that the Guarantees are in addition to the Guarantors obligations under the Cost Overrun and Completion Guarantee/Agreement and any payment made under such Cost Overrun and Completion Guarantee/Agreement shall not lessen any of the Guarantors liabilities under the Guarantees.

- (c) General Security Agreement forming a charge over all personal property owned by the Borrower limited to the Project, to be registered under the *Personal Property Security Act* (Ontario).
- (d) Assignment of Rents and Leases for all leases and rents, income, profits and any recoverable amount arising from or in connection with the Property.
- (e) Postponement in favour of the Lender of shareholder loans by all shareholders of the Borrower who are not also guarantors of the Loan.
- (f) Beneficial Owners' Agreement from the Beneficial Owners, in form and content satisfactory to the Lender authorizing all Security Documents given by the nominee, charging their beneficial interest(s) in the Project by way of a first priority security interest in favour of the Lender, and containing an assignment and postponement of claims, if applicable.
- (g) Assignment of Insurance proceeds for all insurance requirements as stipulated by the attached **Schedule**, in form satisfactory to the Lender with the Lender to be named loss payee and/or additional insured as first mortgagee where applicable. All insurance policies, **including without limitation any**

renewals/ amendments of policies throughout the term of loan, must be approved by the Lender's insurance consultants at the Borrower's cost.

- (h) Environmental Warranty and Indemnity Agreement by the Credit Parties to the Lender stated to survive repayment of the Loan.
 - (i) Unlimited Cost Overrun and Completion Guarantee/Agreement in form and content satisfactory to the Lender from the Credit Parties jointly and severally to keep the Project clear of all construction liens, to complete the Project and cover all cost overruns from their own personal resources.
 - (j) Assignment of benefits but not the Borrower's obligations in all material agreements including all present or future professional, construction, management and other contracts, plans, specifications, working drawings, budgets for provision of materials and equipment, and services to the Property. The Lender may also require certain present or future contracts to be specifically assigned to it.
 - (k) An Acknowledgement from each material contractor for the Project, as required by the Lender in its sole discretion, acknowledging the terms and status of such contract and the assignment thereof to the Lender as security.
 - (l) Assignment of Sale Agreements assigning the Vendor's rights and interest (but not the obligations) under all agreements of purchase and sale for the Project and proceeds thereof subject only to the priority of the deposit insurer (as hereafter defined) with respect to purchaser deposits only.
 - (m) Priorities Agreement with a deposit insurer, in form and content satisfactory to the Lender, providing that the deposit insurer's security in the Project shall be limited to purchaser deposits and otherwise shall be subordinate to the Lender's security, and that the deposit insurer shall deliver to the Lender forthwith upon request, such partial discharges, consents and other documentation required for sales of units and the development of the Project, whether or not the Borrower is in default, without any cost to the Lender. If applicable.
 - (n) Letter of Credit Authorization (Form 906091A set out on the attached **Schedule**) and Letter of Indemnity Agreement in form and content satisfactory to the Lender pertaining to all letters of credit issued from time to time.
 - (o) Satisfactory full Title Opinion addressed to the Lender.
- Should any issues arise as a result of a Title Opinion/search, a policy of title insurance for the Loan with a title insurer approved by the Lender may be acceptable to the Lender in its sole discretion.
- (p) Laurentian Bank's form of Identity Verification.
 - (q) Any other documents, security and/or assurances as may reasonably be requested by the Lender or its solicitors.

14. **PARTIAL DISCHARGES:**

Provided there has been no default, a partial discharge of the units will be granted on receipt of:

- 100% of the amount advanced under Facility 2 Construction Facility for hard and soft costs for that unit; and
- \$500,000 repayment of the Facility 1 Land and Servicing Loan;

A partial discharge fee of \$150 shall be payable by the Borrower for each partial discharge, in addition to legal discharge fees charged by Laurentian Bank's solicitors.

15. **NON-REFUNDABLE COMMITMENT FEE:**

The Borrower agrees to pay to the Lender forthwith upon acceptance of this Commitment, a non-refundable Commitment Fee (the "**Commitment Fee**") in the sum of \$215,000 (1.00% of Loan Amount) as compensation

to the Lender for its efforts and expenditures in the review of appraisals, credit reports, financial statements and other data, and physical inspections of the Property. The Commitment Fee is in addition to the Borrower's obligation to pay all other fees as herein set out and all third party costs including the Lender's solicitors legal costs of this transaction, and applies only in respect of the original Term of the Loan, and any extension or renewal of the Loan beyond the original Term shall be subject to additional fees as may be agreed between the Borrower and the Lender. The Commitment Fee is deemed to have been fully earned upon acceptance of this Commitment Letter and if for any reason the Loan is not advanced by the Lender, any balance outstanding shall be paid on demand to the Lender by the Credit Parties and shall form a charge on the Project.

Receipt of \$25,000 towards the Commitment Fee is hereby acknowledged. The further sum of (\$50,000) shall be payable upon acceptance of this Commitment and the remainder of the Commitment Fee of (\$140,000) shall be payable by way of deduction from the first advance of the Loan.

16. STANDBY FEE:

N/A

17. CONDITIONS PRECEDENT TO FUNDING OF THE DEMAND INTERIM NON-REVOLVING LAND & SERVICING LOAN FACILITY AND LETTER OF CREDIT FACILITY (IF NOT OTHERWISE CASH SECURED):

- (a) Receipt of current financial information in form and content satisfactory to the Lender from each of the Credit Parties.
 - (i) The last year's financial statements for the following: 9089802 Canada Corp. In the event of a newly incorporated company, an accountant or management prepared opening balance sheet will be required.
 - (ii) A current, dated and signed detailed net worth statement from the Guarantors.
- (b) Receipt and review of satisfactory credit reports for each of the Credit Parties, both prior to the first advance of the Loan and at any time thereafter, as required by the Lender, until the Loan is fully repaid.
- (c) Satisfactory confirmation that the Borrower has contributed at least \$5,969,455 of equity to the Project
- (d) Receipt of a satisfactory appraisal report, together with a letter of transmittal in favour of the Lender and its assigns, prepared by a firm acceptable to the Lender confirming:
 - a) The current market value of the subject lands is a minimum of \$15,025,641
 - b) The market value of the serviced lots is a minimum of \$24,100,000 (\$408,000/Unit)
 - c) The as-built value of the townhouses as contemplated would be at least \$1,300,000 per unit (All received in draft copy)
- (e) Receipt of finalized executed copy of Altus, October 23, 2020 Feasibility Study.
- (f) Receipt in form and content satisfactory to the Lender of the Borrower's detailed Land Servicing Budget and time frame for completion of the Project, the approved plans and specifications, Borrower's cash flow statement, and the report from the Cost Consultant confirming the reasonableness of the overall budget and that the costs to complete will not exceed the budgeted costs.
- (g) Evidence satisfactory to the Lender that the Borrower has obtained all necessary permits, licenses and approvals so as to enable commencement of the Project and that same are in good standing in all respects, subject only to required payments to the applicable governmental authorities and/or provision of applicable letters of credit.
- (h) Satisfactory review of servicing contractor's corporate resume of past projects. (Received)
- (i) Satisfactory review of servicing contract. (TBO)
- (j) Satisfactory review of clean Environmental Phase 1 Report.

- (k) Satisfactory review of the City's Letter of Credit requirements.
- (l) Satisfactory confirmation of draft plan approval for the project with the lot composition of no less than 49 townhouse dwellings.
- (m) Satisfactory evidence of proper zoning in place to accommodate the proposed development of the Project.
- (n) Satisfactory evidence in regards to the Land Servicing Budget that at least 70% of all hard costs and at least 70% of all major trade and sub-trade contracts have been awarded or firm bids acceptable to the Lender and the Cost Consultant have been received. Firm bids are defined as bids firm for acceptance within 90 days, which may not be withdrawn by the trade contractor within such period, and which are accepted by the Borrower prior to the applicable construction draw.
- (o) The Lender shall be entitled to the following and the Credit Parties hereby consent to same: to erect prominent signage on the Property and/or advertise via social media /print (including without limitation tombstones), indicating the source of financing.

CONDITIONS PRECEDENT TO FUNDING OF THE DEMAND INTERIM REVOLVING UNIT CONSTRUCTION LOAN FACILITY:

- (a) Confirmation construction management contract in place with a General Contractor acceptable to Laurentian Bank.
- (b) Satisfactory evidence of the enrolment of the Project with Tarion Warranty Corporation ("**Tarion**") pursuant to the provisions of the *Ontario New Home Warranties Plan Act* (Ontario) (the "**Act**"), the registration of the Borrower as "vendor" or "builder" of the Project (as applicable) and compliance with all applicable requirements of Tarion and the Act. Where any entity other than the Borrower is the "vendor" or "builder" of the Project, additional security in favour of the Lender from such entity is to be provided.
- (c) Satisfactory evidence to the Lender that the Borrower has obtained all necessary permits, license and approvals so as to enable commencement of the Project and that same are in good standing in all respects.
- (d) Receipt in form and content satisfactory to the Lender of the Borrower's detailed unit construction budgets and time frame for completion of the Project, the approved plans and specifications, Borrower's cash flow statement, and the report from the Cost Consultant confirming the reasonableness of the overall budget and that the costs to complete will not exceed the budgeted costs.
- (e) Confirmation that equity requirements have been met per the Advance Margin.
- (f) The Lender shall be entitled to erect prominent signage on the Property indicating the source of financing, the location and size of such signage to be mutually agreed upon by the parties, provided that same complies with the requirements of all governmental authorities having jurisdiction. All such signage to be in place no later than 30 days following the initial advance of the Loan.
- (g) Satisfactory receipt and review by the Lender's solicitors of the standard form of purchase agreement to unit purchasers for the Project.
- (p) On a month to month basis and when requested by the Lender, the Borrower shall provide the Lender with up-dated monthly sales reports.

18. AMENDMENTS TO STANDARD SCHEDULE CONDITIONS:

Notwithstanding the provisions of Schedule "A" (Standard Conditions), the following provision(s) shall prevail:

- (i) If title insurance obtained, Section 3-Survey deleted in its entirety.

- (ii) Section 7-Leases is not applicable.

19. SPECIFIC ONGOING COVENANTS/UNDERTAKINGS DURING THE TERM:

In addition to the ongoing covenants/undertakings set forth in Schedule "A" (Standard Conditions), the Credit Parties hereby acknowledge and agree to:

- (i) None.

20. EXPIRY AND CANCELLATION:

The Lender may at its option, terminate this Commitment and/or to demand repayment of the Loan or modify the terms set out herein if: (i) the conditions of this Commitment are not met or (ii) if in the opinion of the Lender or its solicitors, the security has been impaired or (iii) there is a material adverse change in the risk, the value of the security or the covenants required herein, or (iv) if the representations by the Borrower are not correct, or (v) the Security Documents are not registered and the first advance of funds is not made by September 9th 2021.

The Lender may, at its sole option extend the date by which the Security Documents are to be registered and/or the Loan is to be disbursed or any other time periods contained in this Commitment and time shall remain of the essence.

21. WARRANTY AS TO TITLE AND AUTHORITY:

- (a) Except as may be otherwise provided in this Commitment, the Borrower hereby represents and warrants that:

- (i) The sole registered owner and beneficial owner of the Property is as set out in Section 1, being the sole beneficial owner thereof;
- (ii) Title to the Property is good and marketable and free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances, save and except those which have been disclosed to the Lender prior to the date of issuance of this Commitment and save for such other encumbrances which are determined by and in the sole discretion of the Lender and its solicitors as not materially adversely affecting the Lender's security; and
- (iii) All Credit Parties have the right to enter into this Commitment and to charge or pledge the Property and other assets herein stipulated as security for the Loan. All information provided to the Lender by the Credit Parties in connection with the application for the Loan is true and accurate in all material respects and, since the date of such application, there has been no material adverse change in the business or financial condition of the Credit Parties. All of the Credit Parties' declarations and all the documents provided by such Credit Parties to the Lender are true and complete as of the date hereof.

22. NO ENCUMBRANCES:

The Borrower agrees that it shall not, without the prior written consent of the Lender, encumber the Property or any personal property associated therewith with any charge or lien.

23. PROFESSIONAL ADVISORS:

- (a) Solicitors: All legal matters and documentation shall be satisfactory to the Lender's independent solicitors (the "**Lender's Solicitors**"), whose fees and disbursements the Credit Parties agree to pay whether or not this transaction is completed as contemplated herein. In addition, all required documentation in connection with any discharge is to be prepared (and registered, as applicable) by the Borrower's solicitor, and approved by Lender's counsel in its discretion, and all costs will be for the account of the Credit Parties. The Lender's solicitors are:

Dwayn Kuiper

Miller Thomson LLP
295 Hagey Blvd Suite 300
Waterloo ON N2L 6R5

- (b) Insurance Consultant: All insurance and bonding matters shall be reviewed by, and shall be satisfactory to, the Lender's insurance consultants who are as follows:

IN TECH RISK MANAGEMENT INC., 3 Church Street, Suite 400, Toronto, ON M5E- 1M2, Tel: (416) 348-9111 / Fax: (416) 348-9121

The cost of the insurance review is for the sole account of the Borrower.

- (c) Cost Consultant: Halucha Cost Consulting or Turner and Townsend or another firm acceptable to the Lender in its sole discretion (the "**Cost Consultant**") shall be engaged by the Lender as cost consultant and project monitor with respect to the development and construction of the Project per the attached **Schedule**. The Cost Consultant will report directly to the Lender. The Cost Consultant will monitor all advances of the Loan and more generally, will verify and monitor all facets of the Project. All fees and expenses of the Cost Consultant are for the sole account of the Borrower.

24. **ANNUAL REVIEW FEES:**

N/A

25. **SCHEDULES:**

The following schedules form a part of this Commitment:

Schedule "A"	Standard Conditions
Schedule "B"	Construction Conditions
Schedule "C"	Insurance Requirements
Schedule "D"	Pre-Authorized Payment (PAD)
Schedule "E"	Borrower(s)' Professional Advisors
Schedule "F"	Letter of Credit facility: Authorization Letter Form 906091A

26. ACCEPTANCE:

This Commitment shall remain open for acceptance by the Credit Parties, in the manner herein specified, until **3:00 p.m. EST on the 19th day of March, 2021** after which time, if not accepted, the Lender's offer to finance set forth in this Commitment shall be null and void and the Lender shall be under no further obligation to extend or consider financing for the Borrower and the Lender shall not be responsible for any consequent direct or indirect costs or damages incurred by the Borrower. This Commitment may be executed in counterparts.

Yours very truly,

LAURENTIAN BANK OF CANADA

Per: 
Name: George Grainger
Title: Senior Account Manager
Real Estate Financing

Per: 
Name: Bob Berkhout
Title: Assistant Vice President
Real Estate Financing

ACCEPTANCE

THE UNDERSIGNED hereby accept the terms and conditions of this Commitment as of this ____ day of _____, _____.

BORROWER:

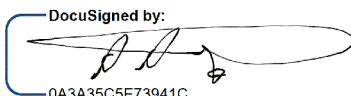
9089802 Canada Corp.

Per: 
DocuSigned by:
0A3A35C5E73941C...
Name: Abbas Aameri
Title: Director
Date: 17 Mar.2021

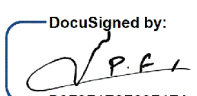
Per: _____
Name: _____
Title: _____
Date: _____

I/We have the authority to bind the corporation

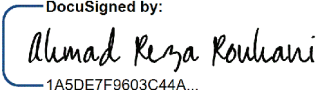
GUARANTORS:

Signature: 
DocuSigned by:
0A3A35C5E73941C...
Name: Abbas Aameri
Address: _____

Witness: _____
Signature: _____
Name: _____
Address: _____

Signature: 
DocuSigned by:
B3F3F1E3F66F4EA...
Name: Parisima Fotouhi
Address: _____

Witness: _____
Signature: _____
Name: _____
Address: _____

Signature: 
Name: Ahmadreza Rouhani
Address: _____

Witness:
Signature: _____
Name: _____
Address: _____

Signature: 
Name: Hadi Makaremi
Address: _____

Witness:
Signature: _____
Name: _____
Address: _____

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

SCHEDULE "A" – STANDARD CONDITIONS

1. The Lender shall not be obliged to make any advance under the Loan unless the following conditions have been complied with and the Lender has received and approved all documents and matters in form and substance satisfactory to the Lender and its solicitors:
2. Security in Place – All security and documentation to be in place in form and content satisfactory to the Lender and its solicitor.
3. Survey – As soon as is reasonably possible, but in any event sufficiently in advance of the initial advance of the Loan so as to enable the Lender's solicitors to obtain clearance of same from the relevant municipal authorities, the Borrower shall provide the Lender with an up-to-date survey of the Property prepared by a surveyor licensed in the jurisdiction in which the same is located, and showing:
 - (a) all encroachments, easements and rights-of-way;
 - (b) the dimensions, boundaries and square footage of the Property;
 - (c) the location of all buildings and improvements on the Property, their dimensions and distance from the lot lines;
 - (d) particulars of adjacent properties and access to and from public highways; and
 - (e) all other particulars required to be shown on a survey prepared for the jurisdiction in which the Property is situate.

The survey must bear the name, address and signature of the surveyor, his/her official seal and licence number (if any, or both), the date of the survey and have thereon a Surveyor's Certificate in the form and content required by the jurisdiction(s) in which the Property is situate.

4. Insurance – Not less than 5 days prior to the initial advance of the Loan, the Borrower shall provide the Lender with originals, or copies certified by the insurers, of insurance coverages in respect of the Property in form and content as more particularly set forth on the attached **Schedule** to and forming part of this Commitment. Such insurance coverages shall be maintained for so long as any monies remain outstanding under the Loan and shall at all times be upon terms and conditions satisfactory to the Lender and its solicitors and consultants. The Borrower acknowledges that all policies of insurance, including without limitation any renewals, shall be subject to review and approval by an insurance consultant employed by the Lender for such purpose, and the Borrower agrees to pay for the consultant's fees in connection with such review.
5. Appraisal – The Borrower shall obtain, at its own expense, and provide the Lender with a satisfactory full narrative appraisal report of the Property prepared by an appraiser approved by the Lender and who is an AACI member of the Appraisal Institute of Canada or other recognized association or institution of appraisers as approved by the Lender, showing the market value of the Property on an "as is" basis "today" and the value of the Property on a "completion of construction basis". A letter of reliance shall be provided by such firm in favour of the Lender and its successors and assigns. A full and complete copy of any purchase agreement(s) and amendments thereto relating to the acquisition of the Property within the preceding two years shall also be provided to the Lender for review if requested.
6. Financing and Operating Statements – Prior to the initial advance of the Loan and thereafter within the periods of time hereinafter specified, the Borrower shall deliver or cause to be delivered to the Lender the following:
 - (a) Within one hundred and twenty (120) days after the end of each fiscal year of operation of the Property, an annual operating statement in respect of the Property for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Property, the cost and expenses of operation and maintenance of the Property and such other information and

explanations in respect of the same as may be required by the Lender, including without limitation confirmation property taxes have been paid;

- (b) Within one hundred and twenty (120) days after the end of each fiscal year of each Credit Party which is a corporation, the annual financial statements of each such corporation for its immediately preceding fiscal year including, without limitation, the balance sheet of the corporation as at its fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Lender; and
- (c) With respect to each Credit Party who is an individual and within thirty (30) days after each anniversary of the date of the Commitment, an annual updated net worth statement of each such individual in such form and content acceptable to the Lender.

All such operating and financial statements shall be prepared at the expense of the Borrower and in accordance with generally accepted accounting principles ("**GAAP**") applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Lender, and shall be submitted in audited form if so required by the Lender at its option, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the applicable Credit Party. For all financial periods beginning on or after January 1, 2011, the use of International Financial Reporting Standards ("**IFRS**") will be required for all Credit Parties which are: (a) Canadian public corporations; (b) Canadian publicly accountable entities; and/or, (c) entities governed by or resident in a jurisdiction other than Canada for which IFRS standards are mandated by the accounting standards of such other jurisdiction.

7. Leases – All agreements to lease, leases, rents, income and profits from or in connection with the Property, (collectively, the "**Leases**") shall be submitted to the Lender, together with tenant acknowledgements/estoppel certificates if requested by the Lender for its review and approval prior to the first advance of the Loan; The Borrower shall not collect any amounts due under the Leases, as applicable, for rents or otherwise in advance, other than the last month's rent due under any of the Leases and shall not waive, release, reduce or discount any such rents or other charges due under the Leases or grant any concession or privilege which would have the effect of reducing the rental consideration stated in the Leases; The Borrower shall not consent to any assignment of the Leases or subletting without the prior written consent of the Lender, such consent not to be unreasonably withheld; Prior to the first advance of the Loan and every twelve months thereafter for so long as the Loan remains outstanding, the Borrower shall provide to the Lender a detailed list of all current tenants, rentals and other income of the Property; Prior to the first advance, the Borrower shall deliver executed copies of a form of notice to the tenants under the Lease advising them that the Lease has been assigned as security for the Loan and directing them to pay rent to the Lender, provided that the Lender shall not deliver such notice or collect rent under the Leases unless there is default by the Borrower under the Loan. All Leases entered into by the Borrower after the date of the first advance of the Loan and during the term of the Loan shall also be submitted to the Lender, together with (when requested by the Lender) tenant acknowledgements for its prior review and approval, if applicable.
8. Agreements of Purchase and Sale – Full and complete copies of all Agreements of Purchase and Sale arising from or in connection with the Property, and all renewals, amendments, assignments or other agreements relating to same (collectively the "**Agreements**") shall be submitted to the Lender for its review and approval prior to the first advance of the Loan, if not approved by the Lender prior to issuance of this Commitment. Further sales from time to time after the first advance of the Loan, as applicable, shall also be submitted to the Lender for review and approval.
9. Authority – Prior to the first advance of the Loan, each Credit Party which is a corporation or partnership shall provide to the Lender such documentation as is reasonably satisfactory to the Lender and its solicitors evidencing its valid existence and subsistence, and power and authority to enter into the transaction contemplated by this Commitment and execute and deliver the security required, including, without limitation, a certificate of non-restriction, a certified resolution of the board of directors (or partners or general partner as the case may be), a certificate of incumbency disclosing all directors, officers and shareholders (or partners, general partners and limited partners as the case may be) (such certificates may

be combined into a single certificate for any Credit Party), and an opinion given by the solicitors for each such Credit Party (together with a certificate of status) as to due authorization, valid execution, delivery, and enforceability, and any other matter reasonably requested, all of the foregoing in form and content reasonably satisfactory to the Lender and its solicitors. Where any Credit Party is a partnership, trust, co-ownership or joint venture, a copy of such documentation and all amendments thereto shall be supplied for review prior to the first advance of the Loan.

10. Environmental Report – Prior to the first advance of the Loan, the Borrower shall obtain at its own expense and provide to the Lender an environmental site assessment report, in form and content acceptable to the Lender, providing an opinion that the Property does not contain any site contamination or hazardous substances and confirming that the Property complies with all applicable environmental laws. The environmental opinion shall be prepared by a recognized firm of environmental consultants qualified in Ontario and acceptable to the Lender and with sufficient professional insurance in the opinion of the Lender. A letter of reliance shall be provided by such firm in favour of the Lender and its assigns. The Borrower agrees to provide all information that it has with respect to environmental matters and warrants that it shall provide full disclosure in this regard to the Lender
11. Soil Tests – Prior to the first advance of the Loan, the Borrower shall obtain at its own expense and provide to the Lender a geotechnical report, in form and content acceptable to the Lender, attesting to the satisfactory nature of the soil condition to support the buildings contemplated for the Project and confirming that the soil tests and other tests and examinations of the Property are satisfactory for construction and completion of the Project. The geotechnical report shall be prepared by a firm of geotechnical engineers qualified in Ontario, in good standing and acceptable to the Lender, and with sufficient professional insurance in the opinion of the Lender. A letter of reliance shall be provided by such firm in favour of the Lender and its assigns.
12. Material Agreements – Prior to the first advance of the Loan, the Borrower shall supply the Lender with full and complete copies of all material agreements for the development and management of the Project (and where applicable the sale thereof) and same shall be satisfactory to the Lender in all respects.
13. Organizational Charts – **Within seven (7) business days of acceptance of this Commitment**, the Lender shall have received an organizational chart (signed by the borrower or its counsel as to its accuracy) in satisfactory detail (including % interests based on voting control) for the borrower (both registered legal titleholder and any entity it holds in trust for if a bare trustee/nominee) to be certified by the borrower or its counsel on closing showing all voting and non-voting shareholders, partners, family trusts (with name of Trustee), (as the case may be) and the relationship between such entities, as applicable; and indicating the ultimate individual natural person(s), publicly traded entity or family trust (with Trustee name) who directly or indirectly own or control the borrower. (Note: for limited partnerships, only the individual natural persons who own the general partner; if nominee/bare trustee is the registered titleholder of land, identify separate ownership structure for both registered titleholder and beneficial owner of the land – provide copy of nominee bare trustee agreement/declaration or limited partnership agreement, as applicable, to be certified on closing). Any ownership change in respect of the Borrower requires the prior written consent of the Lender.
14. PPSA – Prior to the first advance of the Loan, the Credit Parties shall provide the Lender with such third party comfort letters or discharges, as applicable, pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**"), in form and substance as the Lender shall require, with respect to all PPSA filings appearing to grant a priority under the PPSA to any third party lender. In addition, to the extent that any Credit Party is not located in Ontario for conflicts purposes pursuant to the PPSA such matter shall be disclosed to the Lender for credit purposes and in any event prior to the first advance.
15. Sale of Property – In the event of a sale, transfer, conveyance or further encumbering of the Property, other than herein contemplated, or any part thereof, or a lease of the whole of the Property, or a change in the legal or beneficial ownership of the Property or any part thereof, or a change in control of the Borrower, the Loan shall, unless the written consent of the Lender has first been obtained, forthwith become due and repayable in full at the option of the Lender and the Borrower shall be deemed to be in default under the Loan and all security given for the Loan shall become immediately and fully enforceable. Any consent of the Lender will, in addition to any other requirements, be conditional on the transferee providing the

documentation contemplated by Sections 9 and 14 of this Schedule "A" as well as the Lender's identity verification and anti-money laundering documentation.

16. Changes to Property Use – The Borrower shall not modify or permit the modification of the use of the Property without the Lender's prior written consent. Without limitation, the Borrower may not use the Property, or permit the Property to be used, for the operation of a hotel or for the purposes of used as tourist accommodations within the meaning of the Act respecting tourist accommodation establishments (ch. E-14.2) (or successor legislation) or any similar use, including any short-term rental and/or rental via an online community marketplace for the reservation and rental of private dwellings.
17. Demolition of the Property – Unless otherwise specifically provided in the Commitment, the Borrower shall not demolish the Property without the prior written consent of the Lender.
18. Material Representations – If at any time before or after acceptance of this Commitment or advance of funds under the Loan, there is or has been any material adverse change, discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of any of the Credit Parties concerning the Properties or the financial condition and responsibility of any of the Credit Parties, or in the event of default by any of the Credit Parties under this Commitment, then, in the event of such default, or if such material change, discrepancy or inaccuracy cannot be rectified or nullified by the Credit Parties within thirty (30) days after written notification thereof by the Lender to the Borrower or such other Credit Party as applicable in the circumstances, the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance further funds, as the case may be, and to declare any funds which have been advanced, together with interest, to be forthwith due and repayable in full.
19. Pre-Authorized Payment (PAD) – The Borrower shall execute and deliver to the Lender prior to the initial advance of the Loan the PAD form attached as a **Schedule** or such other additional preauthorized payment forms as may be required by the Lender from time to time or as may be necessitated by any change in the Borrower's bank account. The Lender reserves the right upon thirty (30) days' prior written notice require the Borrower to provide post-dated cheques in lieu thereof.
20. Standard Charge Terms – The Borrower acknowledges and agrees that the mortgage document may incorporate by reference any and all Standard Charge Terms required from time to time by the Lender for use in the jurisdiction in which the Property is situate, provided that the terms and provisions of the mortgage document shall not be limited to any such Standard Charge Terms and may incorporate such additional provisions as are contemplated by this Commitment and/or as may be considered advisable by the Lender or its solicitors in their sole but reasonable opinion. In this Commitment, "**Standard Charge Terms**" refers to any set of Standard Charge Terms filed on behalf of the Lender pursuant to the provisions of the *Land Registration Reform Act* (Ontario) or any other similar set of Standard Charge Terms filed on behalf of the Lender pursuant to the provisions of any similar legislation in the jurisdictions in which the Property is situate.
21. Covenants – In consideration of the Lender committing to make the Loan available to the Borrower (the receipt and sufficiency of which is hereby acknowledged by each Credit Party), each Credit Party in and executing this Commitment does hereby covenant, as principal debtor and not as surety, that it will pay or cause to be paid to the Lender all amounts due by the Borrower under the Loan (up to the limit provided for herein, if any) and will observe, keep and perform all of the terms and conditions set forth herein or required hereby to be observed, kept and performed by the Borrower pursuant to this Commitment or any of the Security Documents, and that after the first advance under the Loan, all present and future indebtedness of the Borrower to each Credit Party shall be assigned to the Lender and postponed to the present and future indebtedness of the Borrower to the Lender; and each Credit Party agrees that it shall execute the Security Documents or any of them, in such form as may be required by the Lender and its solicitors, in order to fully document and effectuate the intent and meaning of this paragraph.
22. Taxes – All realty taxes and penalties, if any, due and payable and all outstanding levies, special assessments and other charges relating to the Property shall be paid in full by the Borrower prior to each advance under this Loan, and as and when due, and the Borrower shall provide the Lender, annually, with evidence of their payment within 30 days following said due date. The Lender reserves the right to pay future

taxes and to collect from the Borrower an amount each month sufficient to pay the taxes in full by the due dates thereof.

23. Advances – The Lender shall not be obliged to make any advance under the Loan unless the terms and conditions of this Commitment have been fully complied with by the Credit Parties. The Lender shall be entitled and is hereby authorized to deduct from any advance the amount due or to become due for interest from the date of such advance to the Interest Adjustment Date or next regular payment date, and the aggregate of all amounts owing for accrued and unpaid interest, the Commitment fee, the Origination fee, third party costs, including without limitation appraisal fees, legal fees and disbursements of the Lender's solicitors, and all other amounts, costs and expenses incurred by the Lender in connection with the Loan.
24. Compliance With By-Laws, Etc. – Prior to the first advance of the Loan and thereafter prior to each advance, the Lender shall receive satisfactory evidence of compliance with all applicable building and zoning by-laws, restrictive covenants, agreements, rules and regulations of and with public authorities respecting the construction, use and occupancy of the Property. The Borrower agrees to provide written authority, duly signed by all owners of the Property and addressed to the requisite municipal or other authority having jurisdiction, so as to allow release to the Lender of any information contained in the records of such authority, or, at the Lender's option, to allow an inspection of the Property by such authority to determine any outstanding work orders or deficiencies.
25. Direction For Payment of Prior Encumbrances – This Commitment shall, upon acceptance by the Borrower, operate as a direction to the Lender to disburse at its sole option, out of the proceeds of each advance under this Loan, such amount or amounts sufficient to pay all outstanding realty taxes and penalties thereon, utility charges, construction and other liens and any and all other charges for deficiencies pertaining to the Property, the amount required to discharge any prior encumbrances or to bring into good standing any encumbrances remaining on title and any and all charges and expenses connected with the Loan, including, without limitation, all accrued and unpaid interest with respect to the Loan and all unpaid premiums for insurance of the Property.
26. Hazardous Substances
 - (a) In this Commitment, "**Hazardous Substance**" means any hazardous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,
 - (i) any such substance as defined or designated under any applicable laws and regulations for the protection of the environment or any living thing ("**Environmental Laws**");
 - (ii) asbestos, urea formaldehyde, poly-chlorinated biphenyl (PCB) and materials manufactured with or containing the same; and
 - (iii) radioactive and toxic substances.
 - (b) The Credit Parties each represent, warrant, covenant and agree that, except as disclosed to the Lender and or its environmental consultants:
 - (i) each has not and, to the best of their respective knowledge, information and belief after making due inquiry, no other person has caused or permitted any Hazardous Substance to be placed, stored, located or disposed of on, under or at the Property;
 - (ii) they and their tenants, invitees and other occupiers of the Property have and will at all times and, to the best of their respective knowledge, information and belief after making due inquiry, all prior owners and occupiers of the Properties have at all times carried out all business and other activities upon the Property in compliance with all applicable laws

intended to protect the environment including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Substance;

- (iii) no order, direction, enforcement action or other governmental or regulatory action or notice, nor any action, suit or proceeding relating to any Hazardous Substance or the environment has been issued or is otherwise threatened or pending with respect to the Property;
 - (iv) each of the representations and warranties set out herein shall remain true and accurate in all respects up to and including the date of the first advance of funds and thereafter until the Loan is repaid in full; and
 - (v) the Lender may delay or refuse to make any advance to the Borrower if the Lender believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.
- (c) The Borrower shall permit the Lender to conduct, at the Borrower's expense, any and all tests, inspections, appraisals and environmental audits of the Property so as to determine and ensure compliance with the provisions of this paragraph including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Property or the businesses and other activities conducted thereon at any reasonable time and from time to time.
- (d) The Credit Parties each jointly and severally agree to indemnify and save harmless the Lender and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of (individually an "**Environmental Breach**" and collectively the "**Environmental Breaches**"):
 - (i) a breach of any of the representations, warranties or covenants hereinbefore set out;
 - (ii) the presence of any Hazardous Substance in, on or under the Property; or
 - (iii) a breach of any environmental law; or
 - (iv) the discharge, emission, spill or disposal of any Hazardous Substance from the Property into or upon any land, the atmosphere, any watercourse, body of water or wetland; and the provisions of all representations, warranties, covenants and indemnifications set out herein shall survive the repayment and satisfaction of the Loan and the release and discharge of the Security Documents.

And without limiting the foregoing, in the event of the existence and/or occurrence of any and all Environmental Breaches, the Credit Parties shall forthwith:

- (i) commence, carry out and satisfactorily complete the remediation of all such Environmental Breaches according to all applicable Environmental Laws and accordingly to the direction of the Lender and any environmental consultants then engaged by the Lender;
- (ii) pay, from their own resources, all amounts required in order to investigate, complete and record the remediation of all such Environmental Breaches; and,
- (iii) where required by the Lender, file a Record of Site Condition in respect of the completion of the afore-noted remediation.

27. Acceleration – All indebtedness and liability of the Borrower to the Lender which is payable on demand, is repayable by the Borrower to the Lender at any time on demand.

All indebtedness and liability of the Borrower to the Lender which is not payable on demand shall, at the sole option of the Lender, become immediately due and payable and the Security shall, at the sole option

of the Lender, become enforceable, and the obligation of the Lender to make further advances or other accommodation available under any credit facilities shall terminate if any of the following events (each event hereinafter called an "**Event of Default**") occurs:

- (a) the Borrower or any Credit Party fails to make when due, whether on demand or on any scheduled payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Lender;
- (b) the failure by the Borrower or any Credit Party to strictly and fully observe or perform any condition, agreement, covenant or term set out in this Commitment, the Security Documents and/or in any other document creating a contractual relationship as between them or any of them and the Lender or if it is found at any time that any representation of the Credit Parties with respect to the Loan and this Commitment is incorrect or misleading;
- (c) the Borrower commits an act of bankruptcy, or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors, or if there is any receiver or receiver and manager or trustee appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement is made with any creditor;
- (d) the Borrower dies, dissolves, amalgamates or is terminated;
- (e) any judgment or order or any process of any court or lien or statutory lien or Deemed Trust becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower;
- (f) any insurance policy for the Property lapses or is cancelled;
- (g) any adverse change occurs with respect to the Property, or, in the financial condition of the Borrower or any Credit Party;
- (h) if the Borrower is in default under any charge/deed of hypothec or agreement relating to its indebtedness on the Property or if the repayment of any demand loan with respect to the Property is called for, or if the Borrower is in default under any agreement binding it in respect of the Lender;
- (i) any Credit Party ceases or threatens to cease carrying on its business or becomes unable to pay its debts generally as such debts become due; and/or
- (j) if work on the development of the Project on the Property is interrupted for a continuous period of 20 days or more without the Lender's prior written approval.

28. Solicitor's Opinion – All advances in this Loan are subject to receipt by the Lender of an opinion acceptable to the Lender from its solicitors as to the effectiveness and priority of all Security Documents. The Borrower agrees to deliver to the Lender or its solicitors, forthwith upon request, such other documents, assurances, information and covenants as the solicitors for the Lender may reasonably require with regard to the Loan or the Security Documents to be given hereunder.

29. Lender's Documentation – The Credit Parties acknowledge that the Lender's Security Documents contain covenants, representations, warranties and events of default to which the various Credit Parties shall be bound, which may be in addition to the ones contained in this Commitment. Prior to each advance, the Lender and its solicitors shall be satisfied with the form and content of all documents in connection with the Loan, all disbursement procedures and all matters relating to title and the security.

30. Payment of Fees and Costs – The Borrower agrees to pay, on demand, whether or not the Loan or any part thereof is disbursed, all costs, fees and expenses related to the preparation, execution, registration, publication and renewal of the Loan and of the documentation (security documentation, agreements, or other) related to or required by this Commitment, as well as cost of investigation and certification of title by the Lender's solicitors, costs of title insurance when required by the Lender, and all other fees and

disbursements of the Lender's solicitors, as well as appraisal costs, consultant's costs, insurance consultant's fees and out-of-pocket disbursements and expenses incurred by the Lender relating to the Loan, and all fees and costs incurred in connection with the realization of the Lender's security.

31. Credit Inquiries – The Credit Parties acknowledge receipt of notice that usual credit and personal enquiries may be made at any time in connection with the credit hereby applied for and consent to disclosure of any such information to any other credit grantors or to any consumer reporting agency.

The Credit Parties agree that the Lender may until full payment of the amounts due obtain information on them from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The Credit Parties agree that the Lender may disclose the information it holds on the undersigned to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the undersigned to any other person who so requests it.

32. Collection and Reporting of Confidential Information – The information held by the Lender with respect to any of the Credit Parties will be used solely in regards to the business generally conducted by the Lender and shall be communicated only to its employees, affiliates and suppliers in the normal course of their duties and functions or the execution of their mandate, and they will be bound by the duty of confidentiality attached to this information.

All Credit Party information shall be maintained and kept at a branch, department or service of the Lender. Upon written request from any of the said Credit Parties, the Lender will share with the Credit Party so requesting the information that concerns such Credit Party and for which access is provided under the law and the said Credit Party may obtain a copy of the report upon paying the customary fee charged by the Lender.

In order to receive quality service and receive all required information regarding financial services and products made available by the Lender and its subsidiaries and other relevant business, the Credit Parties authorize the Lender, its subsidiaries and any other referred business to use the said Credit Parties' information to communicate to them documents, advertising, information or features deemed relevant by the Lender.

Should certain services provided by the Lender originate from outside Canada, the Credit Parties acknowledge that certain personal information may be required to be made available to regulatory bodies within that jurisdiction, in compliance with the laws of that jurisdiction.

The Credit Parties hereby authorize the Lender to disclose and communicate information (i) to competent authorities in the event of fraud, inquiry or breach to this Agreement and (ii) to other financial institutions where communication between them is required or useful in order to prevent fraud and in the context of inquiries in the event of breach of this Agreement or the law.

33. Indemnification – The Credit Parties shall indemnify and keep harmless the Lender, its affiliates, and their respective officers, directors, shareholders, employees, agents, representatives, advisors, successors and assigns from and against any claim, damage, liability, loss, cost, expense (including legal fees and disbursements), obligation, action or cause of action resulting from or arising in connection with (a) this Commitment, (b) the Property, (c) any Event of Default, (d) Lender's lawful exercise of its rights under this Commitment or (e) any negligent or willful misconduct of any of the Credit Parties. The Credit Parties' obligations under this paragraph shall survive the expiration or termination of this Commitment.
34. Notices – All notices or other communications required to be given or which may be given under this Commitment shall be in writing duly executed by the party giving such notice or its solicitors, and shall be personally delivered or transmitted by registered mail or facsimile transmission addressed to the Lender at Laurentian Bank of Canada, 199 Bay Street, Suite 600 PO Box 279 STN Commerce Court Toronto, ON M5L 0A2 Attention: 956T Real Estate Documentation and Securities (14th Fl) and to the Credit Parties at the address first above written or as otherwise indicated herein. Notices given by personal delivery or facsimile transmission shall be deemed to have been received on the day of and at the time of such delivery

or transmission and all other notices shall be deemed to have been received at 2:00 p.m. on the second business day after the posting thereof. Any notice requesting or requiring response within five (5) or less business days from the date thereof shall be given by personal delivery or facsimile transmission. In the event of actual or reasonably anticipated postal disruption, all notices shall only be given by personal delivery or facsimile transmission. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

35. Assignment of Commitment – This Commitment and the rights and benefits arising herefrom may not be assigned by the Borrower to any other party without the prior written consent of the Lender, which consent may be arbitrarily withheld. The Lender may sell, transfer or assign this Commitment, the Loan indebtedness and the Security Documents, or any interest therein, from time to time, without notice to or the consent of the Borrower.
36. Time is of the Essence – Time shall be of the essence in this Commitment. The times herein specified for the taking of certain action by the Borrower are in each case firm and shall not be extended without the written approval of the Lender.
37. Prior Dealings – This Commitment shall supersede any and all prior dealings, whether written or oral, as between the parties hereto and relating to this Loan.
38. Counterparts - This Commitment may be executed in several counterparts, each of which when duly executed shall be deemed to be an original document and all such counterparts, taken together, shall constitute one and the same instrument. This Commitment may be signed in person, by fax, electronically or by email. Each copy of this Commitment, whether signed in person, by fax, electronically or by email, shall be deemed to be an original.
39. No Set Off – The Borrower shall make all payments pursuant to this Commitment without set off, compensation or counterclaim and free and clear of any deductions including any taxes.
40. Account Debit Authorization – Pursuant to the PAD attached as a Schedule hereto, the Lender is authorized (but not obligated) at any time or from time to time, without notice to the Borrower or to any other person, any such notice being expressly waived by the Borrower, to set off, compensate and to apply (a) any and all deposits (general or special) held for or in the name of the Borrower, and (b) any indebtedness or liability at any time owing or payable by the Lender to or for the credit of or for the account of the Borrower, against and on account of the obligations and liabilities of the Borrower owing or payable to the Lender under this Commitment and the security or other agreements contemplated herein or therein, irrespective of currency, and whether or not the Lender has made any demand thereof, and whether or not these obligations and liabilities of the Borrower, or any of them, have matured. The Borrower and the Lender further agree that the benefits accruing to the Borrower of any term applicable to any deposit, credit, indebtedness, liability or obligation of the Lender (collectively, the "**Deposit**") shall be lost immediately before the time when the Lender shall exercise its rights pursuant hereto in respect of a relevant Deposit.

Without limiting the foregoing, the Borrower authorizes Laurentian Bank to automatically debit the Borrower's account for all amounts payable by the Borrower under this Commitment including but not limited to the repayment of principal and the payment of interest, and all fees and expenses. In addition, Laurentian Bank shall have the right to automatically debit on a daily basis any credit balance in the Borrower's account for the sole purpose of repaying any variable credit advances under the Loan.

41. Amendments – No term or requirement of this Commitment or any Security Documents may be waived or varied orally or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Commitment or any Security Document must be in writing and signed by a duly authorized officer of the Lender.
42. Additional Fees – In addition to all fees provided in this commitment, in circumstances where the Lender expends additional time and effort in accommodating finalization of this commitment or implementation of the funding the Lender shall be entitled to charge additional fees commensurate with such efforts.

43. Waiver Of Defaults – Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the Lender's rights resulting therefrom.
44. Lender's Records – In the absence of manifest error, the books and records held by the Lender will constitute conclusive evidence of the transactions carried out under this Commitment and of the Borrower's indebtedness to the Lender.
45. Interpretation – This Commitment shall be governed by and interpreted in accordance with the laws of the Province in which the Property is situated, and the parties hereto hereby attorn to such jurisdiction. This Commitment shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The paragraph and other headings set forth in this Commitment are inserted for convenience and reference only and shall in no way define or limit the intent or interpretation of any of the provisions hereof. This Commitment shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context, and the covenants and agreements of the Credit Parties shall be deemed to be joint and several where any of them are more than one entity. The terms and conditions set forth on any Schedules referred to and attached to this Commitment are deemed to be included in this Commitment and form a part hereof.
46. Survival of Terms – Notwithstanding the delivery and registration of any or all of the security contemplated by this Commitment and the advance of funds pursuant thereto, the terms and conditions of this Commitment shall remain binding and effective on the parties hereto, and shall not merge in the Security Documents or any of them.

In the event of any discrepancy between the terms of this Commitment, any schedules, or Security Documents, or the Standard Charge Terms, or between any security documents and any schedules or the Standard Charge Terms, or the Lender, in its sole discretion, shall decide which provisions shall prevail.

47. Severability – If for any reason whatsoever any section, paragraph, clause or portion of this Commitment, or the application thereof to any person, firm, corporation, entity or circumstances, is to any extent held or rendered invalid, unenforceable or illegal, then such section, paragraph, clause or portion thereof:
- (a) shall be deemed to be independent of the remainder of this Commitment and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality will not affect, impair or invalidate the remainder of this Commitment or any part thereof; and,
 - (b) shall continue to be applicable to and enforceable to the fullest extent permitted by law against any other(s) than those to which it has been held or rendered invalid, unenforceable or illegal.
48. Not Third Party Funds/Politically Exposed – The Borrower confirms that the above is not being conducted at the request or on the instructions of a person or entity other than the Borrower and acknowledges having read and understood the terms and conditions of this Offer and accepts same. No Credit Party is a Politically Exposed Person as more particularly described pursuant to governing Anti-Money Laundering and Terrorist Financing legislation in Canada.

SCHEDULE "B" – CONSTRUCTION CONDITIONS

1. The Cost Consultant will review all final working drawings and specifications, and any other relevant material related to the Project. The Lender shall be supplied for its approval with the opinion of the Cost Consultant certifying the adequacy and approval of the following:
 - (a) final plans and specifications; and any amendments thereto with applicable certifications as to compliance with provincial and municipal requirements;
 - (b) design criteria for the use of the Project;
 - (c) compliance with all building codes and zoning regulations;
 - (d) all applicable building, development, foundation and excavation permits;
 - (e) adequacy of structural, electrical and mechanical systems;
 - (f) adequacy of the Project budget;
 - (g) monthly construction draw schedule and cash flow projection forecasting the amount and time of the draw requests; and
 - (h) feasibility of the project being completed within the time frame contemplated.

The Cost Consultant shall also review all construction contracts in accordance with the approved plans and specifications. Where any advance of the Loan is contingent on the availability of any permit, the Cost Consultant shall receive satisfactory evidence of the issuance of such permit.

2. Satisfactory evidence of proper zoning in place to accommodate the proposed development of the Project by way of a planner/architect's opinion, in form and content satisfactory to the Lender, prepared by a firm of architects acceptable to the Lender accompanied by evidence of professional liability insurance in an amount acceptable to the Lender, attesting that the Project as presently constructed and/or its contemplated development and construction as set out in the approved plans and specifications (and according to the Project budget if no Cost Consultant has been retained pursuant to this Commitment), complies with all applicable construction, zoning and other governmental requirements.
3. Satisfactory receipt and review by the Lender of copies of all relevant plans, specifications, working drawings and budgets pertaining to construction and completion of the Project (collectively, the "**Project Documents**").
4. The Cost consultant shall also confirm all relevant matters pertaining to the Project Documents, including confirmation that the budgets are sufficient to allow completion of the Project in accordance with the plans and specifications and constitute an accurate representation of the anticipated cost of the Project allowing for reasonable contingencies.
5. All advances shall be supported by satisfactory inspection and draw certificates and in amounts of not less than \$100,000 and occurring not more frequently than once per month. The Borrower will maintain a segregated Project bank account to receive all advances of the Loan. All requests for advances shall be accompanied by the written report (Certificate) of the Cost Consultant which shall include, at minimum, confirmation of each of the following which shall be satisfactory to the Lender:
 - (a) details of costs in place in reference to the approved budget;
 - (b) percentage complete;
 - (c) that the work to date is in accordance with the plans and specifications previously submitted to the Lender;

- (d) cost to complete;
 - (e) that the approved budget remains adequate to complete the Project;
 - (f) if applicable to the particular advance, confirmation of required equity;
 - (g) review all paid invoices, cheque runs and/or cancelled cheques in excess of \$100,000 to ensure that the funds from prior advances of the Loan are being utilized only in the Project; and
 - (h) estimated completion date.
6. Accumulated advances shall at no time exceed the cost of work in place less holdbacks as required under the *Construction Act* (Ontario), and less Borrower's required equity. In addition, the cost to complete shall at no time exceed the unadvanced portion of the Loan.
 7. Each advance request shall be accompanied by a statutory declaration (or a certificate in the Lender's sole discretion) from the Borrower declaring that all sub-trades associated with the Project, and all hard and soft costs then incurred, have been fully paid through the date of the last draw preceding the current request and that all proceeds are being used solely for payables pertaining to the Project. The statutory declaration shall further declare there has been no change in the amount of the construction budget. In connection with each draw request the Borrower shall also provide the Cost Consultant with the applicable form of Request for Advance and all supporting materials in connection therewith.
 8. The Lender reserves the right to make progress advances directly to the contractor, sub-trades and/or suppliers if the Borrower is in default or if advances are being diverted from the Project.
 9. The Lender shall charge an administrative fee of \$250.00 per advance.
 10. A title search will be conducted with each advance of the Loan. The title search and solicitor's fees and expenses applicable thereto are for the account of the Borrower.

SCHEDULE "C" - INSURANCE REQUIREMENTS

1. GENERAL

- (a) All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to Laurentian Bank and contain the original signatures of the insurers, not just the insurance broker or agent.
- (b) All policies shall be permitted to contain reasonable deductibles.
- (c) All property and, where applicable, boiler and machinery policies shall name Laurentian Bank as First Mortgagee and Loss Payee and contain a standard mortgage clause in favour of Laurentian Bank.
- (d) All policies of insurance and interim evidence thereof, shall provide for 30 days prior notice to Laurentian Bank of any adverse material change or cancellation.
- (e) If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then Laurentian Bank may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Mortgage.
- (f) It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, in no way represent an opinion as to the full scope of insurance coverage a prudent Borrower would arrange to adequately protect its interests and the interests of Laurentian Bank and the Borrower must govern itself accordingly.

2. SPECIFIC – COMPLETED PROPERTIES

The following policies of insurance must be submitted, as required in the GENERAL section of the INSURANCE REQUIREMENTS.

- (a) All Risks of physical loss or damage including sewer back-up, earthquake, flood, debris removal and collapse for:
- (b) one hundred percent of the full replacement cost of the property, without deduction for foundations and footings. The replacement cost wording to have the "same or adjacent site" clause deleted and the policy to include a bylaws extension including the increased cost of construction, demolition of the undamaged portion and resultant loss of income. Co-insurance must either be waived or Stated Amount.
- (c) one hundred percent of the projected annual rents or revenue with a minimum period of indemnity of twelve months, or such greater period as Laurentian Bank may reasonably require.
- (d) Broad Form Boiler and Machinery with the same limits and by-laws extensions as the All Risks policy described in i) above.
- (e) Commercial General Liability with a limit of \$5,000,000 any one occurrence or such greater amount as Laurentian Bank may reasonably require. The policy to include the IBC 2313 wording, or its equivalent, for limited pollution cover. Laurentian Bank to be shown as an additional insured arising out of the operations of the insured.
- (f) Such other form or forms of insurance as Laurentian Bank may reasonably require, given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

3. SPECIFIC – COURSE OF CONSTRUCTION

The following policies of insurance must be submitted, as required in the GENERAL section of the INSURANCE REQUIREMENTS.

- (a) All Risk Builders Risk Course of Construction (minimum DE4 wording) including coverage for sewer back-up, earthquake, flood, bylaws and debris removal on:
- (b) one hundred percent of the estimated final construction cost of the property, including recurring soft costs.
- (c) one hundred percent of the anticipated annual rents (assuming full occupancy) written on a Delayed Income basis.

The policy shall allow for partial or full occupancy.

All other terms and conditions shall apply as if there were an All Risks policy in force as described above in Section 2 SPECIFIC – COMPLETED PROPERTIES.

- (d) The Liability coverage as described more fully in paragraph iii) of SECTION 2 SPECIFIC – COMPLETED PROPERTIES. However, if the construction cost is in excess of \$10 million then a Wrap-up Liability is required with a limit of not less than \$10 million and must include all contractors, sub-contractors and trades.
- (e) Architects' and Engineers' errors and omission insurance for at least \$1 million or such greater amount as Laurentian Bank may reasonably require.
- (f) Performance, Labour and Material Bonds for the percentage of the contract prices as specified in the body of the Commitment and recommended by the Cost Consultant, with the Borrower shown as Obligee and Laurentian Bank shown as a Dual Obligee.
- (g) Such other form or forms of insurance as Laurentian Bank may reasonably require, given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

All insurance policies, including without limitation any renewals/amendments of policies throughout the term of loan, must be approved by the Lender's insurance consultants at the Borrower's cost. If there are any questions regarding our insurance requirements please contact our insurance consultants.

SCHEDULE "D" – PRE-AUTHORIZED PAYMENT (PAD)

You, as the account holder, authorize Laurentian Bank to debit the following business account number _____ held at _____, in accordance with the conditions you agreed upon in this Offer/Commitment Letter, unless otherwise notified in writing.

A debit in written, electronic, or other form, in the amount of the payment of each of the credit terms, and any periodic fee, can be withdrawn from the account of the Borrower according to the mentioned frequencies within this Offer/Commitment, as from the initial payment and up to complete payment of the advances. These amounts can be increased or decreased at any later date. The Bank shall take all reasonable steps to inform you of this change within a reasonable timeframe.

The branch of the financial institution where the account is held is not required to verify that the payment is drawn in accordance with this authorization and you acknowledge that the granting of said authorization to the Bank constitutes notice to the financial institution of said authorization.

You will notify the financial institution in writing of any changes to the account information.

This Agreement can be revoked at any time subject to 30 days' notice. Contact your branch for more information on your right to cancel the Agreement or go to www.cdnpay.ca.

You have certain rights of recourse if a debit is not in accordance with this Agreement. For example, you have the right to be reimbursed for any debit that is not authorized or that is not consistent with this Preauthorized Debit Agreement.

For more information on your rights of recourse, contact your branch or go to www.cdnpay.ca. You understand that a written statement to this effect must be provided to your financial institution.

You agree to waive the requirements of the Canadian Payments Association for advance notice regarding the amount(s) payable or the due dates of debits from your account and each time a change is made to the debit amounts or debit due dates.

_____ Initial

SCHEDULE "E" – PROFESSIONAL ADVISORS FOR BORROWER

The Borrower(s)' Solicitor is as follows:

Name: _____

Firm Name: _____

Phone: _____

Email: _____

The Borrower(s)' Insurance Agent is as follows:

1. All Risk/Liability

Name: _____

Firm Name: _____

Phone: _____

Email: _____

2. **ARCHITECT & ENGINEER:** (TO EXPEDITE PROVIDE COPIES UPON COMMITMENT EXECUTION)

Name: _____

Firm Name: _____

Phone: _____

Email: _____

SCHEDULE "F" – LETTER OF CREDIT FACILITY: AUTHORIZATION LETTER FORM 906091A



AUTHORIZATION LETTER FOR ACTING
IN COMPLIANCE WITH WRITTEN INSTRUCTIONS
RECEIVED THROUGH REMOTE FACILITIES
INTERNATIONAL SERVICES

TO: LAURENTIAN BANK OF CANADA

FROM:

ENTITY: _____

ADDRESS: _____

The undersigned authorized officer, on behalf of: _____
Company Name (the "**Applicant**")

hereby authorize Laurentian Bank of Canada (the "**Bank**") to act upon all instructions transmitted by fax, technology-based means or any other method of written communication which appear, in the Bank's sole judgement, to originate from the Applicant.

The Applicant recognizes that the Bank has no obligation to make any inquiries whatsoever regarding the origin or accuracy of any such given instructions or regarding the sender's authority to give such instructions.

The Applicant undertakes to indemnify the Bank from any loss or damage it may incur for having followed such instructions.

Duly Signed at: _____	Date: _____
By: _____	By: _____
_____ Authorized Officer's Signature	_____ Co-Signatory's Signature
_____ Print Name	_____ Print Name

PLEASE KEEP ORIGINAL IN YOUR CUSTOMER'S FILE AND SEND A COPY BY INTERNAL MAIL
TO INTERNATIONAL SERVICES

SEPARATOR PAGE

AMENDMENT TO COMMITMENT

April 7th, 2021

9089802 Canada Corp.
4789 Yonge Street
Toronto Ontario
M2N 0G3

ATTENTION: Abbas Ameri

Dear Sir and Madam: Aabas Ameri and Parisima Fotouhi

Borrower:	9089802 Canada Corp.
Loan No.:	810004854189 and 810004857447
Property:	40A, 40B & 60 Harris Ave, Richmond Hill
Existing Rates:	"Existing Rates": Land and Servicing Loan: P+1.75%, Existing Floor Rate: 4.20% Unit Construction Loan: P+1.75%, Existing Floor Rate: 4.20%

Laurentian Bank of Canada (hereinafter called the "Lender") is pleased to advise we have approved the following amendment(s) to the above noted loan as of the effective as of the date above:

1. Replace Section 1 with:

Septiman Canada Corp. and 8637898 Canada Corp. and 2404685 Ontario Inc. and Luloo Home Inc. and Teksun Inc. and 2717852 Ontario Corp. and 2717740 Ontario Ltd. are the beneficial owners of the Property ("Beneficial Owner"), and title to the property will be registered in the name of **9089802 Canada Corp.**, as nominee registered legal titleholder. The foregoing entities (collectively, the "Borrower") will execute the mortgage and other documents required by the Lender.

The foregoing is subject to the following conditions:

1. Laurentian Bank forms of Identity Verification (unless borrower's counsel certifies previously provided with no change, and, otherwise satisfies current compliance requirements).
2. Confirmation that the realty taxes are current, and personal property security (PPSA) registration to remain in effect for the extended term.
3. Insurance policy updated (if we do not have valid current copy on file) showing Laurentian Bank of Canada as First Mortgagee and Loss Payee.

Subject to all corresponding changes to reflect the above, all other terms and conditions of the original commitment letter dated March 10th 2021 as may be amended and/or supplemented from time to time (collectively the "Commitment") and all security and loan documentation held by the Lender, shall remain unchanged, in full force and effect, and time shall remain of the essence.

This Agreement may be executed in counterparts and in pdf format, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

The required documentation (including discharge documentation upon maturity; the registered charge will be revised accordingly to reflect the foregoing, as applicable) is to be prepared (and registered, as applicable) by the Lender's solicitor; and all costs will be for the account of the Borrower.


ACCEPTANCE:

If you are in agreement with the above, please return a copy of this letter, duly signed by the Borrower and by the Guarantors, together with the Fee to the Lender prior to **5 business day following the date of this letter**. If there are any questions, please contact the undersigned directly.

Yours very truly,

LAURENTIAN BANK OF CANADA

Per: George Grainger
Name: George Grainger
Title: Sr. Account Manager
Real Estate Financing

Per:  FOR
Name: Bob Berkhout
Title: Assistant Vice President
Real Estate Financing

ACCEPTANCE

DATED this _____ day of April 2021

The Borrower confirms that the above financing is for its own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Amending Letter and accepts them.

BORROWER:

9089802 Canada Corp.

Per: _____
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

Sepitman Canada Corp.

Per: _____
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

8637898 Canada Corp.

Per: _____
Name: _____

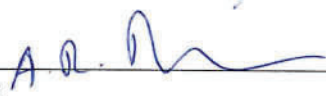
Per: _____
Name: _____
I/we have the authority to bind the corporation

2404685 Ontario Inc.

Per: 
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

Luloo Home Inc.

Per: 
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

Teksun Inc.

Per: 
Name: _____

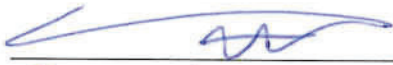
Per: _____
Name: _____
I/we have the authority to bind the corporation

2717852 Ontario Corp.

Per: 
Name: Sahar Amiri

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717740 Ontario Ltd.

Per: 
Name: Bahar Aameri

Per: _____
Name: _____
I/we have the authority to bind the corporation

GUARANTORS:


The Guarantor(s) have had the opportunity to consult a legal advisor of their choice and received any necessary legal counsel in regards to this agreement.


The Guarantor(s) acknowledge having read and understood all terms and conditions of this agreement and accept them.

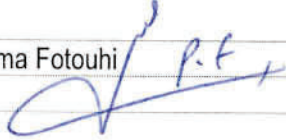
The Guarantor(s) agree that the Lender may, until full payment of the amounts due, obtain information on the Guarantors from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

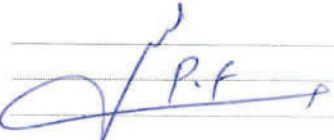
The Guarantor(s) agree that the Lender may disclose the information it holds on the Guarantor(s) to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the Guarantor(s) to any other person who so requests it.

PERSONAL GUARANTORS:


Signature: 
Name: Abbas Aameri
Address: _____

Witness:
Signature: 
Name: Sahar Amiri
Address: _____

Signature: 
Name: Parisima Fotouhi
Address: _____

Witness:
Signature: 
Name: P.F.
Address: _____

Signature: _____
Name: Ahmadreza Rouhani
Address: _____

Witness:
Signature: 
Name: A.R.R.
Address: _____

Signature: 
Name: Hadi Makaremi
Address: _____

Witness:
Signature: 
Name: Hadi Makaremi
Address: _____

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

SEPARATOR PAGE

AMENDMENT TO COMMITMENT

November 29th, 2021

9089802 Canada Corp.
4789 Yonge Street
Toronto Ontario
M2N 0G3

ATTENTION: Abbas Aameri

Dear Sir and Madam: Aabas Aameri and Parisima Fotouhi

<i>Borrower:</i>	<i>9089802 Canada Corp.</i>
<i>Loan No.:</i>	<i>810004854189 and 810004857447</i>
<i>Property:</i>	<i>40A, 40B & 60 Harris Ave, Richmond Hill</i>
<i>Existing Rates:</i>	<i>"Existing Rates":</i>
	<i>Land and Servicing Loan: P+1.75%, Existing Floor Rate: 4.20%</i>
	<i>Unit Construction Loan: P+1.75%, Existing Floor Rate: 4.20%</i>

Laurentian Bank of Canada (hereinafter called the "**Lender**") is pleased to advise we have approved the following amendment(s) to the above noted loan as of the effective as of the date above:

1. Replace Facility 3 of Section 8 with:

Facility 3: \$2,400,000 Letters of Credit Facility

Provided the Loan is not in default, Letters of Credit will be available for items in the approved budget up to the amount of Facility 2 for the following purpose(s): (a) to municipal bodies for development purposes; and, (b) where applicable, to Tarion Warranty Corporation in respect of purchaser deposits for the Project. Letters of Credit may only be issued for terms of one (1) year and are renewable prior to their maturity provided the Borrower is not in default and the term of the Commitment has not then expired.

Letters of Credit, other than those for Tarion Warranty Corporation are to be duplicate in nature.

Letters of Credit for Tarion Warranty Corporation may only be released and returned for cancellation upon the Borrower obtaining replacement security from a substitute deposit insurer on terms acceptable to the Lender, and delivery by the substitute insurer of a priorities agreement in form and content acceptable to the Lender.

Any draws under letters of credit, other than those for Tarion Warranty Corporation], will reduce the amounts available under Facility 2. On completion and repayment of the Loan, any remaining outstanding Letters of Credit must be fully secured with cash deposits.

Letters of Credit may only be issued after the security documents are registered on title and, if applicable, security is posted with and acceptable to Laurentian Bank.

Any and all letters of credit issued under this facility shall be deemed advanced upon issuance thereof and any amounts drawn thereon from time to time shall be forthwith payable to the Lender upon demand therefor together with interest from the date of such draws until repayment thereof in full, at the rate provided for in Facility 2 and together with all of the Lender's costs incurred in respect thereof, which interest and costs shall be in addition to the letter of credit fees noted herein.

The foregoing is subject to the following conditions:

1. Laurentian Bank forms of Identity Verification (unless borrower's counsel certifies previously provided with no change, and, otherwise satisfies current compliance requirements).
2. Confirmation that the realty taxes are current, and personal property security (PPSA) registration to remain in effect for the extended term.
3. Insurance policy updated (if we do not have valid current copy on file) showing Laurentian Bank of Canada as First Mortgagee and Loss Payee.

Subject to all corresponding changes to reflect the above, all other terms and conditions of the original commitment letter dated March 10th 2021 as may be amended and/or supplemented from time to time (collectively the "**Commitment**") and all security and loan documentation held by the Lender, shall remain unchanged, in full force and effect, and time shall remain of the essence.

This Agreement may be executed in counterparts and in pdf format, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

The required documentation (including discharge documentation upon maturity; the registered charge will be revised accordingly to reflect the foregoing, as applicable) is to be prepared (and registered, as applicable) by the Lender's solicitor; and all costs will be for the account of the Borrower.

ACCEPTANCE:

If you are in agreement with the above, please return a copy of this letter, duly signed by the Borrower and by the Guarantors, together with the Fee to the Lender prior to **5 business day following the date of this letter**. If there are any questions, please contact the undersigned directly.

Yours very truly,

LAURENTIAN BANK OF CANADA

DocuSigned by:
 Per: George Grainger
 Name: George Grainger
 Title: Sr. Account Manager
 Real Estate Financing

DocuSigned by:
 Per: Bob Berkhout
 Name: Bob Berkhout
 Title: Assistant Vice President
 Real Estate Financing

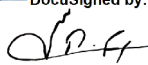
ACCEPTANCE

DATED this _____ day of _____ 2021

The Borrower confirms that the above financing is for its own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Amending Letter and accepts them.

BORROWER:

9089802 Canada Corp.

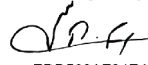
DocuSigned by:
Per:  _____
Name: EDD560AF34E4426...

Per: _____

Name:

I/we have the authority to bind the corporation

Sepitman Canada Corp.

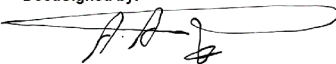
DocuSigned by:
Per:  _____
Name: EDD560AF34E4426...

Per: _____

Name:

I/we have the authority to bind the corporation

8637898 Canada Corp.

DocuSigned by:
Per:  _____
Name: 2963153CC2094D9...

Per: _____

Name:

I/we have the authority to bind the corporation

2404685 Ontario Inc.

DocuSigned by:
Per: Hadi Makaremi
E66428A35EC14D9...
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

Luloo Home Inc.

DocuSigned by:
Per: Alimad Reza Rohani
1A5DE7F9603C44A...
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

Teksun Inc.

DocuSigned by:
Per: Hadi Makaremi
E66428A35EC14D9...
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717852 Ontario Corp.

DocuSigned by:
Per: [Signature]
46A0B85D0E9249B...
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717740 Ontario Ltd.

DocuSigned by:
Per: [Signature]
E816D820B596425...
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

GUARANTORS:

The Guarantor(s) have had the opportunity to consult a legal advisor of their choice and received any necessary legal counsel in regards to this agreement.

The Guarantor(s) acknowledge having read and understood all terms and conditions of this agreement and accept them.

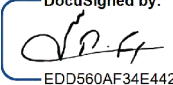
The Guarantor(s) agree that the Lender may, until full payment of the amounts due, obtain information on the Guarantors from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The Guarantor(s) agree that the Lender may disclose the information it holds on the Guarantor(s) to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the Guarantor(s) to any other person who so requests it.

PERSONAL GUARANTORS:

Signature: 
 Name: 2963153CC2094D9...
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

Signature: 
 Name: EDD560AF34E4426...
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

Signature: 
 Name: 1A5DE7F9603C44A...
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

Signature: 
 Name: E66428A35EC14D9...
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

Electronic Record and Signature Disclosure

Secure E-Signing Terms of Use

Between you and

LAURENTIAN BANK OF CANADA

Hereinafter in each case referred to as the “Bank”

These Terms of Use apply when you use DocuSign, the Bank’s e-signature provider. DocuSign is a secure communication channel allowing us to:

- a) securely exchange emails containing personal, confidential and sensitive information by encryption; and
- b) sign documents electronically

1. Access

Access to your DocuSign envelope requires an access code which we will provide to you. There are three ways to receive your access code:

- 1- An access code given by a Bank employee over the phone;
- 2- A code received by SMS (automated); or
- 3- A code received by an automated phone call

The access code will be required for you to access your documents (referred to as an envelope).

2. Your Responsibility for Protecting Your Data

All personal, sensitive and confidential information will be protected by the Bank in accordance with its internal policies and the agreements you have in place with the Bank.

The Bank has put in place measures to protect your data, but you have a role to play as well. Please make sure you do not share the access code provided otherwise someone may be able to sign documents in your name and the Bank shall not be liable in such situations.

Please take reasonable precautions to reduce your devices’ vulnerability to attacks or viruses, such as:

- a) ensuring you have a firewall, anti-virus and anti-spyware programs;
- b) select a secure password for your device and for your email;
- c) do not share your device or email passwords with anyone;
- d) close the browser after you have viewed your DocuSign message or if you step away from your computer.

Please do not share your access code for DocuSign as the Bank will not be liable for any losses that result from a third-party gaining access using for you access code.

3. Consent for Electronic Documents (required for Bank clients only)

(a) You agree to receive from the Bank any email and documents sent to the email address you provided and accessible via DocuSign, such documents will be in electronic form rather than in paper form (the “**Electronic Documents**”). Such documents could include:

- i. any notice, form, agreement or document relating to your Bank product or service accounts; and
- ii. any document that the Bank is required by law to provide you in writing.

(b) Your consent to receive Electronic Documents is applicable to all your current product and service accounts with the Bank, as well as any you may open in future, and is effective immediately.

(c) You consent that this notice does not in any way modify or waive any other consent for the receipt of Electronic Documents you might have given or may give the Bank in future.

(d) The Bank reserves the right to send your documents in paper format when it is unable to send them electronically, when it has reason to believe that you did not receive a document, or in any other circumstances where the Bank believes it is appropriate to do so.

(e) You acknowledge that you are responsible for advising the Bank of any change to your information, including your name, address, phone number and email address.

(f) The Electronic Documents will be available in the envelope for a period of 30 days. You are responsible for retaining a copy of the document by either saving or printing the Electronic Documents.

(g) You can withdraw your consent at any time.

If you no longer wish to receive and sign Electronic Documents via DocuSign, simply do not proceed to the DocuSign platform. You can always inform the Bank of your preference for paper documents. Please note that additional fees for paper documentation may apply if you have agreed to this. Please consult your product or services agreement to verify if fees for paper documentation apply.

4. Consent to Electronic Signature

By proceeding and using DocuSign, you confirm that you understand that an electronic signature created using DocuSign is valid and binding.

If you do not feel comfortable providing an electronic signature or you require further information, please contact your contact at the Bank to discuss your concerns.

If you do not know if you have the authority to provide an electronic signature on behalf of an individual or entity that you represent, please consult your legal advisor to validate. It is your responsibility to ensure that you have the authority to provide an electronic signature.

5. Consent to Use DocuSign (applies to Bank clients and third parties such as Brokers, Notaries, Lawyers, etc.)

DocuSign privacy terms and conditions can be accessed at:

<https://www.docusign.com/trust/privacy>

Other information about DocuSign security and governance can be found in their Trust Centre at

<https://www.docusign.com/trust>.

The Bank recommends that any form of email communication be encrypted to protect its contents. As DocuSign is an encrypted solution, it will help protect the information you send to the Bank. If you choose not to use DocuSign and instead send an email to the Bank, you acknowledge and accept the risks outlined below:

- (a) the security and confidentiality of the information cannot be guaranteed;
- (b) such communication may be intercepted, lost or modified;
- (c) you assume full responsibility of the inherent risks associated with using unsecure email;
- (d) the Bank cannot be held responsible, in any way or by any means, for the losses or damages incurred by you or any third party and caused by the transmission of documents and your personal, confidential or sensitive information;
- (e) in case of a claim against the Bank by a third party, you assume the responsibility of any damages suffered by the Bank in relation to the claim and accept to compensate and indemnify the Bank in this respect.

If you choose to email the Bank outside of DocuSign, you accept that the Bank may, at its sole discretion, respond to you directly by email. You also accept the risks outlined above.

6. Confirmation of Consent

By proceeding to DocuSign, you have confirmed that you have accepted:

- the Consent for Electronic Documents (required for Bank clients only);
- the Consent to E-signature (for all DocuSign users); and
- the Consent to Use of Encrypted Email (required for all DocuSign users)

Note that by consenting as an authorized signatory or authorized officer, you have confirmed that you have the requisite authority on behalf of the entity or individual that you represent.

For entities: by providing an electronic signature, you confirm there is no prohibition in the entity's governing documents (by-laws, articles, etc) which would prevent you from providing and electronic document or signing via electronic signature.

For any other third party: if personal, confidential or sensitive information is being provided which is not your own, you confirm that you have the permission of the owner to access and provide their personal, confidential or sensitive information.

If you do not wish to provide your consent or are unsure if you have the requisite authority to sign electronically, then you do not have to use DocuSign. In such cases, please contact the Bank to discuss alternatives.

Using DocuSign is not mandatory and it is up to you if you wish to use the tool

7. Terms of Use

We recommend that you print and/or save a copy of these Terms of Use for subsequent reference.

Please note that the Bank may change these Terms of Use or any part or feature of DocuSign without providing you advance notice of such change. Up to date Terms of Use will be available at https://banquelaurentienne.ca/en/terms_docusign.sn. Anytime you use DocuSign, up to date Terms of Use will be made available and if you accept such Terms of Use, you can proceed to DocuSign.

These Terms of Use apply in addition to any other product or service terms and conditions in place. Note that product or service terms and conditions will take precedence in the event of a conflict with these Terms of Use.

If you ever receive an envelope to electronically sign documents in error via DocuSign, you agree to immediately notify the Bank. You also agree that you will permanently delete the contents of the message you have received in error. Under no circumstances should you print, save or forward an email or contents of an envelope received in error.

8. Getting Copies

You will have the ability to download and print documents we send to you through the DocuSign system. Once the document has been completed (signed by all parties) you will be sent an email with a link to access the envelope and download the documents and certificate of completion. After such time, if you wish for us to send you copies of any such documents, fees may apply. You may request delivery of such copies from the Bank.

9. Governing Law

This agreement shall be governed in accordance with the laws of the province in which you reside. If you reside outside of Canada, this agreement shall be governed by the laws of the province of Ontario and the Courts of Ontario shall have exclusive jurisdiction to resolve any dispute which may arise.

10. Language (Quebec only)

The parties have required that this Agreement and all deeds, documents or notices relating to it be drafted in the English language. / Les parties ont exigé que la présente convention, ainsi que tous les actes, documents ou avis y afférent soient rédigés en langue anglaise. Note that language settings exist within the DocuSign tool and these may be adjusted based on your preference.

Divulgence relative aux signatures et aux Dossiers électroniques

Conditions générales d'utilisation de signature électronique sécurisée

Entre vous et :

BANQUE LAURENTIENNE DU CANADA

Ci-après appelés, dans chacun des cas, la « Banque ».

Les présentes conditions générales d'utilisation s'appliquent à l'utilisation de la solution de signature électronique de DocuSign, le fournisseur de la Banque. DocuSign est un moyen de communication sécurisé qui nous permet de :

- c) échanger de manière sécurisée des courriels qui contiennent des renseignements personnels, confidentiels ou sensibles qui seront protégés par une méthode de chiffrement; et
- d) signer des documents au moyen d'une signature électronique.

1. Accès

Pour accéder à votre enveloppe DocuSign, vous aurez besoin d'un code d'accès que nous vous fournirons de l'une des trois façons suivantes :

- 1- par téléphone, en parlant avec un employé de la Banque;
- 2- par texto; ou
- 3- par téléphone, au moyen d'un système d'appel automatique.

Vous aurez besoin de ce code d'accès pour accéder à vos documents (qui se trouvent dans ce que nous appelons une enveloppe).

2. Responsabilité de protection des données

La Banque protégera tous les renseignements personnels, confidentiels ou sensibles conformément à ses politiques à l'interne et à vos ententes en vigueur avec la Banque.

Des mesures ont été prises pour protéger vos données, mais vous avez également un rôle à jouer. Veuillez éviter de partager votre code d'accès, pour empêcher toute autre personne de signer des documents en votre nom. Le cas échéant, la Banque n'assumera aucune responsabilité.

Veuillez également protéger vos appareils contre les attaques informatiques et les virus, par exemple en prenant les mesures raisonnables suivantes :

- e) installer un coupe-feu, un antivirus et un anti-logiciel espion;
- f) choisir un mot de passe sécuritaire pour vos appareils et vos courriels;
- g) ne pas partager les mots de passe; et
- h) fermer le navigateur après avoir consulté les messages DocuSign ou lorsque vous éloignez de votre appareil.

Veuillez éviter de partager votre code d'accès DocuSign puisque la Banque ne sera pas tenue responsable de toute perte résultant des actions d'un tiers qui utilise votre code d'accès pour accéder à la solution.

3. Consentement à l'égard de documents électroniques (pour les clients de la Banque uniquement)

(a) Vous consentez à recevoir de la Banque la version électronique plutôt que la version papier (les « **Documents électroniques** ») de tout courriel et tout document envoyé à l'adresse courriel que vous avez fournie et qui est accessible par le biais de DocuSign. Ces documents pourraient comprendre :

- i. tout avis, formulaire, entente ou document associé à vos comptes de produits et services de la Banque; et
- ii. tout document que la Banque est tenue par la loi de vous envoyer par écrit.

(b) Votre consentement à la transmission de Documents électroniques prend effet immédiatement et il s'applique à tous les comptes de produits et services que vous détenez actuellement à la Banque et que vous pourriez détenir à l'avenir.

(c) Votre présent consentement à la transmission de Documents électroniques ne saurait remplacer ni modifier d'aucune façon tout autre consentement à la transmission de Documents électroniques que vous pourriez avoir déjà donné à la Banque ou que vous pourriez lui donner à l'avenir.

(d) La Banque se réserve le droit de vous transmettre des documents sur support papier lorsqu'elle ne peut pas les transmettre par voie électronique, lorsqu'elle croit que vous n'avez pas reçu un document ou lorsqu'elle estime qu'il est approprié de le faire pour toute autre raison.

(e) Vous reconnaissez que vous avez la responsabilité d'informer la Banque de tout changement à l'égard de vos renseignements, y compris votre nom, adresse, numéro de téléphone et adresse courriel.

(f) Les Documents électroniques seront disponibles dans leur enveloppe pendant 30 jours. Vous êtes responsable d'en faire une copie soit en les enregistrant, soit en les imprimant.

(g) Vous pouvez retirer votre consentement en tout temps.

Si vous ne souhaitez pas recevoir et signer des Documents électroniques au moyen de DocuSign, n'utilisez simplement pas la solution DocuSign. Vous pouvez informer la Banque de votre préférence pour le format papier en tout temps. Des frais pourraient toutefois s'appliquer. Veuillez consulter votre entente de produits et services.

4. Consentement à l'égard de la signature électronique

En utilisant DocuSign, vous reconnaissez la validité et la force exécutoire de la signature électronique DocuSign.

Si vous avez des réserves à l'idée de fournir une signature électronique ou souhaitez recevoir de plus amples renseignements sur le sujet, veuillez contacter votre personne-ressource à la Banque.

Si vous n'êtes pas certain de pouvoir fournir une signature électronique au nom d'une personne ou d'une entité que vous représentez, veuillez en discuter avec votre conseiller juridique. Savoir si vous possédez l'autorisation de fournir une signature électronique constitue votre responsabilité.

5. Consentement à l'égard de l'utilisation de DocuSign (pour les clients de la Banque et les tiers comme les courtiers, notaires, avocats, etc.)

Les modalités DocuSign relatives à la protection des renseignements personnels sont disponibles dans le site : <https://www.docusign.com/trust/privacy> (en anglais seulement).

D'autres renseignements de DocuSign concernant la sécurité et la gouvernance sont disponibles dans la section Trust Centre de leur site Web : <https://www.docusign.com/trust> (en anglais seulement).

La Banque recommande d'envoyer toute communication par courriel en ayant recours à une méthode de chiffrement des données, pour protéger la confidentialité des renseignements. Puisque DocuSign est une solution qui utilise le chiffrement, elle contribue à protéger les renseignements que vous transmettez à la Banque. Si vous choisissez d'envoyer un courriel à la Banque sans utiliser DocuSign, vous reconnaissez et acceptez les risques ci-après :

- (a) la sécurité et la confidentialité des renseignements ne sont pas garanties;
- (b) une telle communication pourrait être interceptée, perdue ou modifiée;
- (c) vous assumez l'entière responsabilité des risques inhérents associés à votre utilisation de courriels non sécurisés;
- (d) la Banque ne peut être tenue responsable, en aucun cas et en aucune façon, de pertes ou de dommages subis par vous ou un tiers et causés par la transmission de documents et de vos renseignements personnels, confidentiels ou sensibles;
- (e) en cas de réclamation déposée contre la Banque par un tiers, vous assumez la responsabilité de toute perte et de tout dommage subis par la Banque en lien avec la réclamation et acceptez de dédommager et d'indemniser la Banque à cet égard.

Si vous choisissez de transmettre un courriel à la Banque sans avoir recours à DocuSign, vous reconnaissez que la Banque peut, à sa discrétion, vous répondre directement par courriel, et vous acceptez les risques énoncés plus haut.

6. Confirmation de consentement

En utilisant la solution DocuSign, vous êtes réputé avoir fourni les consentements ci-dessous :

- le consentement à l'égard de documents électroniques (pour les clients de la Banque uniquement);
- le consentement à l'égard de la signature électronique (pour tous les utilisateurs de DocuSign); et
- le consentement à l'égard de l'utilisation de DocuSign (pour tous les utilisateurs de DocuSign)

Veuillez noter que lorsque vous fournissez un consentement à titre de signataire ou de dirigeant autorisé, vous confirmez également posséder l'autorisation de fournir ce consentement au nom de la personne ou de l'entité que vous représentez.

Lorsque vous fournissez une signature électronique au nom d'une entité, vous confirmez qu'aucune disposition des documents constitutifs (règlements généraux, statuts, etc.) de l'entité ne vous interdit de transmettre un document par voie électronique ni de signer au moyen d'une signature électronique.

Lorsque vous fournissez au nom d'un tiers des renseignements personnels, confidentiels ou sensibles autres que les vôtres, vous confirmez disposer de l'autorisation du propriétaire de ces renseignements pour accéder à ces renseignements et les fournir.

Si vous ne souhaitez pas fournir votre consentement ou n'êtes pas certain de disposer de l'autorisation de fournir une signature électronique, n'utilisez pas DocuSign. Dans ce cas, veuillez contacter la Banque pour discuter de vos options.

La solution DocuSign n'est pas obligatoire. La décision de l'utiliser vous appartient.

7. Conditions d'utilisation

Nous vous recommandons d'imprimer ou d'enregistrer une copie des présentes conditions d'utilisation pour pouvoir les consulter ultérieurement.

Veuillez noter que la Banque pourrait modifier sans préavis les présentes conditions d'utilisation ou toute partie ou caractéristique de la solution DocuSign. Des conditions d'utilisation à jour seront disponibles au https://banquelaurentienne.ca/fr/conditions_docusign.sn et à chaque utilisation de DocuSign. Vous devez accepter ces conditions d'utilisation pour être en mesure d'utiliser DocuSign.

Les présentes conditions d'utilisation s'ajoutent aux conditions d'utilisation en vigueur pour tout autre produit ou service. En cas de conflit, les conditions d'utilisation en vigueur pour les produits et services prévaudront sur les présentes conditions d'utilisation.

Vous acceptez d'aviser immédiatement la Banque de toute enveloppe qui vous serait transmise par erreur au moyen de DocuSign. Vous reconnaissez que les courriels et le contenu des enveloppes qui vous sont transmises par erreur ne doivent pas être imprimés, enregistrés ou transférés et vous acceptez de supprimer de manière permanente le contenu des messages qui vous seraient transmis par erreur.

8. Obtenir des copies

Vous pourrez télécharger et imprimer les documents que nous vous transmettrons au moyen de la solution DocuSign. Une fois un document signé par toutes les parties concernées, vous recevrez un courriel comportant un lien vous permettant d'accéder à l'enveloppe pour télécharger le document et son certificat d'achèvement. Des frais pourraient s'appliquer pour obtenir une copie de ces documents par la suite. Vous pourrez vous adresser à la Banque pour obtenir ces copies subséquentes.

9. Droit applicable

La présente entente est régie et interprétée selon les lois de la province de votre résidence. Si vous résidez à l'extérieur du Canada, la présente entente sera régie et interprétée selon les lois de la province de l'Ontario et les tribunaux de cette province, qui posséderont la compétence exclusive en ce qui concerne tout différend ou procédure judiciaire.

10. Langue (Québec seulement)

Les options de langue de la solution DocuSign peuvent être ajustées selon la préférence de l'utilisateur.

SEPARATOR PAGE

AMENDMENT TO COMMITMENT

August 16th, 2022

9089802 Canada Corp.
4789 Yonge Street
Toronto Ontario
M2N 0G3

ATTENTION: Abbas Aameri

Dear Sir and Madam: Aabas Aameri and Parisima Fotouhi

<i>Borrower:</i>	<i>9089802 Canada Corp.</i>
<i>Loan No.:</i>	<i>810004854189 and 810004857447</i>
<i>Property:</i>	<i>40A, 40B & 60 Harris Ave, Richmond Hill</i>
<i>Existing Rates:</i>	<i>"Existing Rates":</i>
	<i>Land and Servicing Loan: P+ 1.75%, Existing Floor Rate: 4.20%</i>
	<i>Unit Construction Loan: P+ 1.75%, Existing Floor Rate: 4.20%</i>

Laurentian Bank of Canada (hereinafter called the "**Lender**") is pleased to advise we have approved the following amendment(s) to the above noted loan as of the effective as of the date above:

1. Replace Facility 3 of Section 8 with:

Facility 3: \$3,900,000 Letters of Credit Facility

Provided the Loan is not in default, Letters of Credit will be available for items in the approved budget up to the amount of Facility 2 for the following purpose(s): (a) to municipal bodies for development purposes; and, (b) where applicable, to Tarion Warranty Corporation in respect of purchaser deposits for the Project. Letters of Credit may only be issued for terms of one (1) year and are renewable prior to their maturity provided the Borrower is not in default and the term of the Commitment has not then expired.

Letters of Credit, other than those for Tarion Warranty Corporation are to be duplicate in nature.

Letters of Credit for Tarion Warranty Corporation may only be released and returned for cancellation upon the Borrower obtaining replacement security from a substitute deposit insurer on terms acceptable to the Lender, and delivery by the substitute insurer of a priorities agreement in form and content acceptable to the Lender.

Any draws under letters of credit, other than those for Tarion Warranty Corporation], will reduce the amounts available under Facility 2. On completion and repayment of the Loan, any remaining outstanding Letters of Credit must be fully secured with cash deposits.

Letters of Credit may only be issued after the security documents are registered on title and, if applicable, security is posted with and acceptable to Laurentian Bank.

Any and all letters of credit issued under this facility shall be deemed advanced upon issuance thereof and any amounts drawn thereon from time to time shall be forthwith payable to the Lender upon demand therefor together with interest from the date of such draws until repayment thereof in full, at the rate provided for in Facility 2 and together with all of the Lender's costs incurred in respect thereof, which interest and costs shall be in addition to the letter of credit fees noted herein.

The foregoing is subject to the following conditions:

1. Laurentian Bank forms of Identity Verification (unless borrower's counsel certifies previously provided with no change, and, otherwise satisfies current compliance requirements).
2. Confirmation that the realty taxes are current, and personal property security (PPSA) registration to remain in effect for the extended term. (Received)
3. Insurance policy updated (if we do not have valid current copy on file) showing Laurentian Bank of Canada as First Mortgagee and Loss Payee. (Received)

Subject to all corresponding changes to reflect the above, all other terms and conditions of the original commitment letter dated March 10th 2021 as may be amended and/or supplemented from time to time (collectively the "**Commitment**") and all security and loan documentation held by the Lender, shall remain unchanged, in full force and effect, and time shall remain of the essence.

This Agreement may be executed in counterparts and in pdf format, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

The required documentation (including discharge documentation upon maturity; the registered charge will be revised accordingly to reflect the foregoing, as applicable) is to be prepared (and registered, as applicable) by the Lender's solicitor; and all costs will be for the account of the Borrower.

ACCEPTANCE:

If you are in agreement with the above, please return a copy of this letter, duly signed by the Borrower and by the Guarantors, together with the Fee to the Lender prior to **5 business day following the date of this letter**. If there are any questions, please contact the undersigned directly.

Yours very truly,

LAURENTIAN BANK OF CANADA

DocuSigned by:

 Per: _____
 Name: George Grainger
 Title: Sr. Manager Business Development
 Real Estate Financing

DocuSigned by:

 Per: _____
 Name: Bob Berkhout
 Title: Assistant Vice President
 Real Estate Financing

ACCEPTANCE

DATED this _____ day of August 2022

The Borrower confirms that the above financing is for its own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Amending Letter and accepts them.

BORROWER:

9089802 Canada Corp.

DocuSigned by:
Per: Parisima Fotouli
Name: EDD560AF34E4426...

Per: _____

Name:

I/we have the authority to bind the corporation

Sepitman Canada Corp.

DocuSigned by:
Per: Parisima Fotouli
Name: EDD560AF34E4426...

Per: _____

Name:

I/we have the authority to bind the corporation

8637898 Canada Corp.

DocuSigned by:
Per: [Signature]
Name: 2963153CC2094D9...

Per: _____

Name:

I/we have the authority to bind the corporation

2404685 Ontario Inc.

DocuSigned by:
Per: Hadi Makaremi
Name: E66428A35EC14D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

Luloo Home Inc.

DocuSigned by:
Per: Alimad Reza Rohani
Name: 1A5DE7F9603C44A...

Per: _____
Name: _____
I/we have the authority to bind the corporation

Teksun Inc.

DocuSigned by:
Per: Hadi Makaremi
Name: E66428A35EC14D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717852 Ontario Corp.

DocuSigned by:
Per: [Signature]
Name: 46A0B85D0E9249B...

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717740 Ontario Ltd.

DocuSigned by:
Per: [Signature]
Name: E816D820B596425...

Per: _____
Name: _____
I/we have the authority to bind the corporation

GUARANTORS:


The Guarantor(s) have had the opportunity to consult a legal advisor of their choice and received any necessary legal counsel in regards to this agreement.

The Guarantor(s) acknowledge having read and understood all terms and conditions of this agreement and accept them.

The Guarantor(s) agree that the Lender may, until full payment of the amounts due, obtain information on the Guarantors from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The Guarantor(s) agree that the Lender may disclose the information it holds on the Guarantor(s) to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the Guarantor(s) to any other person who so requests it.

PERSONAL GUARANTORS:

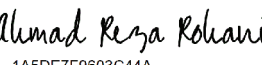
DocuSigned by:

 2963153CC2094D9...
 Signature: _____
 Name: Abbas Aameri
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

DocuSigned by:

 EDD560AF34E4426...
 Signature: _____
 Name: Parisima Fotouhi
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

DocuSigned by:

 1A5DE7F9603C44A...
 Signature: _____
 Name: Ahmad Reza Rohani
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

DocuSigned by:

 E66428A35EC14D9...
 Signature: _____
 Name: Hadi Makaremi
 Address: _____

Witness:
 Signature: _____
 Name: _____
 Address: _____

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

SEPARATOR PAGE

AMENDMENT AND EXTENSION TO COMMITMENTMay 17th, 2023

9089802 Canada Corp.
 4789 Yonge Street
 Toronto Ontario
 M2N 0G3

ATTENTION: Abbas Aameri

Dear Sir and Madam: Aabas Aameri and Parisima Fotouhi

Borrower: 9089802 Canada Corp.
Loan No.: 810004854189 and 810004857447
Property: 40A, 40B & 60 Harris Ave, Richmond Hill
Existing Rates: "Existing Rates":
 Land and Servicing Loan: P+1.75%, Existing Floor Rate: 4.20%
 Unit Construction Loan: P+1.75%, Existing Floor Rate: 4.20%

Laurentian Bank of Canada (hereinafter called the "**Lender**") is pleased to advise we have approved the following amendment(s) to the above noted loan as of the effective as of the date above:

1. Replace Facility 1 of Section 8 with:

Facility 1: \$13,863,000 (maximum) Demand Interim Non-Revolver Land and Servicing Loan

A demand loan in the amount of the lesser of the following:

- (a) \$13,863,000;
- (b) 64.1% of costs; and
- (c) 58.1% of completed appraised value.

Use of Funds		Source of Funds		
Land value	\$15,025,641	LBC Servicing Loan	\$13,863,000	64.1%
Servicing Hard Costs	\$3,655,953	Borrower's Equity	\$7,152,120	33.1%
Deferred Servicing	\$621,000	Deferred Costs / Equity	\$621,000	2.9%
Soft Costs	\$911,830			
Finance	\$1,350,485			
Contingency	\$71,211			
Total Servicing Costs	\$21,636,120	Total	\$21,636,120	100.0%

Notes: All figures to be confirmed by the Cost Consultant. To the extent that the approved budget submitted is less than the budget as outlined above, both the Loan and the other amounts may at the Lender's option be reduced accordingly. Approval for the Loan is based on projected budget costs for the Project as presented to and approved by the Lender.

2. Cancel Facility 2: **Facility 2 - \$7,500,000.00 (maximum) Demand Interim Revolving Unit Construction Loan** of Section 8 is hereby cancelled including all Conditions Precedent related to this Facility 2.
3. All new Letters of Credit under Facility 3 are to be cash secured. Point # 4 will be the extension of loan.
4. **Extension of term:** The existing maturity date is May 1, 2023 (the “**Existing Maturity Date**”); the Existing Maturity Date is hereby extended by 6 months to November 1, 2023.
5. **Rate:** The “**Effective date**” of the rate change is June 1, 2023; the Existing Rates are deleted and replaced with new rates: Land and Servicing Loan: **Prime + 1.75%, with a floor rate of 8.45%.**
6. **PAD:** The Borrower, as the account holder, authorize the Lender to continue to debit the following business account number/held at: the undersigned confirms same existing LBC PAP account, unless otherwise advised in writing as follows: [N/A no change] in accordance with the terms and conditions set out on **Schedule “A”**, unless otherwise notified in writing.

The foregoing is subject to the following conditions:

1. Payment of fee in the amount of **\$22,500.00** (25bps) (the “**Fee**”) to be debited after execution of this letter.
2. Laurentian Bank forms of Identity Verification (unless borrower’s counsel certifies previously provided with no change, and otherwise satisfies current compliance requirements).
3. Confirmation that the realty taxes are current, and personal property security (PPSA) registration to remain in effect for the extended term. (Received)
4. Insurance policy updated (if we do not have valid current copy on file) showing Laurentian Bank of Canada as First Mortgagee and Loss Payee. (Received)

Subject to all corresponding changes to reflect the above, all other terms and conditions of the original commitment letter dated March 10th 2021 as may be amended and/or supplemented from time to time (collectively the “**Commitment**”) and all security and loan documentation held by the Lender, shall remain unchanged, in full force and effect, and time shall remain of the essence.

This Agreement may be executed in counterparts and in pdf format, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

The required documentation (including discharge documentation upon maturity; the registered charge will be revised accordingly to reflect the foregoing, as applicable) is to be prepared (and registered, as applicable) by the Lender’s solicitor; and all costs will be for the account of the Borrower.

ACCEPTANCE:

If you are in agreement with the above, please return a copy of this letter, duly signed by the Borrower and by the Guarantors, together with the Fee to the Lender prior to **5 business day following the date of this letter**. If there are any questions, please contact the undersigned directly.

Yours very truly,

LAURENTIAN BANK OF CANADA

DocuSigned by:
George Grainger
Per: _____
Name: George Grainger
Title: Sr. Manager Business Development
Real Estate Financing

DocuSigned by:
Bob Berkhout
Per: _____
Name: Bob Berkhout
Title: Assistant Vice President
Real Estate Financing

ACCEPTANCE

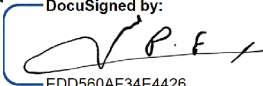
DATED this _____ day of May 2023

The Borrower confirms that the above financing is for its own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Amending Letter and accepts them.

BORROWER:

9089802 Canada Corp

DocuSigned by:

Per:  _____
Name: EDD560AF34E4426...

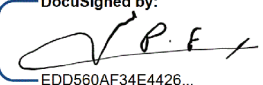
Per: _____

Name:

I/we have the authority to bind the corporation

Sepitman Canada Corp.

DocuSigned by:

Per:  _____
Name: EDD560AF34E4426...

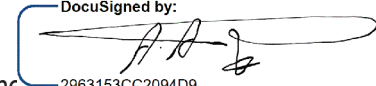
Per: _____

Name:

I/we have the authority to bind the corporation

8637898 Canada Corp.

DocuSigned by:

Per:  _____
Name: 2963153CC2094D9...

Per: _____

Name:

I/we have the authority to bind the corporation

2404685 Ontario Inc.

DocuSigned by:

Per:

Hadi Makaremi

E66428A35EC14D9...

Name:

Per:

Name:

I/we have the authority to bind the corporation

Luloo Home Inc.

DocuSigned by:

Per:

Alimad Reza Rohani

1A5DE7F9603C44A...

Name:

Per:

Name:

I/we have the authority to bind the corporation

Teksun Inc

DocuSigned by:

Per:

Hadi Makaremi

E66428A35EC14D9...

Name:

Per:

Name:

I/we have the authority to bind the corporation

2717852 Ontario Corp.

DocuSigned by:

Per:

[Signature]

46A0B85D0E9249B...

Name:

Per:

Name:

I/we have the authority to bind the corporation

2717740 Ontario Ltd.

DocuSigned by:

Per:

[Signature]

E816D820B596425...

Name:

Per:

Name:

I/we have the authority to bind the corporation

GUARANTORS:

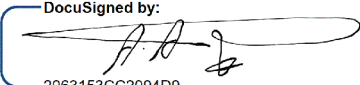
The Guarantor(s) have had the opportunity to consult a legal advisor of their choice and received any necessary legal counsel in regards to this agreement.

The Guarantor(s) acknowledge having read and understood all terms and conditions of this agreement and accept them.

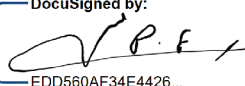
The Guarantor(s) agree that the Lender may, until full payment of the amounts due, obtain information on the Guarantors from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The Guarantor(s) agree that the Lender may disclose the information it holds on the Guarantor(s) to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the Guarantor(s) to any other person who so requests it.

PERSONAL GUARANTORS:

Signature: 
 Name: 2963153CC2094D9...
 Address: Abbas Rahimi

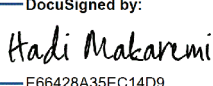
Witness:
 Signature: _____
 Name: _____
 Address: _____

Signature: 
 Name: EDD560AF34E4426...
 Address: Farisina T. Oroum

Witness:
 Signature: _____
 Name: _____
 Address: _____

Signature: 
 Name: 1A5DE7F9603C44A...
 Address: Ahmadreza Rounani

Witness:
 Signature: _____
 Name: _____
 Address: _____

Signature: 
 Name: E66428A35EC14D9...
 Address: Hadi Makaremi

Witness:
 Signature: _____
 Name: _____
 Address: _____

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

SEPARATOR PAGE

AMENDMENT AND EXTENSION TO COMMITMENT

March 22nd, 2024

9089802 Canada Corp.
4789 Yonge Street
Toronto Ontario
M2N 0G3

ATTENTION: Abbas Aameri

Dear Sir and Madam: Aabas Aameri and Parisima Fotouhi

Borrower:	9089802 Canada Corp.
Loan No.:	810004854189 and 810004857447
Property:	40A, 40B & 60 Harris Ave, Richmond Hill
Existing Rates:	"Existing Rates":
	Land and Servicing Loan: P+ 1.75%, Existing Floor Rate: 8.45%

Laurentian Bank of Canada (hereinafter called the "**Lender**") is pleased to advise we have approved the following amendment(s) to the above noted loan as of the effective as of the date above:

1. **Extension of term:** The existing maturity date is November 1, 2023 (the "**Existing Maturity Date**"); the Existing Maturity Date is hereby extended by 6 months to May 1, 2024.
2. **Rate:** The "**Effective date**" of the rate change is November 1, 2023; the Existing Rates are deleted and replaced with new rates: Land and Servicing Loan: **Prime + 1.75%, with a floor rate of 8.95%**.
3. **PAD:** The Borrower, as the account holder, authorize the Lender to continue to debit the following business account number/held at: the undersigned confirms same existing LBC PAP account, unless otherwise advised in writing as follows: [N/A no change] in accordance with the terms and conditions set out on **Schedule "A"**, unless otherwise notified in writing.

The foregoing is subject to the following conditions:

1. Payment of fee in the amount of **\$22,500.00** (25bps) (the "**Fee**") to be debited after execution of this letter.
2. Laurentian Bank forms of Identity Verification (unless borrower's counsel certifies previously provided with no change, and otherwise satisfies current compliance requirements).
3. Confirmation that the realty taxes are current, and personal property security (PPSA) registration to remain in effect for the extended term.
4. Insurance policy updated (if we do not have valid current copy on file) showing Laurentian Bank of Canada as First Mortgagee and Loss Payee.

Subject to all corresponding changes to reflect the above, all other terms and conditions of the original commitment letter dated March 10th 2021 as may be amended and/or supplemented from time to time (collectively the “**Commitment**”) and all security and loan documentation held by the Lender, shall remain unchanged, in full force and effect, and time shall remain of the essence.

This Agreement may be executed in counterparts and in pdf format, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

The required documentation (including discharge documentation upon maturity; the registered charge will be revised accordingly to reflect the foregoing, as applicable) is to be prepared (and registered, as applicable) by the Lender’s solicitor; and all costs will be for the account of the Borrower.

ACCEPTANCE:

If you are in agreement with the above, please return a copy of this letter, duly signed by the Borrower and by the Guarantors, together with the Fee to the Lender prior to **5 business day following the date of this letter**. If there are any questions, please contact the undersigned directly.

Yours very truly,

LAURENTIAN BANK OF CANADA

DocuSigned by:
Per: *George Grainger*
Name: George Grainger
Title: Sr. Manager Business Development
Real Estate Financing

DocuSigned by:
Per: *Bob Berkhout*
Title: Assistant Vice President
Real Estate Financing

ACCEPTANCE

DATED this _____ day of March 2024

The Borrower confirms that the above financing is for its own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Amending Letter and accepts them.

BORROWER:

9089802 Canada Corp.

DocuSigned by:
Per: Parisima Fotouli
Name: EDD560AF34E4426...

Per: _____
Name: _____
I/we have the authority to bind the corporation

Septiman Canada Corp.

DocuSigned by:
Per: Parisima Fotouli
Name: EDD560AF34E4426...

Per: _____
Name: _____
I/we have the authority to bind the corporation

8637898 Canada Corp.

DocuSigned by:
Per: [Signature]
Name: 2963153CC2094D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

2404685 Ontario Inc.

DocuSigned by:
Per: Hadi Makaremi
Name: E66428A35EC14D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

Luloo Home Inc.

DocuSigned by:
Per: Alimad Reza Rohani
Name: 1A5DE7F9603C44A...

Per: _____
Name: _____
I/we have the authority to bind the corporation

Teksun Inc.

DocuSigned by:
Per: Hadi Makaremi
Name: E66428A35EC14D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717852 Ontario Corp.

DocuSigned by:
Per: [Signature]
Name: 48D418DF37A142B...

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717740 Ontario Ltd.

DocuSigned by:
Per: [Signature]
Name: E816D820B596425...

Per: _____
Name: _____
I/we have the authority to bind the corporation

GUARANTORS:

The Guarantor(s) have had the opportunity to consult a legal advisor of their choice and received any necessary legal counsel in regards to this agreement.

The Guarantor(s) acknowledge having read and understood all terms and conditions of this agreement and accept them.

The Guarantor(s) agree that the Lender may, until full payment of the amounts due, obtain information on the Guarantors from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The Guarantor(s) agree that the Lender may disclose the information it holds on the Guarantor(s) to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the Guarantor(s) to any other person who so requests it.

PERSONAL GUARANTORS:

Signature:	DocuSigned by:  2963153CC2094D9...	Witness:	
Name:	Abbas Aameri	Signature:	
Address:		Name:	
		Address:	
Signature:	DocuSigned by:  EDD560AF34E4426...	Witness:	
Name:	Parisima Fotouni	Signature:	
Address:		Name:	
		Address:	
Signature:	DocuSigned by:  1A5DE7F9603C44A...	Witness:	
Name:	Ahmadreza Rouhani	Signature:	
Address:		Name:	
		Address:	
Signature:	DocuSigned by:  E66428A35EC14D9...	Witness:	
Name:	Hadi Makaremi	Signature:	
Address:		Name:	
		Address:	

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

SEPARATOR PAGE

AMENDMENT AND EXTENSION TO COMMITMENT

June 3, 2024

9089802 Canada Corp.
4789 Yonge Street
Toronto Ontario
M2N 0G3

ATTENTION: Abbas Aameri

Dear Sir and Madam: Aabas Aameri and Parisima Fotouhi

<i>Borrower:</i>	<i>9089802 Canada Corp.</i>
<i>Loan No.:</i>	<i>810004854189 and 810004857447</i>
<i>Property:</i>	<i>40A, 40B & 60 Harris Ave, Richmond Hill</i>
<i>Existing Rates:</i>	<i>"Existing Rates": Existing Interest Rate (Land and Servicing Loan): P+1.75%, Existing Floor Rate: 8.95%</i>

Laurentian Bank of Canada (hereinafter called the "**Lender**") is pleased to advise we have approved the following amendment(s) to the above noted loan as of the effective as of the date above:

1. **Extension of term:** The existing maturity date is May 1, 2024 (the "**Existing Maturity Date**"); the Existing Maturity Date is hereby extended by 3 months to August 1, 2024.
2. **Rate:** The "**Effective date**" of the rate change is May 1, 2024; the Existing Rates are deleted and replaced with new rates: Land and Servicing Loan: ***Prime + 2.5%, with a floor rate of: 9.70%.***
3. **PAD:** The Borrower, as the account holder, authorize the Lender to continue to debit the following business account number/held at: the undersigned confirms same existing LBC PAP account, unless otherwise advised in writing as follows: [N/A no change] in accordance with the terms and conditions set out on **Schedule "A"**, unless otherwise notified in writing.

The foregoing is subject to the following conditions:

1. Payment of fee in the amount of \$22,500 (the "**Fee**") to be delivered with an executed copy of this letter.
2. Laurentian Bank forms of Identity Verification (unless borrower's counsel certifies previously provided with no change, and, otherwise satisfies current compliance requirements).
3. Confirmation that the realty taxes are current, and personal property security (PPSA) registration to remain in effect for the extended term.
4. Insurance policy updated (if we do not have valid current copy on file) showing Laurentian Bank of Canada as

First Mortgagee and Loss Payee.

Subject to all corresponding changes to reflect the above, all other terms and conditions of the original commitment letter dated March 10th, 2021 as may be amended and/or supplemented from time to time (collectively the “**Commitment**”) and all security and loan documentation held by the Lender, shall remain unchanged, in full force and effect, and time shall remain of the essence.

This Agreement may be executed in counterparts and in pdf format, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

The required documentation (including discharge documentation upon maturity; the registered charge will be revised accordingly to reflect the foregoing, as applicable) is to be prepared (and registered, as applicable) by the Lender’s solicitor; and all costs will be for the account of the Borrower.

ACCEPTANCE:

If you are in agreement with the above, please return a copy of this letter, duly signed by the Borrower and by the Guarantors, together with the Fee to the Lender prior to **5 business day following the date of this letter**. If there are any questions, please contact the undersigned directly.

Yours very truly,

LAURENTIAN BANK OF CANADA

Per:  _____
Name: George Grainger
Title: Sr. Manager Business Development
Real Estate Financing

Per:  _____
Name: Branden Poppe
Title: Assistant Vice President
Real Estate Financing

04-Jun-2024 | 13:35 EDT

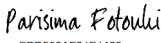
ACCEPTANCE

DATED this _____ day of June 2024.

The Borrower confirms that the above financing is for its own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Amending Letter and accepts them.


BORROWER:

9089802 Canada Corp.

Per:  _____
Name: DocuSigned by:
EDD560AF34E4426...


Per: _____
Name: _____
I/we have the authority to bind the corporation

Sepitman Canada Corp.

Per:  _____
Name: DocuSigned by:
EDD560AF34E4426...


Per: _____
Name: _____
I/we have the authority to bind the corporation

8637898 Canada Corp.

Per:  _____
Name: DocuSigned by:
2963153CC2094D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

2404685 Ontario Inc.

Per:  _____
Name: DocuSigned by:
E66428A35EC14D9...

Per: _____
Name: _____
I/we have the authority to bind the corporation

Luloo Home Inc.

Per:  _____
Name: _____

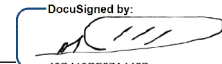
Per: _____
Name: _____
I/we have the authority to bind the corporation

Teksun Inc.

Per:  _____
Name: _____

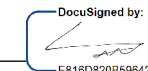
Per: _____
Name: _____
I/we have the authority to bind the corporation

2717852 Ontario Corp.

Per:  _____
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

2717740 Ontario Ltd.

Per:  _____
Name: _____

Per: _____
Name: _____
I/we have the authority to bind the corporation

GUARANTORS:

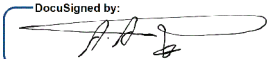
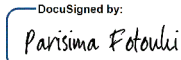
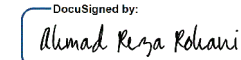

The Guarantor(s) have had the opportunity to consult a legal advisor of their choice and received any necessary legal counsel in regards to this agreement.

The Guarantor(s) acknowledge having read and understood all terms and conditions of this agreement and accept them.

The Guarantor(s) agree that the Lender may, until full payment of the amounts due, obtain information on the Guarantors from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The Guarantor(s) agree that the Lender may disclose the information it holds on the Guarantor(s) to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the Guarantor(s) to any other person who so requests it.

PERSONAL GUARANTORS:

Signature:	 2963153CC2094D9...	Witness:	
Name:	Abbas Aameri	Signature:	
Address:		Name:	
		Address:	
Signature:	 EDD560AF34E4426...	Witness:	
Name:	Parisima Fotouhi	Signature:	
Address:		Name:	
		Address:	
Signature:	 1A5DE7F9603C44A...	Witness:	
Name:	Ahmadreza Rouhani	Signature:	
Address:		Name:	
		Address:	
Signature:	 E66428A36EC14D9...	Witness:	
Name:	Hadi Makaremi	Signature:	
Address:		Name:	
		Address:	

Each Guarantor acknowledges having read and understood the terms and conditions of this Offer and accepts same.

SCHEDULE "A" – PAD

A debit in written, electronic, or other form, in the amount of the payment of each of the credit terms, and any periodic fee, can be withdrawn from the account of the Borrower according to the mentioned frequencies within the Commitment, as from the initial payment and up to complete payment of the advances. These amounts can be increased or decreased at any later date. The Lender shall take all reasonable steps to inform you of this change within a reasonable timeframe.

The branch of the financial institution where the account is held is not required to verify that the payment is drawn in accordance with this authorization and you acknowledge that the granting of said authorization to the Bank constitutes notice to the financial institution of said authorization.

You will notify the financial institution in writing of any changes to the account information.

This Agreement can be revoked at any time subject to 30 days notice. Contact your branch for more information on your right to cancel the Agreement or go to www.cdnpay.ca

You have certain rights of recourse if a debit is not in accordance with this Agreement. For example, you have the right to be reimbursed for any debit that is not authorized or that is not consistent with this Preauthorized Debit Agreement.

For more information on your rights of recourse, contact your branch or go to www.cdnpay.ca. You understand that a written statement to this effect must be provided to your financial institution.

You agree to waive the requirements of the Canadian Payments Association for advanced notice regarding the amount(s) payable or the due dates of debits from your account and each time a change is made to the debit amounts or debit due dates.

**THIS IS EXHIBIT “B” TO THE AFFIDAVIT OF
ABBAS AAMERI OF MARKHAM, ONTARIO,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**



A Commissioner, etc.

Esmaeil Mehrabi



January 14th, 2025

9089802 Canada Corp.
Attention: Chad Gemmell

Re: First mortgage construction financing of Harris Gate.

A. LOAN TERMS

The Lender is pleased to offer a 1st Mortgage, non-revolving demand loan (the "**Loan**") in connection with the above noted matter, subject to the terms and conditions as described herein and within the Schedules attached hereto (the "**Commitment Letter**").

1. **Project:** A fully serviced 2.55-acre site to be built-out with 49 townhomes located at 40-60 Harris Avenue, Richmond Hill, ON (the "**Project**").
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** 9089802 Canada Corp. (the "**Borrower**").
4. **Guarantor:** (1) Unlimited Joint and Several Guarantee from Metropole Group and Abbas Aameri, and (2) a Joint and Several Guarantee from David Hill and Bobby Bhoola limited to \$10,000,000 (collectively, the "**Guarantor**").
5. **Loan Amount:** \$46,500,000 (the "**Loan Amount**").
6. **Letters of Credit:** \$2,500,000 (the "**Letter of Credit**").
7. **Letter of Credit Fee:** 6.00% per annum for any Letter of Credit issued by the Lender or arranged by the Lender (the "**Letter of Credit Fee**"). The Letter of Credit Fee is payable annually in advance, subject to a minimum annual fee of \$500 per Letter of Credit outstanding. Any amendments to the Letter of Credit shall be subject to a minimum fee of \$500 per amendment. In addition, a one-time administration fee of \$5,000 will be required at the time of initial advance. In the event any Letter of Credit is called upon, the called amount will be converted to direct borrowings under the Loan.
8. **Interest Rate:** Prime Rate + 3.25% (floor rate of 8.45%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan the each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), save and except for the last month of the Term, and 14.45% per annum for the last month of the Term and every month thereafter (as applicable, the "**Interest Rate**"), provided that "**Prime Rate**" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged

Scotia Plaza, 40 King Street West, Suite 3700, Toronto ON, M5H 3Y2
(416) 687-6700 | www.kingsettcapital.com

to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.

9. **Lender's Fee:** \$581,250 (1.25% of the Loan Amount) non-refundable lender's fee (the "**Lender's Fee**") earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender at the time of the initial advance of the Loan. The Lender shall deduct the Lender's Fee, adjusted to reflect any credit for the remaining Good Faith Deposit, from the proceeds of the initial advance of the Loan.
10. **Term:** Any portion of the Loan Amount outstanding at any time is repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, 17 months (the "**Term**") after the first calendar day of the month next following the date of the initial advance of the Loan (the "**Interest Adjustment Date**"), unless the advance of the Loan is made on the first day of the month in which case the Interest Adjustment Date shall be the date of the advance, as may be extended in accordance with this Commitment Letter (the "**Maturity Date**"). The principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repayable in full on the Maturity Date together with all accrued and unpaid interest, costs, fees and any other amount secured by the Security.
11. **Good Faith Deposit:** The Lender acknowledges prior receipt of a \$50,000 good faith deposit (the "**Good Faith Deposit**"). The Good Faith Deposit will be used for expenses that may be incurred by the Lender prior to the initial advance of the Loan with the remaining balance, if any, to be credited towards the Lender's Fee at the time of the initial advance of the Loan. The Borrower acknowledges that the Good Faith Deposit is a reasonable estimate of the Lender's costs incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that the same may be retained by the Lender should the Loan not be funded as a result of non-performance by the Borrower.
12. **Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "**Event of Default**" has occurred which is continuing and subject to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by two extensions of three months each to the Maturity Date (each an "**Extension Option**"). The exercise of each Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.
13. **Extension Fee:** \$174,375 (0.375% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.
14. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate and subject to the Interest Reserve provisions of this Commitment Letter (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month commencing on the Interest Adjustment Date until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full. Non-Sufficient Fund payments will be subject to an administration fee of \$500.
15. **Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid

interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$2,800,000, which amount shall be subject to change at any time upon review by the Project Monitor and Lender in its sole, absolute and unfettered discretion (the "**Interest Reserve**"). The Project Monitor will evaluate, on a monthly basis, the capacity of the Interest Reserve to complete the Project. Any deemed shortfall in the Interest Reserve shall be funded from the Borrower's own financial resources prior to the next scheduled Monthly Payment. At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.

16. **Sources and Uses:**

Sources	\$	Uses	\$
KingSett 1st Mortgage	\$46,500,000	Land Costs	\$16,693,511
Purchaser Deposits	7,145,000	Hard Costs	29,347,077
Deferred Costs	1,900,000	Soft Costs	10,854,081
Deferred Guarantee Fee (Ballantry)	600,000	Subject Project Financing Costs	4,128,446
Equity (Cash)	7,455,000	Ballantry Guarantee Fee	1,000,000
		Contingency	1,576,885
TOTAL	\$ 63,600,000	TOTAL	\$ 63,600,000

Note: \$400,000 of the Ballantry Guarantee Fee to be paid upfront with the remaining \$600,000 to be paid after the Loan is fully repaid.

17. **Project Budget:** See Schedule G (the "**Project Budget**"). For greater certainty, the Lender approved Project Budget shall be no greater than \$63,600,000. The Project Budget may be amended or modified from time to time subject to the prior written consent of the Lender. Consent to increase the Project Budget may be unreasonably withheld, delayed and/or conditioned by the Lender unless 100% of the Project Budget increase is forthwith funded by additional cash equity injected into the Project by the Borrower.
18. **Project Monitor:** An independent project monitor acceptable to the Lender shall have been engaged to act on behalf of the Lender throughout the duration of the Project at the Borrower's expense. The Lender's project monitor shall be O'Keefe & Associates Limited (the "**Project Monitor**"). The scope of the Project Monitor's mandate is outlined in Schedule C). The Lender shall have the right to expand or vary the scope of the Project Monitor or to replace the Project Monitor at any time, in its discretion, acting reasonably.
19. **Minimum Project Equity:** The Borrower shall maintain a minimum cash equity position of \$7,455,000 in the Project until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security is repaid in full (the "**Minimum Project Equity**").
20. **Prepayment:** Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, this Loan is closed for prepayment from the date of the initial advance of the Loan until the date which is 16 months after the Interest Adjustment Date. The Loan will be open thereafter for prepayment, in whole but not in part, without penalty subject to a minimum of 30 days' prior written notice to the Lender.
21. **Approval of Sale Documents:** The Borrower shall provide the Lender with

- (a) **Approved Sales.** a spreadsheet, certified by a senior officer of the Borrower, setting out the details of each purchase approved by the Borrower in respect of a sale of a unit in the Project (each a "Unit"); and
- (b) **Statements of Adjustment.** no later than five days prior to the closing date for the sale of a Unit, an executed copy of the final vendor's statement of adjustments for such Unit. Prior to the closing date for the sale of such Unit the Lender may provide the Borrower with written notice that it does not approve the vendor's statement of adjustments and setting out the Lender's determination of the amount of the Net Closing Proceeds that it requires to be paid by the Borrower in order for the Lender to deliver a partial discharge of the Security encumbering such Unit in accordance with Section A.22.

22. **Partial Discharge:** Provided that no Event of Default has occurred which is continuing, the Lender will provide the Borrower with partial real and personal property discharges of the Security on a per Unit basis upon receipt of the net closing proceeds for each Unit (the "**Net Closing Proceeds**") calculated as the greater of:

- (a) the actual gross unit selling price net of applicable sales tax including parking, storage, recoveries, or any associated upgrade revenue for such Unit; and
- (b) the Lender's Minimum Discharge Amount as set forth on the Sales List in Schedule H attached hereto for such Unit,

Less the aggregate of

- (a) purchaser deposits used in the Project allocated to such Unit;
- (b) reasonable closing costs, approved legal fees, reasonable arm's length realty commissions, and any other reasonable closing adjustments for the sale of a unit similar to such Unit, which aggregate amount shall not to exceed \$32,000 per Unit.

A partial discharge fee of \$500 per discharged unit shall be deemed earned by the Lender and payable by the Borrower contemporaneously with the granting by the Lender of each partial discharge.

23. **Allocation of Net Closing Proceeds:** In order of priority, the Net Closing Proceeds will be applied as (a) firstly to the permanent reduction of the Loan until repaid in full, (b) secondly, if applicable, to cash secure 100% of any outstanding letters of credit with respect to the Project.

24. **Mortgage Discharge:** The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Security which administration fee is earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender on the Maturity Date. The Borrower's legal counsel shall prepare all documentation reasonably required to discharge the Security for review by the Lender and its legal counsel. Discharge statements will be provided to the Borrower within three business days after receipt of a written request for same.

25. **No Further Encumbrances:** Additional financing (prior or subsequent) of the Project, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Project without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

26. **Costs and Expenses:** The Borrower shall bear all reasonable costs and expenses incurred by the Lender from time to time in connection with the Loan regardless of whether or not all or any

portion of the Loan Amount is ever advanced, save and except if the Loan is not advanced due to a Lender default, and such costs may include, but shall not be limited to, legal fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, Project Monitor mandates, out-of-pocket expenses for property inspections and any applicable sales tax related to all such costs and expenses.

B. SECURITY

The Loan shall be secured by the security set forth below which, prior to any advance under the Loan, shall be delivered by the Borrower and the Guarantor (collectively, the "**Loan Parties**") to the extent party thereto, to the Lender in form, scope and substance satisfactory to the Lender and its legal counsel in its sole, absolute and unfettered discretion (collectively, the "**Security**" and together with this Commitment Letter and all other documentation delivered in connection with this Commitment Letter and the Security, collectively, the "**Loan Documents**");

1. **Mortgage**: A \$58,125,000 mortgage/charge (~125% of the Loan Amount) granted by the Borrower, including, without limitation, an assignment of condominium voting rights and a negative pledge by the Nominee not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.
2. **General Assignment of Rents**: A general assignment of leases and rents granted by the Borrower.
3. **General Security Agreement**: A general security agreement granted by the Borrower and/or the Nominee, as applicable, creating a first ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Project.
4. **Cash Collateral**: \$500,000 in cash collateral (the "**Cash Collateral**") shall be provided by the Borrower and held in an interest-bearing trust account of the Lender, with interest accruing for the benefit of the Borrower (subject to the provisions hereof).

Accrued interest on the Cash Collateral shall not be released to the Borrower until full repayment of the Loan. The Cash Collateral shall be available to be drawn upon by the Lender to fund any overruns or complete the Project at the Lender's sole, absolute and unfettered discretion. If the Loan is in default, the Lender, in its sole, absolute and unfettered discretion, may use the Cash Collateral, in part or in full, to repay the Loan at any time. In the event the Lender draws upon the Cash Collateral, then any accrued interest thereon may be used by the Lender to repay the Loan.

5. **Cash Security Agreement**: The terms and conditions surrounding the Cash Collateral and the accrued interest thereon to be outlined in a security agreement (the "**Cash Security Agreement**"). The Borrower and Lender agree that the Cash Security Agreement will prevail should there be any discrepancy between the Cash Security Agreement and the Commitment Letter.
6. **General Assignment of Material Contracts**: A general assignment of all current and future material contracts for the Project including, without limitation, those relating to construction, supply, consulting, engineering specifications and drawings, architectural specifications and drawings, plans, licenses and permits for the Project granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee

shall grant a specific assignment of any current or future material contract for the Project which shall be acknowledged and consented to in writing by all counterparties to such material contract.

7. **Specific Assignment of Construction Management Agreement:** A specific assignment of the construction management contract for the Project, or contracts if more than one, granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower under the same if the Lender has made demand for repayment of the Loan which specific assignment shall be acknowledged and consented to in writing by the construction manager.
8. **Specific Assignment of Property Management Agreement:** A specific assignment of the commercial and residential property management contracts granted by the Borrower and/or the Nominee, as applicable, pursuant to which the Lender may assume or terminate, at its option, the rights of the Borrower under the same if the Lender has made demand for repayment of the Loan which specific assignment shall be acknowledged and consented to in writing by the property manager.
9. **Assignment of Agreements of Purchase and Sale and Purchaser Deposits:** A general assignment of individual agreements of purchase and sale, including purchaser deposits, pertaining to the Project granted by the Borrower and/or the Nominee, as applicable, provided that Purchaser deposits from the sale of units, parking units and storage lockers may be held in a solicitor's deposit trust account and/or used to repay the Loan in accordance with the provisions of applicable legislation, Condominium Act or otherwise, within the Province of Ontario.
10. **Assignment of Insurance:** An assignment of insurance granted by the Borrower and the Nominee, as applicable, with respect to any and all insurance proceeds arising in connection with all insurance for the Project as set forth on Schedule A.
11. **Fraud, Misrepresentation and Environmental Indemnity:** A fraud, misrepresentation and environmental indemnity granted by the Loan Parties.
12. **Beneficial Security Agreement:** An acknowledgement, direction and security agreement, if applicable, whereby the Borrower acknowledges, consents to and directs the Nominee to provide all of the Security to which the Nominee is a party to the Lender.
13. **Letter of Credit Indemnity:** If applicable, an indemnification agreement granted by the Borrower in respect to any Letters of Credit issued, provided that any draws made under said Letters of Credit shall be converted to direct borrowings under the Loan.
14. **Specific Assignment of Cash, Term Deposits and GICs:** In the event that the Lender elects to hold on deposit the Borrower's cash or term deposits, GICs or the like, from other financial institutions, to secure the Loan generally or specifically the outstanding Letter of Credit/Guarantee exposure, a specific assignment or charge granted by the Borrower over the cash, term deposit, GIC or the like as determined by the Lender.
15. **Guarantee:** An unlimited personal/corporate joint and several guarantee granted by Metropole Group and Abbas Aameri for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and a negative pledge by the Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors and other non-arms length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security has been repaid in full, save and except

for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.

A Limited personal joint and several guarantee granted by David Hill and Bobby Bhoola for \$10,000,000 of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and a negative pledge by the Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors and other non-arms length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.

16. **Cost Overrun and Completion Guarantee:** A guarantee re: project completion and cost overruns granted by the Guarantors for completion of the Project, to keep the Project free of all liens and to fund all costs to complete the Project including, without limitation, all interest costs, fees, insurance premiums and other payments associated with the Project. For greater clarity, Metropole Group and Abbas Aameri shall provide an unlimited project completion and cost overrun guarantee and David Hill and Bobby Bhoola shall provide a project completion and cost overrun guarantee limited to \$10,000,000.
17. **Pledge Agreement:** A hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner of the Borrower), as applicable, by the holders thereof provided that:
 - (a) the Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and/or unit certificates;
 - (b) if the registered owners of such shares and units are not providing a guarantee of the Borrower's obligations to the Lender hereunder, then such registered owners shall be required to provide a limited recourse guarantee with recourse against such registered owners limited in scope to the pledge of such shares and/or unit certificates; and
 - (c) if the registered owners are different than the beneficial owners of such shares and/or unit certificates then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares and/or unit certificates to the Lender.
18. **Other:** Such other Security as the Lender and/or its legal counsel may reasonably require.

C. CONDITIONS PRECEDENT TO INITIAL ADVANCE

The obligation of the Lender to make available the initial advance of the Loan shall be subject to the pre-funding conditions below (collectively, the "**Initial Conditions Precedent**") which shall be satisfied or waived by the Lender in its sole, absolute and unfettered discretion at least two business days prior to the initial advance of the Loan.

1. **Inspection:** The Lender shall have completed an inspection of the Project.

2. **Financial Statements:** The Lender shall have received accountant prepared notice to reader statements for the Borrower and any corporate Guarantor, if applicable, for its last two fiscal year-ends.
3. **PNW Statements:** The Lender shall have received certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values.
4. **Cash Collateral:** The Lender shall have received \$500,000 in Cash Collateral and the corresponding signed Cash Security Agreement.
5. **Project Agreement of Purchase and Sale:** The Lender shall have received the agreement of purchase and sale for the acquisition of the lands upon which the Project is to be constructed, any amendments thereto, and the statement of adjustments delivered on closing collectively confirming a minimum aggregate purchase price of \$6,835,000. Additional \$9,858,511 of land costs included in the Project Budget will be confirmed by the Project Monitor.
6. **Planning Approvals:** The Lender shall have received evidence confirming zoning approval, development permit and partial/full building permit availability to improve the lands as described under the Project together with evidence satisfactory to the Lender that the full building permit will be issued in time to meet the *Project schedule*.
7. **Services Capacity:** The Lender shall have received evidence confirming that physical and capacity allocation of all municipal services is immediately available for the Project.
8. **Drawings and Plans:** The Lender shall have received architectural and engineering plans, drawings and specifications together with all related architectural and engineering fee-for-service soft cost contracts.
9. **Appraisal:** The Lender shall have received an appraisal report for the Project from an acceptable appraisal firm reporting an "as is" minimum value of \$16,400,000 which appraisal report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
10. **Environmental Site Assessment:** The Lender shall have received a phase I and, if applicable, a phase II environmental site assessment for the Project from an acceptable environmental consultant which environmental site assessment is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender. The environmental site assessment may be no more than 12 months older than the initial advance date of the Loan.
11. **Geotechnical Soil Report:** The Lender shall have received a geotechnical report confirming the feasibility of the Project under existing soil conditions from an acceptable engineering firm which geotechnical report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender. The geotechnical report is to confirm that the geotechnical engineer has also reviewed Project's drawings.
12. **Fixed Price Contracts:** The Lender shall have received executed fixed price contracts for a minimum of 70% of the Project Budget hard costs.
13. **New Home Warranty:** The Lender shall have received confirmation that the Project and, if applicable, the Borrower and constructor are registered and enrolled with Tarion/New Home Warranty Program.
14. **Letters of Credit:** The Lender shall have received copies of all required letters of credit for the Project.

15. **Cash Equity**: The Lender shall have received evidence that the Borrower has invested the minimum cash equity as per Section A.19 into the Project.
16. **Project Report**: The Lender shall have received and reviewed an initial report on the Project prepared by the Project Monitor in accordance with Schedule C.
17. **Condominium Documentation**: The Lender shall have received all condominium documentation including, without limitation, condominium disclosure documents; parking agreements; reciprocal agreements; the declaration, by-laws and amendments thereto, if applicable; and the standard form purchase and sale agreement for the sale of Units.
18. **Cost Sharing Agreement**: The Lender shall have received an executed cost sharing agreement from the Borrower confirming \$1,300,000 of costs are to be recovered by the Borrower from the neighbouring landowner prior to closing of the Units in the Project.
19. **Ballantry Guarantee Agreement**: The Lender shall have received an executed guarantee agreement stipulating the pertinent terms of the cost overrun and completion guarantees being provided by David Hill and Bobby Bhoola in respect of the Project.
20. **Unit Sales List**: The Lender shall have received a sales list for all Units detailing, for each Unit, as applicable, Unit size, whether the Unit is sold and unsold, the sale price or list price, received deposits, purchaser name and address, and the projected closing date.
21. **Unit Purchase and Sale Agreements**: The Lender shall have received binding agreements evidencing not less than 41 Qualified Presales generating total gross sale proceeds inclusive of any applicable sales tax not less than \$58,532,390. "**Qualified Presales**" means a pending sale of a Unit:
 - (a) to an arms-length purchaser supported by purchaser pre-approval for mortgage financing;
 - (b) for a gross unit selling price net of any applicable sales tax of not less than the respective Minimum Discharge Amount as set forth in Schedule H; and
 - (c) with contracted and received deposits of not less than 12% per Unit..
22. **Confirmation of No Recission**: Lender to receive satisfactory legal opinion/evidence that the Unit purchase and sale contracts remain firm and binding for all 41 purchasers and that the purchasers do not have the legal ability to terminate their purchase and sale contracts.
23. **Delivery of Loan Documents**: The Lender shall have received the following:
 - (a) the Loan Documents duly executed by the parties thereto;
 - (b) a request for borrowing delivered in accordance with the provisions of Section **Error! Reference source not found.** which shall include, without limitation, certification that all proceeds of the advance of the Loan are being used solely to pay all accounts payable of the Project approved by the Lender and for no other purpose whatsoever;
 - (c) certificates of each corporate Loan Party dated the closing date and executed by an appropriate officer of each such person, as applicable, certifying, among other things, the constating and organizational documents, an organizational chart, incumbency of signing officers and authorizing resolutions;

- (d) a favourable corporate and enforceability opinion from the Borrower's legal counsel, including, without limitation, existence, power and capacity, authorization, execution and delivery, enforceability, creation of security interest, registration, share capital, and perfection, as applicable; and
 - (e) a favourable title opinion from the Borrower's legal counsel or a loan policy of title insurance in lieu thereof, respecting the ownership of the Project and the ranking of the liens constituted by the Security thereon.
- 24. **Registration of Security:** All registrations, recordings and filings of or with respect to the Security which in the opinion of the Lender's counsel are necessary to render effective and perfected, or to give notice of, the security intended to be created thereby shall have been completed.
 - 25. **Material Contracts:** The Lender shall have received copies, where applicable, of any and all agreement to which any of the Loan Parties are a party or by which any of them is bound which is material to the Project or the business of the Loan Parties with respect to the Property having regard to its subject matter or the potential consequences of breach or termination, including, without limitation, any cost sharing, parking, maintenance, unregistered access or right-of-way, crane swing, or tieback agreement.
 - 26. **Construction Management Agreement:** A fully executed CCDC 5A contract with Ballantry Homes Inc., in line with the Project Budget and satisfactory to the Lender.
 - 27. **Survey:** The Lender shall have received either (i) a real property report / survey for the Project prepared by an accredited land surveyor confirming no encroachments, easements or rights of way, save those which the Lender may specifically accept, and setting out the relationship of the lands and proposed improvements thereon to public thoroughfares for access purposes, or (ii) survey coverage in a loan policy of title insurance.
 - 28. **Searches:** The Lender shall have received either (i) all customary off-title searches for properties of similar nature to that of the Project including, without limitation, searches for unregistered easements, rights-of way, property tax status, environmental notices, and executions against the Loan Parties, or (ii) satisfactory coverage in a loan policy of title insurance. If applicable, the off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review;
 - 29. **Clean Title:** The Lender shall be satisfied with title to the lands upon which the Project will be constructed including, without limitation, the absence of liens and other encumbrances other than the Permitted Encumbrances;
 - 30. **No Litigation:** There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the Project or any of the Loan Parties that has, or could reasonably be expected to have, a material adverse effect on (i) the business, operations, property or financial or other condition of any of the Loan Parties which would materially negatively affect the ability of the Loan Parties, taken as a whole, to perform and discharge their obligations under the Loan Documents, (ii) the Project, the Lender's liens on the Project and other collateral pursuant to the Security, or the priority of those liens, or (iii) the Lender's ability to enforce its rights or remedies under any of the Loan Documents.
 - 31. **AML/KYC:** Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification for each Loan Party including information with respect to ownership structure and with respect to the source of funds used in connection with the Borrower's equity in the Property, identification verification, and any other information the Lender may reasonably require to ensure the Lender's compliance with the Act. The Borrower

and Guarantor hereby covenant and agree to provide such identification and information as soon as practicably possibly and in any event no later than two (2) days prior to the initial advance of the Loan.

32. **Insurance**: The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the Project in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as its interest may appear and showing the Lender as an additional insured under all liability policies relating to the Project, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender.
33. **Guarantor Letter of Credit**: The Lender shall have received the letter of credit as outlined in Section B 4.
34. **Payout Statement**: If applicable, the Lender shall have received a satisfactory payout statement with respect to any loans secured by existing mortgages registered against title to the Project.
35. **Permitted Encumbrance Agreements**: The Lender shall have received executed copies of all loan agreements and any amendments or extensions thereto for all Permitted Encumbrances, as applicable.
36. **Levies and Fees**: All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Project shall have been paid to the date of the advance of the Loan unless the same form part of the Project Budget and are to be included in ongoing advances under the Loan.
37. **Notice to Property Tax Authority**: The Borrower shall have executed and delivered the Lender's Notice to Project Tax Authority set forth on Schedule E, which shall permit the Lender to request information from the municipality from time to time regarding the Project's property taxes.
38. **Pre-Authorized Debit**: The Borrower shall have executed and delivered the Lender's Pre Authorized Debit Form set forth on Schedule F, which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment(s) should full utilization, suspension or cancellation of the Interest Reserve occur including, but not limited to any applicable Lender's Fees and Extension Fees.
39. **ESG Survey**: The Borrower shall have completed and delivered the Lender's ESG Survey set forth on Schedule I.
40. **Human Rights Declaration**: The Borrower shall have completed and delivered the Borrower's Human Rights Declaration set forth on Schedule J.
41. **Lender's Approvals**: The Lender shall have received the approval of its investment committee and any other approvals required by the Lender.
42. **Due Diligence**: The Lender shall have completed its business, financial and legal due diligence, including without limitation property level due diligence with respect to the Project.

D. CONDITIONS PRECEDENT TO SUBSEQUENT ADVANCE

The obligation of the Lender to make available any subsequent advance of the Loan, shall be subject to the pre-funding conditions below (collectively, the "**Subsequent Conditions Precedent**" together with the Initial Conditions Precedent, collectively, the "**Conditions Precedent**") which Subsequent Conditions

Precedent shall be satisfied or waived by the Lender in its sole, absolute and unfettered discretion at least two business days prior to any subsequent advance of the Loan.

1. **Initial Conditions Precedent:** The Initial Conditions Precedent shall have been satisfied or waived by the Lender.
2. **No Default:** No Event of Default shall exist, nor shall the advance of the Loan result in the occurrence of an Event of Default.
3. **Representations Correct:** The representations and warranties contained in the Loan Documents shall be true and correct in all material respects on the date of each subsequent advance as if made on that date, except where any representation or warranty relates to a specified date, in which case that representation or warranty shall be made as of the date to which it relates.
4. **Request for Borrowing:** The Lender shall have received a request for borrowing delivered in accordance with the provisions of Section E.2 which shall include, without limitation, certification that all proceeds of the advance of the Loan are being used solely to pay all accounts payable of the Project approved by the Lender and for no other purpose whatsoever.
5. **Project Reports:** The Lender shall have received and reviewed a progress draw report on the Project prepared by the Project Monitor in accordance with Schedule C.
6. **Title Search:** the Lender shall have received on the date of each subsequent advance of the Loan a title subsearch of the Project and report from the Lender's counsel confirming that no construction liens or other liens are registered against the Project, other than Permitted Encumbrances.

E. FUNDING

Each advance of the Loan shall, in addition to being subject to the applicable Conditions Precedent, be completed in accordance with the following:

1. **Initial Advance:** An initial advance of the Loan in the amount of \$14,000,000 is expected.
2. **Subsequent Advances:** Subsequent advances under the Loan shall be permitted not more frequently than once per month and in minimum monthly increments of \$250,000 for the purpose of funding Project costs approved by the Lender with such advances to be made on a cost-in-place basis subject to the Lender's cost-to-complete formula. This dollar amount limit shall not apply to monthly advances of the Interest Reserve.
3. **Margin Calculation:** Accumulated advances under the Loan shall at no time exceed the cost of cost-in-place less the aggregate of (i) holdbacks required by the Project Monitor, (ii) Minimum Project Equity, (iii) any purchaser deposits used as source of funds within the Project Budget.

In the event that the amount of purchaser deposits used in the Project exceeds \$7,145,000, the amount available under the Loan is to be permanently reduced dollar for dollar with the amount of the exceedance.

4. **Advances to Subtrades:** The Lender reserves the right to make advances of the Loan directly to the Project Monitor or trades (sub-trades or otherwise) and/or suppliers if an Event of Default has occurred which is continuing or if the Lender believes, in its sole, absolute and unfettered discretion, without the need to furnish evidence to the Borrower thereof, that advances of the Loan

are being diverted from the Project and/or are being used to fund Project costs not provided for in the Project Budget.

- AB
- AK
Antoni Kajetanowicz
5. **Advance Fee:** All advances of the Loan, save and except for advances under the Interest Reserve alone, shall be subject to a \$500 advance fee payable by the Borrower to the Lender which amount shall be deducted from the applicable advance of the Loan by the Lender.
 6. **Outside Funding Date:** In the event that the initial advance of the Loan has not been made by March 31st, 2025, at the exclusive option of the Lender, its obligations under this Commitment Letter shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under this Commitment Letter and the Security including, without limitation, the obligation to make any advances under the Loan. Notwithstanding the foregoing, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and any Guarantor any expenses incurred by the Lender in connection with this Commitment Letter.

F. SPECIAL CONDITIONS

The Loan shall be subject to the following special conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute, and unfettered discretion prior to any advance of the Loan:

1. **Bulk Unit Purchasers:** Any bulk sale of Units to a single purchaser, defined as two Units or more, must be approved by the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
2. **Project Contingency:** The Borrower and Guarantors acknowledge and agree that the Project Budget certified by the Project Monitor must include contingency of at least 5.0% of cost-to-complete throughout the term of the Project.
3. **Right of First Opportunity:** The Lender will receive the first right of opportunity to provide the Borrower with construction loan financing for their Harris South development located adjacent to the Project site.

G. COUNSEL

Counsel for the Lender and the Loan Parties with respect to the Loan is as follows:

1. **Lender's Counsel:**

Bennett Jones LLP (Attention: John van Gent)
3400 One First Canadian Place
Toronto, ON
M5X 1A4

Phone: (416) 777-6522
Fax: (416) 863-1716
Email: vanGentJ@bennettjones.com

2. **Loan Parties' Counsel:**

If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender by January 17th, 2025, failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per:


Adam Balaban (Jan 15, 2025 11:44 EST)

Adam Balaban
Associate Director, Mortgage
Investments

Per:


Antoni Kajetanowicz (Jan 15, 2025 12:02 EST)

Antoni Kajetanowicz
Executive Director, Mortgage
Underwriting & Funding

ACKNOWLEDGEMENT

I/We hereby accept the terms and conditions of this Commitment Letter and any accompanying Schedules and each person executing this Commitment Letter on behalf of any Borrower or any Guarantor represents and warrants that he/she has the power and authority to bind such entity.

Accepted and agreed as of the _____ day of _____, 2025.

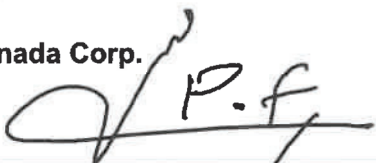
BORROWER:

9089802 Canada Corp.

Per: _____

Name: _____

Title: _____



WITNESS

Name: _____



GUARANTORS:

Abbas Aameri

Per: _____

Name: _____

Title: _____



WITNESS

Name: _____



Metropole Group

Per: _____


Name: _____

Title: _____



WITNESS

Name: _____



David Hill

Per: _____

Name: _____

Title: _____



WITNESS

Name: _____



Doug Betts

Bobby Bhoola

Per: _____

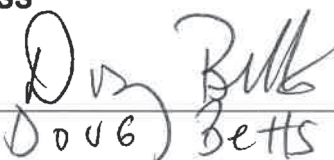
Name: _____

Title: _____



WITNESS

Name: _____



Doug Betts

**SCHEDULE A
CONSTRUCTION INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies/certificates must be forwarded to the insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers (which may include being signed by certified electronic signature).
3. KingSett Mortgage Corporation must be shown as 1st Mortgagee and 1st Loss Payee under the Builder's Risk and, where applicable, Boiler and Machinery Insurance policies.
4. KingSett Mortgage Corporation must be shown as Additional Insured under all Liability Insurance policies covering the subject Project (or "Property" as defined herein) with respect to claims arising out of the operations of the named insured.
5. The Borrower/Registered Owner must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force with respect to the subject Project.
6. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies and certificates of insurance.
7. The Builder's Risk and, where applicable, Boiler and Machinery policies shall contain a standard mortgage clause in favour of KingSett Mortgage Corporation.
8. All policies of insurance must provide KingSett Mortgage Corporation with at least 30 days' prior written notice of any adverse material change i.e. Misrepresentation, Fraud or Cancellation, except for the non-payment of premium, in which case the Statutory Conditions may apply.
9. There needs to be evidence of Builders Risk insurance written on an All Risk or Broad Form basis and may or may not be subject to the latest CCDC policy wording.
10. The builders risk insurance needs to insure 100% of the projected Hard Costs of the Project and not less than 25% of all Project soft costs plus 100% of all Finance and Interest charges, or 100% of recurring Project Soft Costs.
11. There must be evidence of full By-Laws extensions, Blanket By-Laws coverage with:
 - (a) 100% of replacement cost or policy limit for Loss of Undamaged portion of the building(s);
 - (b) 10% of the replacement cost or policy limit for Demolition Costs;
 - (c) 10% of the replacement cost or policy limit for Increased Cost of Construction; and
 - (d) Resultant Loss of Income.
12. There needs to be evidence of Earthquake insurance.
13. There needs to be evidence of Flood insurance.
14. There needs to be evidence of Sewer Back-Up insurance.
15. The Builders Risk policy needs to include a "permission to occupy" clause.

16. The Builders Risk policy needs to include (where applicable) Delayed Start Up (DSU) insurance to cover 100% of the anticipated loss of revenue for a minimum of one year, which may be incurred in the event of an insured loss, during construction. The Builders Risk policy will provide coverage for the installation, testing and commissioning of machinery and equipment.
17. There must be evidence of comprehensive Boiler and Machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical, electronic, and mechanical breakdown.
18. The Builders Risk policy will provide Debris Removal, Extra Expense and Expediting Expense, Property in Transit and Property Off Site.
19. The Builders Risk policy (where applicable) must contain a minimum DE4/LEG2 amended workmanship, design or materials exclusion wording and confirmation of resulting damage is covered.
20. Confirmation of builder's risk warranties.

Owners Liability:

21. There must be evidence of Owner's Liability Insurance, with a minimum limit of **\$5,000,000** per occurrence and in the aggregate or such other limit as may be agreed to by the Lender or insurance consultant unless a Wrap Up Liability policy has been purchased. Coverage should include but not be limited to Cross Liability, Severability of Interest, Contractual Liability and Sudden & Accidental Pollution extension. KingSett Mortgage Corporation is added as an Additional Insured.

Contractors Liability:

22. There must be evidence of Contractors Liability insurance, with a minimum limit of **\$5,000,000** per occurrence and in the aggregate or such other limit as may be agreed to by the Lender or insurance consultant unless a Wrap Up Liability policy has been purchased. Coverage should include but not be limited to Cross Liability, Severability of Interest, Contractual Liability, Non-Owned Auto, and Sudden & Accidental Pollution extension.
23. The Borrower/Registered Owner/KingSett Mortgage Corporation must be added as an Additional Insured under any Contractor's Liability insurance, but only with respects to claims arising out of the operations of the named insured and indicating the Project location.
24. When evidence is provided in the form of the Borrower's Liability insurance program and General Contractor's Liability insurance program, confirmation that the Borrower or the General Contractor are responsible for administration for effectiveness and compliance of all trades and subtrades liability certificates prior to starting work on the Project.

Wrap-up Liability:

25. There must be evidence of Wrap-Up Liability insurance, with a minimum limit of **\$5,000,000** per occurrence and in the aggregate or such other limit as may be agreed to by KingSett Mortgage Corporation or insurance consultant and provide 12/24/36 months completed operations period, Cross Liability, Severability of Interest, Contractual Liability, and Sudden & Accidental Pollution extension.
26. The Borrower/Registered Owner must be added as an Additional Named Insured under the Wrap Up Liability insurance, but only with respects to claims arising out of the operations of the named

insured. The Borrower/Registered Owner and all Contractors, Sub-Contractors, Trades and Consultants must be Named Insureds with respect to the work or operations at the Project, excluding professional liability.

27. KingSett Mortgage Corporation and its insurance consultant shall receive copies of all policy "Warranties" that apply.

Other:

28. KingSett Mortgage Corporation will not accept evidence of insurance on a CSIO form, or an ACORD Form #25 (or their equivalents), due to the limitation in the wording as to its efficacy, and the restrictive cancellation provisions, unless accompanied with an additional remarks schedule/comments ACORD 101 or CSIO equivalent.
29. Evidence of Professional Liability (Errors & Omission) insurance is required for the architect and the engineer of the Project for a minimum limit of \$1,000,000 per occurrence.
30. KingSett Mortgage Corporation and its insurance consultant shall receive copies of all policy "Warranties" that apply, on any of the construction insurance programs.
31. Such other insurance as KingSett Mortgage Corporation and/or its insurance consultant may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain or cause to be purchased and maintained.

There must be full, original, certified, endorsed copies of the insurance policies provided to the KingSett Mortgage Corporation as soon as available from the insurers. (The certified policy copies should be available within 60 to 90 days). Signed Certificates or Binders of Insurance addressing the above will suffice as insurance evidence for closing purposes.

In the instance that any portion of the property insurance coverage described above has expired or cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to KingSett Mortgage Corporation immediately (with the certified policy copies provided within 90 days) upon the expiration or cancellation date, KingSett Mortgage Corporation will have the option, without obligation, to place adequate and satisfactory insurance (at the Lender's sole, absolute and unfettered discretion) for the Project at the Borrower's expense.

Certificates or Binders of Insurance are not acceptable if they contain the words, "*This certificate is issued as a matter of information only and confers no rights upon the certificate holder*" and the words "*will endeavour to*" and "*but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives*" under the cancellation clause.

-- Insurance broker contact information and release follows on next page --

Insurance Broker Contract Information and Release

Please provide the following information for our records:

Insurance Broker:	Brokerage Name:	_____
	Contact Name:	_____
	Address:	_____

	Phone #:	_____ Fax # _____
	Email Address:	_____

Please provide the following information if you would like to be copied on all correspondence addressed to your Insurance Broker from RISK REVIEW INC.

Contact Number: _____

Email Address: _____

The Loan Parties hereby authorize the above noted Insurance Broker to release insurance information required by the Lender and its insurance consultant, RISK REVIEW INC. for this Loan and hereby authorize the Lender to release information necessary to determine insurance requirements, as needed, to RISK REVIEW INC. for the purposes of conducting an insurance review.

BORROWER:

9089802 Canada Corp.

Per: _____
Name: _____
Title: _____

WITNESS

Name: _____

GUARANTORS:

Abbas Aameri

WITNESS

Per: _____
Name: _____
Title: _____


Name: _____


Metropole Group

Per: _____
Name: _____
Title: _____

David Hill

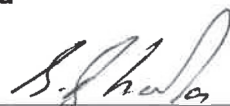
WITNESS

Per: 
Name: _____
Title: _____

Name: 
Doug Betts

Bobby Bhoola

WITNESS

Per: 
Name: _____
Title: _____

Name: 
Doug Betts

**SCHEDULE B
OTHER CONDITIONS**

1. **Prohibition on Sale of Project:** Prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full on the Maturity Date or as otherwise contemplated in the Commitment Letter, the Borrower may not sell the Project, in whole or in part, save for Unit closings in the normal course of business as described in the Commitment Letter, without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The assumption of the Loan by a purchaser of the Project, or part thereof, shall be subject to the prior written approval of the Lender, which approval may be arbitrarily withheld, delayed and/or conditioned by the Lender.
2. **Change of Ownership:** A direct or indirect change in ownership of the Borrower shall not be permitted without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
3. **Amalgamation:** Any amalgamation of the Borrower or Loan Parties shall not be permitted without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
4. **Payment of Property Taxes:** The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes, local improvement rates and charges with respect to the Project.
5. **Indemnity:** The Loan Parties shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of the Loan Documents, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Project and/or the use or occupation of the Project including, without limitation, those arising from the right to enter the Project from time to time and to carry out the various tests, inspections and other activities permitted by the Loan Documents.
6. **Environmental Liability:** In addition to any liability imposed on any of the Loan Parties under any of the Loan Documents, the Loan Parties shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Project of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Loan Parties set forth in this subparagraph:
 - (a) are separate and distinct obligations from the Loan Parties' other obligations;
 - (b) survive the payment and satisfaction of the Loan Parties other obligations and the discharge of all or any of the Security;
 - (c) are not discharged or satisfied by foreclosure against the Project pursuant to the Security; and
 - (d) shall continue in effect after any transfer of the Project including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

7. **Assignability:** The Loan Documents may not be assigned, transferred or otherwise disposed of by any of the Loan Parties without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The Loan, any of the Loan Documents or any interest in the Loan or the Loan Documents may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Loan Documents, the Project and any of the Loan Parties within the possession or control of the Lender.
8. **Information:** For purposes of this Commitment Letter, "**Information**" means all information relating to the Loan Parties and their respective affiliates or any of their respective businesses, other than any such information that is available to the Lender on a non-confidential basis prior to such receipt. Any person required to maintain the confidentiality of Information in accordance with this Commitment Letter shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information. In addition, from time to time the Lender publishes advertisements or announcements of completed transactions which advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones, social media, investor brochures or information displayed on the internet or on the Lender's intranet. The Loan Parties consent to the publication of an advertisement or announcement of the Loan and agree to allow the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished projects) of the Project for possible use in internal or external marketing programs.
9. **Confidentiality of Information:** The Lender agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to it, its affiliates and its and its affiliates' respective partners, directors, officers, employees, agents, advisors and representatives to the extent necessary to administer or enforce any of the Loan Documents, it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential, (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority), (c) to the extent required by any applicable law or other legal process, (d) to any other party hereto, (e) to the extent reasonable, in connection with the exercise of any remedies under any of the Loan Documents or any action or proceeding relating to any of the Loan Documents or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under the Loan or any of the Loan Documents, (g) with the consent of the Borrower, or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, or (ii) becomes available to the Lender on a non-confidential basis from a source other than any of the Loan Parties or their respective affiliates and provided such source has not, to the knowledge of the Lender, breached a duty or obligation of confidentiality owed to any of the Loan Parties or their respective affiliates, or the Lender. If the Lender is requested or required to disclose any Information pursuant to or as required by any applicable law or by an subpoena or similar legal process, the Lender shall use its reasonable commercial efforts to provide the Borrower with notice of such requests or obligation in sufficient time so that the Borrower may seek an appropriate protective order or waive the Lender's compliance with the provisions of this Section, and the Lender shall co-operate with the Borrower in obtaining any such protective order.
10. **Use of Information:** The Lender shall be entitled to use any Information to assess the ability of the Loan Parties to obtain the Loan and to evaluate the ability of the Loan Parties to meet their respective financial obligations which includes, without limitation, disclosing and exchanging Information on an on-going basis with credit bureaus, credit reporting agencies and financial

institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, the continuing eligibility of the Loan Parties for the Loan and the continuing ability of the Loan Parties to meet their respective financial obligations. This use, disclosure and exchange of Information will continue until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full and will help protect the Loan Parties from fraud and will also protect the integrity of the credit-granting system.

11. **Changes and Alterations:** Any major changes, additions, and/or alterations contemplated to the Property, including major changes in use of the Property or any proposed use of the Property as a hotel, short term stay of less than 60 days, or similar type of accommodation, must receive the Lender's prior written consent, in the Lender's sole discretion, prior to the commencement of the changes, additions and/or alterations. If the Borrower changes or alters the Property or its use, or the Property ceases to be occupied by persons utilizing the accommodation for the purposes of a principal residence, without the prior written consent of the Lender being obtained, then the Lender may, in its sole discretion, declare forthwith due and payable the entire outstanding Loan Amount together with all accrued and unpaid interest due thereon. The Borrower will provide reasonable notice to the Lender of any anticipated or impending transaction which would require the consent of the Lender under this section, together with such reasonable information as the Lender may require to determine whether or not to grant its consent thereto.
12. **Right to Inspect:** The Borrower acknowledges that the Lender may inspect the Project at any time at the expense of the Borrower.
13. **Demand and Default:** Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, in the event of any of the Loan Parties failing to pay any amount when due or being in breach of any covenant, condition or term of any of the Loan Documents, or if any representation or warranty made by any of the Loan Parties, or any information provided by any of the Loan Parties or their respective agents is found to be untrue or incorrect in any material respect, if all or any portion of the Project in the course of construction remains unfinished and without any work being done for a period of 20 consecutive days other than as a result of force majeure, if any Event of Default as defined in the Security has occurred which is continuing, or if in the sole opinion of the Lender, a material adverse change occurs relating to any of the Loan Parties, the Project, or the risk associated with the Loan, then the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender, the Lender may, at its option on notice to the Borrower, demand repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, cease or delay further funding, and/or may exercise any and/or all remedies available to it under the Security, at law and/or in equity. Furthermore, the Lender may, at its option, on notice to the Borrower, declare the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.

Misappropriation of funds as determined by the Lender or Project Monitor, in its sole and absolute discretion, is deemed an Event of Default under the Loan and the Lender retains its right to demand repayment of the Loan in full.

14. **Remedies Cumulative:** No extension, postponement, forbearance, delay, or failure on the part of the Lender in the exercise of any power, right or remedy under any of the Loan Documents, at law or in equity shall operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Lender at any time during the existence of a default shall be construed as a waiver of any continuing default or of any of the Lender's rights or remedies. All of the powers, rights and

remedies of the Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Lender may elect. No waiver of any condition or covenant of any of the Loan Parties or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant or condition or of any subsequent breach of such covenant or condition or justify or constitute a consent to or approval by the Lender of any violation, failure or default by the applicable Loan Party of the same or any other covenant or condition contained under any of the Loan Documents. If an Event of Default has occurred and is continuing, any monies received by the Lender from or on behalf of the Borrower, including any amount received pursuant to any irrevocable directions given by the Borrower or pursuant to the Security, may be applied by the Lender to the liabilities and obligations of the Borrower hereunder in such manner and in such order of priority as is determined by the Lender in its sole and absolute discretion.

15. **Appointment of Receiver:** Upon and during the continuance of an Event of Default, in addition to any other rights which it may have, the Loan Parties each consent to the Lender's appointment of a receiver, or a receiver and manager either privately or by court appointment, to manage the Project and do all things necessary as an owner would be entitled to do.
16. **Severability:** Each of the Loan Parties agrees that if any one or more of the provisions contained in this Commitment Letter shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment Letter and this Commitment Letter shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
17. **Multiple Parties:** If any of the Loan Parties is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation unless otherwise specifically stated herein.
18. **Time of the Essence:** Time is of the essence in this Commitment Letter.
19. **Non-Merger:** The representations, warranties, covenants and obligations herein set out in any of the Loan Documents shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
20. **Representations and Warranties:** Each of the Loan Parties will, as applicable, provide the usual representations and warranties in the Loan Documents including, without limitation (a) the accuracy of any financial statements provided to the Lender, (b) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements used to evaluate this Loan, (c) title to the Project, (d) such Loan Party's power and authority to execute and deliver the Loan Documents to which it is a party, (e) the accuracy of any documentation delivered to the Lender, (f) the accuracy of all representations and warranties made to the Lender in the Loan Documents to which it is a party, (g) that there are no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Project, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Project, (h) that such Loan Party is attending to the preservation of its assets, (i) the payment of all taxes, (j) that no consents, approvals or authorizations are necessary in connection with such Loan Party's business including without limitation, the construction of the Project, (k) that the construction of the Project is proceeding in accordance with all applicable laws, (l) that there are no other encumbrances registered against title to the lands upon which the Project is to be constructed except for Permitted Encumbrances, (m) that all necessary services are available to the Project, and (n) that no hazardous substances used, stored, discharged or present on the Project other than in accordance with all applicable laws, and will represent and warrant such other reasonable matters as the Lender or its counsel may require.

21. **Interim Occupancy Fees and Revenues:** Interim occupancy fees/revenue must be used exclusively towards Project costs or to reduce the outstanding balance of any loan secured by a first ranking mortgage of the lands upon which the Project will be constructed. Save an except as set forth in this Section, interim occupancy fees may not be used by the Borrower for any other purpose nor may they be removed from the Project as a fee, equity repatriation, dividend, interest, premium or any other form of distribution.
22. **Payment of Sales Taxes:** The Borrower accepts full responsibility for remittance and payment of any and all applicable sales tax due and the periodic submission and collection of all applicable sales tax claims and credits. The Project Budget shall include a net difference of \$Nil for applicable sales tax paid less applicable sales tax recovered and shall also include a ceiling of \$250,000 at any point in time, prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, with respect to the permitted difference between applicable sales tax included in work-in-place less applicable sales tax recovered by the Borrower from government authorities. If the difference referred to in the previous sentence exceeds \$250,000 at any point in time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, the portion of the difference in excess of \$250,000 be funded by the Borrower as additional equity.
23. **Lender's Sign:** The Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Project at any time after execution of this Commitment Letter by the Borrower but prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, which sign shall state that the Lender has assisted with the financing of the Project. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, after which time the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.
24. **Governing Law:** The Loan and the Loan Documents shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein.
25. **Modification:** No term or requirement of any of the Loan Documents may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to any of the Loan Documents must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
26. **Language:** Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations were the context so requires.
27. **Headings:** The headings and section numbers appearing in any of the Loan Documents are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Loan Documents.
28. **Counterparts:** Any of the Loan Documents may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

29. **Electronic Execution:** The words "execution," "execute," "signed," "signature," and words of like import in or related to any Loan Documents to be signed in connection with the Loan shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.
30. **Calculations:** All interest calculated under this Commitment Letter shall be computed based on the actual number of days elapsed in a year consisting of 365 days.
31. **Paramountcy:** In the event of any inconsistency or conflict between any of the provisions of the Commitment Letter and any provision or provisions of the Security, the provisions of the Commitment Letter will prevail.
32. **Disclosure:** KingSett Mortgage Corporation acted on behalf of 12 lenders in the previous fiscal year.

**SCHEDULE C
PROJECT MONITOR MANDATE / REPORTING**

LOW RISE CONSTRUCTION

GENERALLY ON THE ROLE OF THE PROJECT MONITOR:

The below aims to set out what is expected by KingSett from the Project Monitor. While the below lists our minimum requirements, we anticipate the Quantity Surveying professional will use their best judgment and provide additional information as needed to alert KingSett of any material issues as they emerge on site / during the life of the project.

PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

The Project Monitor is to prepare a preliminary report inclusive of the following information:

Project Description:

1. The Preliminary report should include a brief description of the project. The description should outline major points such as:
 - (a) Overall GFA of the proposed project
 - (b) Whether the project consists of purpose built rental units or for sale housing units.
 - (c) The number of houses / townhomes etc being built; and if there are several blocks each should be summarized.
 - (d) If there are multiple phases - the number of phases included in the project, with a brief description of each phase.
 - (e) The type of construction, with a brief description of:
 - (i) Foundation system (eg Concrete footings)
 - (ii) Structure (eg Timber framed)
 - (iii) Envelope (eg Brick veneer & vinyl siding with punch windows)
 - (iv) Roofing system (eg Asphalt shingles)
 - (v) Finishes (eg. Interior walls with drywall finishes, tiling finishes in the washrooms, laminate flooring throughout, unfinished basement etc)
 - (vi) Services, including a brief description of the HVAC system being installed
 - (vii) Landscaping scope
 - (viii) Deferred scope – if there are items shown on the drawings which are being deferred / not included in the sources of funding, these should be identified.

Budget & Schedule Commentary:

1. Quantity Surveyor to review the drawing packages included and comment on whether or not the drawings are adequate for pricing. Commentary should clarify whether the drawings are approximately at:
 - (a) Class B stage / Detailed Design
 - (b) Class A stage – commentary should clarify if the drawings are 'Issued for Construction' or 'Issued for Tender'
 - (c) Drawings are to be made available upon request
2. review the Borrower's proposed detailed Project Budget as revised and approved by the Lender, further to the Project Monitor's recommendations. The review of the soft costs should confirm
 - (a) Comment on the allowance for the Development Management fee and whether it is reasonable
 - (b) Review the development charges, building permits allowances and levies and confirm they are in line with the local city charges
3. review all material cost-items, contracts and change orders with trades; the review must include commentary with regards to the documentation included in the major trade contracts and any exclusions / qualifications. Requirements are further outlined in the section on Contracts below.
4. Request / confirm quantum of any contemplated trade contract change orders or extras not yet approved with the Borrower and / or Construction Manager.
5. confirm all funding sources including without limitation, equity, purchaser deposits, deferrals, mezzanine financing and construction loan, as applicable;
6. confirm that Minimum Project Equity has been injected into the Project on the agreed-upon land valuation contained in the Commitment Letter and costs incurred to date;
7. confirm that the Borrower has continually maintained the Minimum Project Equity at all times;
8. confirm the adequacy of the interest expense carried in the Project Budget including, without limitation, the preparation of independent Project cash flows.
9. confirm the adequacy of the contingency allowances carried in terms of construction risk and other soft costs;
10. confirm the costs incurred to date through a review of all invoices, the Borrower's trial balance, aged payables listing, cancelled cheques, etc. (backup to costs to be made available on request);
11. confirm applicable development charges and levies relating to the Project including, without limitation, parkland deduction, regional and municipal, education, Section 37 and any other applicable municipal fees;
12. confirm the expected timing of payments and prepare a cash flow;
13. Provide commentary on relative experience of major trade contractors and the construction manager, and any requirement for bonding. Commentary should briefly comment on the trade's capacity to complete low rise projects of this scale, and confirm whether they are arm's length / non arm's length.

14. review the Project construction time schedule (the "**Project Schedule**") to confirm overall reasonableness. The commentary must confirm whether the schedule is suitably detailed with all key activities listed and has a clear critical path that the Quantity Surveyor can track. Key milestones to be summarized and incorporated in the report.
15. review allowance for appropriate HST and whether this is to be funded by the Lender or the Borrower and, where the Project includes residential rental units, validate the amount of self-assessed HST included in the Project Budget.
16. Confirm the approach being taken with regards to Holdback. If the Borrower is not taking a 10% Holdback in line with the requirements of the lien act this must be noted in the report and discussed with the KingSett team.
17. If the project includes any deferred items, these must be noted in the report.

Management Contract & Trade contracts:

1. Confirm whether the project is being self performed with the Borrower acting as the Construction manager; or whether a 3rd party Construction manager is being hired.
2. Confirm the Borrower's approach to procurement, clarifying whether the Borrower has a standard form of contract that they use with trades, inclusive of a detailed scope of work; or whether post award trade work proceeds on the basis of quotes received (without a contract being in place).
3. review the development management agreement to confirm the requirements and any other material agreements against the Project Budget;
4. review the budget as follows:
 - (a) all costs reported as committed should be reviewed in terms of reasonableness, conformity to the latest design documents, Project Schedule and for front end loading;
 - (b) confirmation of committed costs identifying contracts, awards, letters of intent and trade quotations together with a summary of major contracts still to be awarded and tendering schedule for all un-awarded scopes of work. Commentary must also advise of the approximate timeline to turn the Letters of Intent into firm contracts;
 - (c) Time sensitive LOIs / Quotes / Contracts should be identified. For example, if a quote is received for Lumber supply which is contingent on work commencing by certain dates, this should be noted.
 - (d) Any quotes / contracts / LOIs that do not cover the entire scope should be identified. For example, if there are 30 Blocks, and the lumber supply quote only covers the first 10 Blocks, this should be noted.
 - (e) for all costs noted as being uncommitted, an estimate should be completed (QS to confirm the reasonableness of the budget amounts);
 - (f) All information reviewed, including Bid Levelling, must be made available to the Lender upon request;

5. Please list all contracts / LOIs / Quotes using a format similar to the table below (examples given for reference purposes only)

Trade / Supplier	Sub-Contractor / Supplier	Drawings included	Status	Amount
Excavation	Trade A	Eg. Issued for Permit	Quote	\$500,000.00
Concrete Work	Trade B	Eg. Issued for Permit	Contract	\$1,000,000.00
Lumber Supply	Trade C	Eg. Issued for Construction	Unit rate contract	\$2,225,000.00
Carpentry - Framing	Trade D	Eg. Issued for Permit	LOI	\$3,000,000.00
Roofing	Trade E	Eg. Issued for Construction	Quote	\$600,000.00

Presales:

1. review the Borrower's schedule of presales and provide a summary of sold and unsold Units (including without limitation parking Units and locker Units) in terms of both Units and revenue;
2. review all agreements of purchase and sale to confirm presale requirements have been met in terms of sales;
3. review contracted deposits and the Borrower's ledger of deposits to confirm deposits as a source of funds have been met; and
4. review mortgage pre-approvals for qualified presales.

Permits and Approvals: Provide a list of all the permits and approvals required for the project, as well as the expected timing of receipt of the approvals and permits. Review all of the development agreements, site plan agreement, subdivision agreement, building permits, and other municipal / regional agreements and, in the case where not all permits are available, identify which permits have been received and any that have been applied for and anticipated timing of receipt.

Letters of Credit: confirm the amounts of any required letters of credit and whether any or all of the letters of credit are duplicates of Project costs included within the Project Budget.

Insurance: review the insurance provided in terms of period of coverage, insured parties, loss payable and the sum insured.

Other Conditions:

1. review all loan agreements and commitment letters including, without limitation, any deposit insurance agreement and amendments for the financing of the Project;
2. confirm the purchase price for the lands upon which the Project is to be constructed by reviewing the purchase and sale agreement and supporting documents;
3. review all available architectural and engineering plans and specifications for conformity with the Project Budget, along with all awarded contracts, letters of intent or tendered quotations;

4. review all environmental site assessments reports, geotechnical reports and hydrogeology reports, as applicable, and confirm that all recommendations are included within the Project Budget; any major risks / unknowns are to be highlighted.
5. review all design consultant contracts in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets. The commentary should confirm whether are adequate funds left in the cost to complete for the contract administration phase of the project of the design team; and
6. review all sales, legal and marketing agreements in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets and the timing of commission payments with respect thereto.
7. If there are any off site storage items being claimed by the Borrower, the associated documentation should be enclosed, including the Bill of Sale and insurance documents. Please note that for off site amounts in excess of \$50,000 the QS needs to visit the site where the offsite storage materials are being retained.

Other:

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender.
3. **List any outstanding documents that have been requested but not received.** For example, if backup to invoices have been requested but not received, this should be noted.

Appendices required in the Preliminary report:

The following are a list of the Appendices required in the Preliminary report

- (a) Borrower's cost ledger / Borrower's job cost report
- (b) Quantity Surveyor's Capital Cost Summary (CCS)
- (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
- (d) A construction cost report (CCR). [CCR must show Holdback on a trade by trade basis]
- (e) Draft Margin Calculation
- (f) A current project schedule
- (g) Cash flow
- (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
- (i) Borrower's sales report
- (j) Deposit Trust summary
- (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included [Full backup must be made available on request]

- (l) Consultant reports / Consultant Sign off / Municipal sign off (as available / applicable)
- (m) Site Photographs (minimum of 6 photos per Block once framing has commenced)
- (n) Project statistics, showing the GFA on a floor by floor basis
- (o) Project Monitor's Certificate for Payment
- (p) Project Monitor Certificate / Payment certifier's certificate (as available / applicable)
- (q) Statutory Declaration and WSIB / Worksafe statement
- (r) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (s) Building Permits & Development agreements
- (t) Contracts / Backup to costs being reported as committed
- (u) Insurance Certificates
- (v) Legal Survey

PROGRESS DRAW REPORTS PRIOR TO SUBSEQUENT ADVANCES FOR WORK-IN-PLACE:

During construction of the Project the Project Monitor is to prepare monthly progress draw reports inclusive of the following information.

Outstanding documents:

1. Every monthly report should have a list of outstanding documents and / or a list of documents that have been requested but not received. Examples of items we need flagged:
 - a. Statutory Declaration has not been received for the last payment
 - b. Insurance certificates are out of date
 - c. WSIB out of date
 - d. Invoice backup to Borrower's cost ledger requested but not received
 - e. Off site storage agreements are not available or inadequate.
 - f. Any other material items

Site Visit:

1. conduct monthly site inspections prior to every draw request, including photographs and commentary on all work-in-place and the status of the Project;
2. confirm if there are any materials stored off-site and ensure that appropriate bill of sales and off-site material documentation is provided, including a thorough review of the documents to ensure the addresses, the names of the parties and the dollar amounts are correct and in line with contractual arrangements. Please note that for off site amounts in excess of \$50,000 the QS needs to visit the site where the offsite storage materials are being retained and;
3. provide commentary on the status of physical progress on-site and whether it is progressing in accordance with the Project Schedule. Commentary should:
 - (a) Provide an overall summary of the progress on site
 - (b) Outline what has been completed since the last report was issued
 - (c) Compare actual progress to the schedule, noting how progress compares to the critical path. If the schedule is slipping, QS is to clarify how the Borrower & Construction team are addressing this.
 - (d) The report should include a table with clear milestones, and the milestones should be no more than 6 months apart. **Milestone dates not to be changed without prior discussions with KingSett Capital.**
 - (e) Provide an updated progress matrix (sample one will be provided)

Project Budget, Cost-to-Date and Cost-to-Complete:

1. review the Borrower's draw request based on a Project cost report, invoices and aged payables listing, and update and confirm the cost of work completed to date including holdbacks;

2. Further to the above, the QS must do a review of all the hard cost invoices to ensure amounts claimed are in line with progress on site, including all costs tied to general requirements and trade invoices (full backup of hard costs to be made available on request).
3. update the Project Budget and comment on any amendments to the Project Budget based on a review of the latest information and discussions with the Borrower;
4. review and update the Project cash flow projections and advise on any necessary revisions. Cash flow should include a reasonable forecast of the construction hard costs, and all key milestones in the project per the baseline schedule should be shown in the legend;
5. comment on the adequacy of the remaining contingency allowances;
6. review cancelled cheques to confirm that all material costs claimed in the Borrower's last draw request have been paid; and
7. receive and review a standard Statutory Declaration of Progress Payment Distribution and WSIB certificate. The QS should check that the Statutory Declaration has been signed, stamped by the commissioner and is up to date. If the statutory Declaration isn't up to date this should be flagged in the executive summary of the report.

Construction:

1. review and comment on any changes to the scope of the Project or the Project Budget, including without limitation, any revised drawings if applicable;
2. identify and comment on any amendments to the construction budget to reflect approved change orders, requested change orders under review, and the impact of same on contingencies. With regards to contemplated change orders, the Quantity Surveyor should request updates on a monthly basis;
3. review any additional contracts received since the last draw report for completeness of scope, construction budget, and Project Schedule;
4. confirm committed costs identifying awarded contracts, letters of intent and trade quotations and provide an updated summary of major contracts still to be awarded, and a tendering schedule for such remaining un-awarded scopes of work.
5. provide commentary on the relative experience of any new major trade contractors and any requirement for bonding; and
6. review and comment on any additional new change orders over \$100,000, explaining what has caused the increase to the budget.

Loan Calculation/Monthly Draw:

1. prepare a Loan advance calculation outlining work completed to date, work-in-place, holdback amounts, value of change orders, estimate of cost-to-complete, and recommended source of funding breakdown; and
2. reconcile any deposit use with deposits received to date.

Sales and Deposits:

1. review and analyze the Borrower's updated presale and/or deposit schedule and provide comments on any material changes from the last draw report; and

2. where deposits are held in trust, obtain an updated confirmation from the trustee as to the amounts held.

Permits and Approvals:

1. The QS report should note which agreements and permits have been received and, in the case where not all permits are available, identify which permits have been applied for together with the anticipated timing of receipt and the impact on construction progress, if any; and
2. confirm the amounts of any required letters of credit and whether any or all of these are duplicates of Project costs included within the Project Budget.

Insurance: review insurance provided in terms of period of coverage, insured parties, loss payable and the sum insured. If any insurance documents are out of date this should be noted in the Executive summary of the report.

Other:

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender;
3. All Monitoring reports should include the following Appendices:
 - (a) Borrower's cost ledger / Borrower's job cost report
 - (b) Quantity Surveyor's Capital Cost Summary (CCS)
 - (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
 - (d) A construction cost report (CCR)
 - (e) Draft Margin Calculation
 - (f) A current project schedule
 - (g) Cash flow (must be kept up to date)
 - (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
 - (i) Borrower's sales report
 - (j) Deposit Trust summary
 - (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included
 - (l) Consultant reports (including structural, mechanical, electrical, geotechnical reports as available)
 - (m) Site Photographs. Location at which site photos were taken to be clearly identified (minimum of 6 photos per phase once framing has started)

- (n) Project Monitor's Certificate for Payment
- (o) Project Monitor Certificate / Payment Certifier's Certificate (as applicable)
- (p) Statutory Declaration and WSIB / Worksafe statement
- (q) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (r) Building Permits & Development agreements (as they are received)
- (s) Contracts / Backup to costs being reported as committed (as they are received)
- (t) Insurance certificates (when updated / renewed)

SCHEDULE D REPORTING

The Borrower shall provide the Lender with copies of the following regarding the Loan Parties and the Project:

1. any and all insurance policy renewals and/or amendments immediately upon the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
2. ongoing Project information including, but not limited to, strata plan documentation, working and final architects' / engineers' drawings, construction budgets, artist's renderings, and floor plans for the proposed Units;
3. annually or as otherwise requested from time to time by the Lender evidence of the payment of all property taxes, local improvement rates and charges with respect to the Project;
4. within 90 days of the end of each of its fiscal years, or if the Borrower is an individual, each calendar year, or more often if requested by the Lender, the Borrower shall provide to the Lender:
 - (a) notice to reader financial statements of the Borrower and of any corporate Guarantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; and
 - (b) in the case of an individual Borrower or personal Guarantor, net worth statements may be supplied in lieu of financial statements;
5. on a monthly basis, Project sales list updates and all newly executed firm and binding purchase and sale agreements with respect to the sale of Units; and
6. at the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

**SCHEDULE E
NOTICE TO PROPERTY TAX AUTHORITY**

Re: **Borrower:** _____
 Project: _____
 Loan No.: _____

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Mortgage Corporation, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

This approval will remain in full force and effect until the mortgage is paid in full.

Dated this _____ day of _____, 2025.

Registered Owner / Name as it appears on the Tax Bill:

Property Civic Address and Postal Code:

Roll Number:

Customer Number (Toronto Only):

(Please complete in full)

Authorized Signatures(s):	
Name(s):	

**SCHEDULE F
PRE-AUTHORIZED DEBIT ("PAD") FORM**

I/we authorize the Lender or its affiliates and the financial institution designated (or any other financial institution I/we may authorize at any time) to begin deductions as agreed herein for monthly regular recurring payment and/or one-time payments from time to time. Regular monthly interest payments will be debited from my/our specific account on the first business day of each month. The Lender will obtain my/our authorization for any other one-time or irregular debits.

This authority is to remain in effect until the Lender has received written notification from me/us of its change or termination. This change or termination notification must be received by the Lender at least ten business days before the next debit is scheduled at the address provided below.

The Lender may not assign this authorization, whether directly or indirectly, by operation of law, change of control or otherwise, without providing at least ten days prior written notice to me/us.

I/we have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized by the Lender loan agreement(s) or is inconsistent with this PAD agreement.

Borrower Name	
Address	Province
City	Postal Code
Phone #	

FI Name	Institution #
Account #	Transit #
Address	Province
City	Postal Code

Authorized Signature(s)	
Name(s)	

**SCHEDULE G
PROJECT BUDGET**

The total Project Budget has been represented by the Borrower to be \$63,600,000 as set out below:

Uses of Funds	Total
Land Costs	16,693,511
Total Hard Costs	29,347,077
Total Soft Costs	10,854,081
Total Financing Costs	5,128,446
Total Contingency	1,576,885
Total Uses of Funds	\$ 63,600,000

**SCHEDULE H
SALES LIST**

Lot No.	Unit Type	Unit Size (SF)	Gross Sales Price	Less: HST	Minimum Discharge Amount
9	Freeholds	2,520	\$1,449,900	\$145,564	\$1,304,336
8	Freeholds	2,520	\$1,449,900	\$145,564	\$1,304,336
25	POTL	2,350	\$1,441,759	\$144,627	\$1,297,132
10	Freeholds	2,520	\$1,409,900	\$140,962	\$1,268,938
20	POTL	2,425	\$1,409,900	\$140,962	\$1,268,938
30	POTL	2,350	\$1,399,900	\$139,812	\$1,260,088
11	Freeholds	2,520	\$1,449,900	\$145,564	\$1,304,336
14	POTL	2,350	\$1,399,900	\$139,812	\$1,260,088
7	Freeholds	2,520	\$1,409,900	\$140,962	\$1,268,938
13	POTL	2,350	\$1,364,900	\$135,785	\$1,229,115
12	POTL	2,350	\$1,389,900	\$138,661	\$1,251,239
26	POTL	2,350	\$1,364,900	\$135,785	\$1,229,115
6	Freeholds	2,520	\$1,489,900	\$150,165	\$1,339,735
34	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
36	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
37	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
11	POTL	2,350	\$1,399,000	\$139,708	\$1,259,292
33	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
28	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
4	Freeholds	2,520	\$1,503,290	\$151,706	\$1,351,584
27	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
17	POTL	2,425	\$1,399,900	\$139,812	\$1,260,088
35	POTL	2,350	\$1,441,759	\$144,627	\$1,297,132
7	POTL	2,350	\$1,424,900	\$142,688	\$1,282,212
10	POTL	2,350	\$1,389,900	\$138,661	\$1,251,239
32	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
29	POTL	2,350	\$1,369,900	\$136,360	\$1,233,540
6	POTL	2,350	\$1,424,900	\$142,688	\$1,282,212
16	POTL	2,425	\$1,399,900	\$139,812	\$1,260,088
18	POTL	2,425	\$1,399,900	\$139,812	\$1,260,088
15	POTL	2,425	\$1,441,759	\$144,627	\$1,297,132
21	POTL	2,425	\$1,499,900	\$151,316	\$1,348,584
5	POTL	2,350	\$1,424,900	\$142,688	\$1,282,212
38	POTL	2,350	\$1,474,900	\$148,440	\$1,326,460
19	POTL	2,425	\$1,399,900	\$139,812	\$1,260,088
1	POTL	2,350	\$1,505,900	\$152,006	\$1,353,894
8	POTL	2,350	\$1,505,900	\$152,006	\$1,353,894
9	POTL	2,350	\$1,505,900	\$152,006	\$1,353,894
5	Freeholds	2,520	\$1,620,900	\$165,236	\$1,455,664
4	POTL	2,350	\$1,424,900	\$142,688	\$1,282,212
3	POTL	2,350	\$1,424,900	\$142,688	\$1,282,212
3	Freeholds	2,520	\$1,441,759	\$144,627	\$1,297,132
24	POTL	2,350	\$1,441,759	\$144,627	\$1,297,132
31	POTL	2,350	\$1,441,759	\$144,627	\$1,297,132
23	POTL	2,425	\$1,489,900	\$150,165	\$1,339,735
2	POTL	2,350	\$1,464,900	\$147,289	\$1,317,611
22	POTL	2,425	\$1,499,900	\$151,316	\$1,348,584
1	Freeholds	2,520	\$1,441,759	\$144,627	\$1,297,132
2	Freeholds	2,520	\$1,441,759	\$144,627	\$1,297,132
		117,695	\$70,066,465	\$7,020,036	\$63,046,429

SCHEDULE I ESG SURVEY

KingSett Mortgage Investments - ESG Survey – New Low Rise Building

KingSett Capital is committed to integrating best-in-class ESG practices throughout all its investment vehicles. We kindly ask that you complete this questionnaire so that we can track the Environmental, Social and Governance performance of the mortgage investments managed by KingSett Mortgage Corporation.

Date:

Borrower Name:

Property Address:

Completed By:

Please identify any of the following ESG initiatives that apply to your organization and/or the property being financed.

General	Does your organization have an ESG strategy or annual report? If yes, where can we find more information? _____
Environmental Initiatives (please select all that apply to the property being financed)	<input type="checkbox"/> Green building certifications (ex. Passive house, Energy Star, LEED, TGS Tier 2) _____ <input type="checkbox"/> On-site clean or renewable energy generation or storage (ex. solar, geothermal) <input type="checkbox"/> Stormwater management system (in excess of minimum requirements) <input type="checkbox"/> High performance envelope (ex. triple glazing, R-values in excess of code requirements) <input type="checkbox"/> Sustainable Building materials (ex. locally sourced materials) <input type="checkbox"/> Green roof and / or cool roof <input type="checkbox"/> Brownfield site / remediated site <input type="checkbox"/> Close proximity to public transport (within 1km) <input type="checkbox"/> High-efficiency appliances or fixtures (Energy Star) <input type="checkbox"/> Water efficient fixtures <input type="checkbox"/> Drought tolerant and native plants to reduce irrigation demand <input type="checkbox"/> Construction and demolition waste management (ex recycling metals, drywall, cardboard) <input type="checkbox"/> Are carbon offsets purchased to offset embodied or operational carbon? <input type="checkbox"/> Other _____
Social Impact	<input type="checkbox"/> Does the project create or preserve any affordable housing units? Number of units _____ <input type="checkbox"/> Is there any community space (ex. daycare, arts & culture) in the property? Sq. ft. _____ <input type="checkbox"/> Other _____
Governance	<input type="checkbox"/> Is your organization a signatory to PRI? <input type="checkbox"/> Does your organization have an ESG strategy or annual report? <input type="checkbox"/> Does your organization have a code of ethics? <input type="checkbox"/> Does your organization have ESG performance targets (ex. emissions reduction, diversity targets)? <input type="checkbox"/> Does your organization have any responsible hiring or contracting policies in place? <input type="checkbox"/> Other _____

Please tell us about any other ESG initiatives not highlighted above:

**SCHEDULE J
BORROWER HUMAN RIGHTS DECLARATION**

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed thereto in this Commitment Letter.

In consideration of the closing of the above-captioned transaction, the undersigned hereby declares that it is in compliance with the following Human Rights Standards.

	Initials
Freely Chosen Employment: Workers in the Borrower's supply chain are not forced, bonded, indentured, or subjected to involuntary prison labour.	
Child Labour Avoidance: Child labor is not employed anywhere within the Borrower's supply chain. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.	
Health and Safety: The Borrower and its suppliers provide adequate and safe working conditions and comply with applicable health and safety policies and laws.	
Wages and Benefits: Compensation complies with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Employees earn fair wages, as determined by applicable local law.	
Working Hours: Work weeks should not exceed the maximum set by local law.	
Respect in the Workplace: Employees are treated with respect and dignity and work in an environment that is free from unlawful discrimination and harassment.	

I hereby declare that the foregoing particulars are true to the best of my knowledge and belief, as of the _____ day of _____, 2025.

BORROWER:

9089802 Canada Corp.

Per: _____

Per: _____









2025 01 14 - Harris Gate - Commitment Letter (Final)

Final Audit Report

2025-01-15


Created:	2025-01-15
By:	Ankit Pillutla (APillutla@kingsettcapital.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAKjhFDIt6JORewfVXBHn3mhGpu4k_BCKI


"2025 01 14 - Harris Gate - Commitment Letter (Final)" History

-  Document created by Ankit Pillutla (APillutla@kingsettcapital.com)
2025-01-15 - 4:43:02 PM GMT
-  Document emailed to Adam Balaban (abalaban@kingsettcapital.com) for signature
2025-01-15 - 4:43:07 PM GMT
-  Document emailed to Antoni Kajetanowicz (akajetanowicz@kingsettcapital.com) for signature
2025-01-15 - 4:43:08 PM GMT
-  Email viewed by Adam Balaban (abalaban@kingsettcapital.com)
2025-01-15 - 4:43:51 PM GMT
-  Document e-signed by Adam Balaban (abalaban@kingsettcapital.com)
Signature Date: 2025-01-15 - 4:44:27 PM GMT - Time Source: server
-  Email viewed by Antoni Kajetanowicz (akajetanowicz@kingsettcapital.com)
2025-01-15 - 5:02:06 PM GMT
-  Document e-signed by Antoni Kajetanowicz (akajetanowicz@kingsettcapital.com)
Signature Date: 2025-01-15 - 5:02:30 PM GMT - Time Source: server
-  Agreement completed.
2025-01-15 - 5:02:30 PM GMT



Adobe Acrobat Sign

Signature: 
Adam Balaban (Apr 28, 2025 09:54 EDT)
Email: abalaban@kingsettcapital.com

Signature: 
Antoni Kajetanowicz (Apr 28, 2025 10:22 EDT)
Email: akajetanowicz@kingsettcapital.com

**THIS IS EXHIBIT “C” TO THE AFFIDAVIT OF
ABBAS AAMERI OF MARKHAM, ONTARIO,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**



A Commissioner, etc.

Esmaeil Mehrabi



*Quantity Surveyors
Construction Cost Management Consultants
Financial Management Consultants*

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 AND 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
BUDGET REVIEW & PROGRESS DRAW REPORT 1
MARCH 2025**



*Quantity Surveyors
Construction Cost Management Consultants
Financial Management Consultants*

*101 Duncan Mill Road, Suite 220
Toronto, Ontario M3B 1Z3
Tel: (416) 385-0019
Fax: (416) 385-9272*

March 6, 2025

Mr. Adam Balaban
KingSett Mortgage Corporation
Scotia Plaza
40 King St. West, Suite 3700
Toronto, Ontario M5H 3Y2

Dear Mr. Balaban:

**Re: 9089802 Canada Corp.
49-Unit Residential Townhouse Development
“Harris Gate”
40 & 60 Harris Avenue
Richmond Hill, Ontario**

With regards to the subject project, we enclose a copy of our Budget Review and Progress Draw Report 1.

Based on the project documentation received, discussions with the Borrower, and assumptions noted throughout this report, we have calculated an agreed Project Budget of \$64,140,725. This budget is subject to ongoing revisions, should certain assumptions not materialize or if expected quotations or trade pricing is not achieved by the Borrower. The budget contains \$1,552,000 in hard and soft cost contingencies.

The Borrower has reported a gross cost to date of \$33,870,503. After deduction for net Statutory Holdback of \$0, the net costs incurred to date total \$33,870,503. Based on our DRAFT Margin Calculation, we have calculated a recommended total advance of \$18,756,032 to be funded from the Loan Facility. The proposed advance is subject to the lender's review and approval. The estimated cost to complete totals \$30,270,222. This includes net Holdback in the amount of \$0 and a total contingency in the amount of \$1,552,000.

We refer the Lender to Section I of this report, which contains Important Notes requiring the Lender's attention.

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**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO**

Should you require anything further, please contact the undersigned directly.

Yours truly,

O'KEEFE AND ASSOCIATES LIMITED

A handwritten signature in black ink, appearing to be 'D. O'Keefe', written over a horizontal line.

David O'Keefe, MRICS, PQS, PLE
President

c.c.: Mr. Antoni Kajetanowicz, KingSett. (pdf copy only)
Ms. Parisima Fotouhi, 9089802 Canada Corp/Metropole Group (pdf copy only)
Mr. Doug Betts, Ballantry Homes (pdf copy only)

DOK/sf

The Client (Kingsett Mortgage Corporation) has the right to use this document for its intended purposes only. The copyright and ownership of these instruments of service remains with the O'Keefe and Associates Limited and may not be used for any other project, or sold, or offered for sale (as part of a sale of property) by the Client or borrower, unless the O'Keefe and Associates has given written consent accordingly. O'Keefe and Associates Limited does not hold any reporting obligations or responsibility to any other party other than the client.

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**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1**

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**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1**

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**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1**

EXECUTIVE SUMMARY

9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1

I EXECUTIVE SUMMARY

We have reviewed the KingSett First Mortgage Construction Financing Agreement dated January 7, 2025 (executed by Lender only). Please find herein the requirements that O’Keefe and Associates Ltd. are required to address per Schedule C of the Lender’s Financing Agreement.

The following is the DRAFT Margin Calculation as it relates to the borrower’s accounting reporting period from 2016 – December 31, 2024.

SOURCE AND USE OF FUNDS	Total	PRIMARY MARGIN		SECONDARY MARGIN	
		Cost To Date	33,870,503	Loan Amount	46,500,000
LOAN FACILITY 1	46,500,000	Less Equity	(7,455,000)	Less Cost To Complete	(30,270,222)
BORROWER'S EQUITY AND CASH	7,455,000	Less Purchasers' Deposits	(7,118,746)	Less Holdback	0
PURCHASER DEPOSITS	7,145,000	Less Net Holdback Retained	0	Add Equity	
DEFERRED COSTS	1,900,000			Add Purchaser Deposits	26,254
DEFERRED GUARANTEE FEE	600,000			Add Deferred Costs	2,500,000
TOTAL SOURCE OF FUNDS	63,600,000	Loan Ceiling	19,296,757	Loan Ceiling	18,756,032
PROJECT BUDGET	64,140,725	Less: Previously Advanced		Less: Previously Advanced	0
		Less: Previous Interest		Less: Previous Interest	0
FINANCING SURPLUS \ (SHORTFALL)	(540,725)	Current Advance	19,296,757	Current Advance	18,756,032
	Total	Current	Previous	Total	Cost To
Financing Program	Budget	Advance	Advance	Advance	Complete
LOAN FACILITY 1	46,500,000	18,756,032	0	18,756,032	27,743,968
BORROWER'S EQUITY AND CASH	7,455,000	7,455,000		7,455,000	
PURCHASER DEPOSITS	7,145,000	7,118,746		7,118,746	26,254
DEFERRED COSTS	1,900,000	0		0	1,900,000
DEFERRED GUARANTEE FEE	600,000	0			600,000
Total	63,600,000	33,329,778	0	33,329,778	30,270,222

Draw 1 Source and Use of Funds

Use of Funds	
Payout of LBC Loan	13,800,000.00
KS balance of commitment Fees	531,250.00
Accrual for LC Fees	127,680.00
Ballantry Fee	400,000.00
Development Charges	5,232,372.00
Cash in Lieu of Parkland	690,000.00
Accounts Payable	406,146.00
Total Use of Funds	21,187,448.00
KS Loan Advance #1	18,756,032.44
Finance Shortfall	(2,431,415.56)

We request directions from the Lender in writing how the financing shortfall will be dealt with.

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**9089802 CANADA CORP.
 49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
 "HARRIS GATE"
 40 & 60 HARRIS AVENUE
 RICHMOND HILL, ONTARIO
 BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1**

I EXECUTIVE SUMMARY

PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

Project Description

The Project Monitor is to prepare a preliminary report inclusive of the following information:

Project Description:

1. The Preliminary report should include a brief description of the project. The description should outline major points such as:

(a) Overall GFA of the proposed project: *The overall Gross Floor Area of the project is 117,770 sq. ft.*

(b) Whether the project consists of purpose-built rental units or for sale housing units: *The Project consists of 49 townhouse units for sale.*

(c) The number of houses / townhomes etc. being built; and if there are several blocks each should be summarized.

Block One		8 Freehold Townhouses	Approx. 20,160
Block Two		3 Freehold Townhouses	Approx. 7,560
Block Three	Firebreak Block	8 Common Element Condominium Townhouses	Approx. 18,800
Block Four		6 Common Element Condominium Townhouses	Approx. 14,100
Block Five	Firebreak Block	6 Common Element Condominium Townhouses	Approx. 14,550
Block Six		4 Common Element Condominium Townhouses	Approx. 9,700
Block Seven		6 Common Element Condominium Townhouses	Approx. 14,100
Block Eight	Firebreak Block	8 Common Element Condominium Townhouses	Approx. 18,800

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**9089802 CANADA CORP.
 49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
 "HARRIS GATE"
 40 & 60 HARRIS AVENUE
 RICHMOND HILL, ONTARIO
 BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1**

I EXECUTIVE SUMMARY

PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

(d) If there are multiple phases - the number of phases included in the project, with a brief description of each phase: *The project is to be completed in one phase.*

(e) The type of construction, with a brief description of:

Foundation	Concrete footings and foundations
Structure	Timber framing
Envelope	Brick, stucco and vinyl with punch windows
Roofing	Flat roof, prefinished metal panels
Walls	Wood Studs and Drywall and relevant finishes
Flooring	40 oz. Broadloom in all bedrooms, oak hardwood in main and second floor halls, kitchen & dining room, ceramic or porcelain tiles in bathroom, front foyer and laundry room
Countertops	Granite in kitchen and bathrooms
Appliances	4-piece stainless steel package, front load washer & dryer
Basement	Unfinished basement
Services	Energy star quality forced air high-efficiency furnace, 200amp circuit breaker type panel, smart home features, provisions for future car charging station
Landscaping	Plants, shrubs and grass
Deferred Scope	None outside of deferred costs identified in the source of funds

Budget & Schedule Commentary:

1. Quantity Surveyor to review the drawing packages included and comment on whether or not the drawings are adequate for pricing. Commentary should clarify where the drawings are approximately at.

We have reviewed the following drawings:

Type	Date (Latest Revision)	Issued for
Architectural	January 1, 2023	Permit
Structural	December 20, 2022	Permit
HVAC	March, 2023	
Landscape	May 31, 2021	
Grading & Servicing	January 14, 2022	Final Approval
Composite Utilities	April 30, 2021	

We have requested but have not yet received the final approved issued for permit drawings. We will report further on receipt.

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**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
BUDGET REVIEW AND PROGRESS DRAW REPORT NO. 1**

I EXECUTIVE SUMMARY

PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

Based on the drawings received and reviewed by our office at the writing of this report, the budget appears to be adequate to complete the project. We note that we have requested but not yet received updated and final permit drawings. Drawings will be made available to the Lender upon request.

2. We have reviewed and discussed in detail with the Borrower the proposed Project Budget as revised, which has yet to be approved by the Lender. The current proposed project budget is \$64,140,725.

The review of the soft costs should confirm:

(a) Comment on the allowance for the Development Management fee and whether it is reasonable. *The Development Management Fee of \$1,176,000 is approximately 2% of the project budget, which is based on the agreement between the owner and Ballantry Homes. This is a reasonable fee within current industry standards.*

(b) Review the development charges, building permits allowances and levies and confirm they are in line with the local city charges. *We have received a copy of the revised invoices from the City dated February 11, 2025, indicating that the remaining Development Charges of \$5,232,372, Parkland Dedication of \$690,000 and Bulk Meter Charge of \$21,717 are payable on Blocks 1, 3-8. We understand per the Borrower that Block 2 has been paid in full. We note that the fees noted here are firm until June 30, 2025 as noted on the City's invoices.*

3. Review all material cost-items, contracts and change orders with trades; the review must include commentary with regards to the documentation included in the major trade contracts and any exclusions / qualifications. Requirements are further outlined in the section on Contracts below. *Please refer to Appendix U where we have provided a breakdown of contracts in place and particulars pertaining to the said contracts. We note that the contracts in place encompass the 49 units which make up the subject project.*

4. Request / confirm quantum of any contemplated trade contract change orders or extras not yet approved with the Borrower and / or Construction Manager. *We will request any change orders approved or contemplated changes orders and will provide comment should they arise.*

5. Confirm all funding sources including without limitation, equity, purchaser deposits, deferrals, mezzanine financing and construction loan, as applicable.

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Sources of Funds:

Equity	\$ 7,455,000	We have confirmed that the Borrower has injected the minimum required equity into the project through review of project costs incurred and paid by the Borrower. We understand that this amount is to remain invested in the project through to completion of the project
Deferred Guarantee Fee	600,000	We understand that of the \$1,000,000 guarantee fee \$600,000 is to be deferred until project completion, the remaining \$400,000 is to be paid upfront and has been included in Draw 1 cost to date
Deferred Costs	1,900,000	Please refer to the chart below outlining the deferred costs
Purchasers' Deposits	7,145,000	The Borrower has reported \$7,145,000 in deposits received and used to pay budget related costs.
KingSett 1 st Mortgage	46,500,000	As per the Construction Financing Agreement
Total Source of Funds	\$ 63,600,000	

Deferred Costs

Commissions	\$ 1,105,950	50% of the budgeted amount is due to be paid on closing of units
Legals on Closing	61,250	Due to be paid on closing of units
After Sales Service	98,000	50% of budgeted amount
Landscaping (includes top course asphalt)	634,800	Includes \$209,851 for top course asphalt in the GND contracts (servicing) and \$424,949 from landscaping (Division 2).
Total Deferred Costs	\$ 1,900,000	

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6. Confirm that Minimum Project Equity has been injected into the Project on the agreed-upon land valuation contained in the Commitment Letter and costs incurred to date. *Per the Lender's Commitment Agreement, the minimum project equity requirement is \$7,455,000. We have verified \$5,564,309 of the required equity contribution. The remaining \$1,890,691 will be verified prior to the Lender's initial funding. **This does not include the current reported \$540,725 financing shortfall.** We await the Lender's direction on the manner in which the shortfall shall be addressed.*

7. Confirm that the Borrower has continually maintained the Minimum Project Equity at all times. *We understand that the Borrower's equity must remain in the project through to completion. We will track accounting records on a draw-to-draw basis for verification.*

8. Confirm the adequacy of the interest expense carried in the Project Budget including, without limitation, the preparation of independent Project cash flows. *Based on the Builder's construction schedule and closing dates, and based on the project cash flow the interest budget appears to be adequate. Please refer to the cash flow appended to this report for further details.*

9. Confirm the adequacy of the contingency allowances carried in terms of construction risk and other soft costs.

Contingency	Amount	% of Budget (less contingency)	Percentage of Cost to Complete (less contingency)
Hard Cost Contingency	\$ 957,000	4.40%	4.40%
Soft Cost Contingency	595,000	3.46%	15.46%
Total Contingency	\$ 1,552,000	2.48%	5.40%

The overall contingency appears to be adequate to complete the project based on the projected schedule and contracts and tender results currently in place. We will continue to monitor and comment on the adequacy of the contingency through to completion of the project.

10. Confirm the costs incurred to date through a review of all invoices, the Borrower's trial balance, aged payables listing, cancelled cheques, etc. (backup to costs to be made available on request). *We have reviewed the Borrower's accounting in detail and have reviewed all Payment Certificates for Servicing Costs. We have requested and received major invoices and bank statements, however due to the bulk of the task and costs dating back to 2016 to current, we have relied on the borrower's accounting records to substantiate major financing and interest expenses incurred.*

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11. Confirm applicable development charges and levies relating to the Project including, without limitation, parkland deduction, regional and municipal, education, Section 37 and any other applicable municipal fees. *We have received copies of invoices, dated February 11, 2025, provided by the city indicating that the following are payable to the city and have verified that the costs are included in the budget. We note that the fees as outlined in the following chart are current and are firm until June 30, 2025. Further, we understand that, per the Borrower, all fees for Block 2 have been paid in full.*

	D.C. City	D.C. Education	D.C. Region	Green Bins	G.B. HST	Temp Water	Water Meter	Parkland	Total	# of Units	
Blk 1	316,160.00	65,472.00	161,856.00	376.00	48.88	1,096.00	5,208.00	120,000.00	670,216.88	8	Freehold
Blk 2										3	Freehold
Blk 3	316,160.00	65,472.00	597,992.00	376.00	48.88	1,096.00		120,000.00	1,101,144.88	8	Common Element Condo
Blk 4	237,120.00	49,104.00	448,494.00	282.00	36.66	822.00		90,000.00	825,858.66	6	Common Element Condo
Blk 5	237,120.00	49,104.00	448,494.00	282.00	36.66	822.00		90,000.00	825,858.66	6	Common Element Condo
Blk 6	158,080.00	32,736.00	298,996.00	188.00	24.44	548.00		60,000.00	550,572.44	4	Common Element Condo
Blk 7	237,120.00	49,104.00	448,494.00	282.00	36.66	822.00		90,000.00	825,858.66	6	Common Element Condo
Blk 8	316,160.00	65,472.00	597,992.00	376.00	48.88	1,096.00		120,000.00	1,101,144.88	8	Common Element Condo
Total	1,817,920.00	376,464.00	3,002,318.00	2,162.00	281.06	6,302.00	5,208.00	690,000.00	5,900,655.06	49	
Bulk Meter Charge							21,717.20		21,717.20		

We note that the Development Charges paid for Block 2 is net of the DCs for the two houses that previously occupied the subject site.

12. Confirm the expected timing of payments and prepare a cash flow. *A cash flow based on the Borrower’s proposed construction and closing schedule has been prepared and appended to this report for your reference.*

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13. Provide commentary on relative experience of major trade contractors and the construction manager, and any requirement for bonding. Commentary should briefly comment on the trade's capacity to complete low-rise projects of this scale and confirm whether they are arm's length / non arm's length. *Due to the size and nature of the subject project as low-rise, and as is standard in the industry for low-rise projects, the Borrower has advised that bonding will not be requested from the trades. The trades contracted to complete the project have been in business for many years and are more than capable of completing the project.*

Please Note: Our comments on this issue are related to our experience in the contractors' ability to complete the work on a performance basis only and not a financial basis. We recommend the Lender complete its own review of the contractors' financial ability to complete the work if it is deemed necessary.

Please refer to Appendix U where we have provided a breakdown of contracts in place and particulars pertaining to the said contracts.

14. Review the Project construction time schedule (the "**Project Schedule**") to confirm overall reasonableness. The commentary must confirm whether the schedule is suitably detailed with all key activities listed and has a clear critical path that the Quantity Surveyor can track. Key milestones to be summarized and incorporated in the report.

15. Review allowance for appropriate HST and whether this is to be funded by the Lender or the Borrower and, where the Project includes residential rental units, validate the amount of self-assessed HST included in the Project Budget.

16. Confirm the approach being taken with regard to Holdback. If the Borrower is not taking a 10% Holdback in line with the requirements of the lien act this must be noted in the report and discussed with the KingSett team.

In Ontario, Statutory Holdback of 10% of the completed work is required to be retained. Under the current form of contract administration, each Trade Contractor will contract directly with the borrowing company. In this form of administration, holdback is retained only on the trade contracts and not labour, supply only items or rentals. Please note, while 10% holdback will be retained on the trade construction contracts, holdback is not anticipated to be retained on any architects / engineering consultants' fees notwithstanding these professionals have lien rights. We request that Lender advise if it requires holdback on these items.

17. If the project includes any deferred items, these must be noted in the report. *We are unaware of any deferred items included in the budget that have not been identified as a source of funds.*

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Management Contract & Trade contracts:

1. Confirm whether the project is being self-performed with the Borrower acting as the Construction manager; or whether a 3rd party Construction manager is being hired. *We understand that a Management Contract is to be utilized in the project. We have requested but did not receive this contract.*

2. Confirm the Borrower's approach to procurement, clarifying whether the Borrower has a standard form of contract that they use with trades, inclusive of a detailed scope of work; or whether post award trade work proceeds on the basis of quotes received (without a contract being in place).

The Borrower has implemented a standard form of contract that they use with trades. The contract itemizes the scope of work and the contractual price to complete the said scope of work. It is our understanding that all trades have or will be contracted.

3. Review the development management agreement to confirm the requirements and any other material agreements against the Project Budget. *We have not received a Development Management Agreement.*

4. Review the budget as follows:

(a) All costs reported as committed should be reviewed in terms of reasonableness, conformity to the latest design documents, Project Schedule and for front end loading.

(b) Confirmation of committed costs identifying contracts, awards, letters of intent and trade quotations together with a summary of major contracts still to be awarded and tendering schedule for all un-awarded scopes of work. The commentary must also advise of the approximate timeline to turn the Letters of Intent into firm contracts.

Contracted costs total \$14,594,667 or 73% of the hard cost budget (Divisions 2-16). We understand that the Borrower has received additional tender results/quotes which will be converted to contracts. For a line-by-line detail of the uncommitted costs please refer to our Capital Cost Summary in Section III of this report.

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(c) Time sensitive LOIs / Quotes / Contracts should be identified. For example, if a quote is received for Lumber supply which is contingent on work commencing by certain dates, this should be noted.

We have not reviewed any time sensitive LOIs, Quotes or Contracts.

(d) Any quotes / contracts / LOIs that do not cover the entire scope should be identified. For example, if there are 30 Blocks, and the lumber supply quote only covers the first 10 Blocks, this should be noted.

Contracts received to date apply to the 49 units in the subject property.

(e) For all costs noted as being uncommitted, an estimate should be completed (QS to confirm the reasonableness of the budget amounts). Uncommitted costs total \$5,337,892, **MAJOR** budget items are noted below.

Trade	Budgeted (\$)	Comment
Steel Beams	105,840	Reasonable allowance based on similar sized projects
Exterior Frosted Glass Railings	366,973	Based on final tender results, formal contract not completed at writing of this report
Stairs	424,260	Reasonable allowance based on similar sized projects
Finish Carpentry	471,781	Reasonable allowance based on similar sized projects
Balcony Decking	265,059	Reasonable allowance based on similar sized projects
Siding Soffits & Fascia	662,239	Based on final tender results, formal contract not completed at writing of this report
Stucco	282,240	Based on final tender results, formal contract not completed at writing of this report
Windows and Doors	610,585	Based on final tender results, formal contract not completed at writing of this report
Painting	307,819	Reasonable allowance based on similar sized projects
Carpet	134,852	Based on final tender results, formal contract not completed at writing of this report
Landscaping	585,000	Landscaping to be committed in Spring 2026
Driveway Paving & Curbs	266,805	Driveways to be committed in Spring 2026

The above chart relates to major uncommitted costs and does not include all the minor uncommitted costs.

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Management Contract & Trade contracts:

(f) All information reviewed, including Bid Levelling, must be made available to the Lender upon request.

5. The following includes the current committed costs- please note that we have not provided the drawings column as the drawings are not referenced in the contracts received by our office.

Trade	Sub-Contractor/Supplier	Status	Amount (\$)
Excavation & Backfill	Gabriel Excavating	Executed contract - Nov 7, 2023, amendment (July 18, 2024) prices effective until Dec 31, 2024	146,510
Foundations	Formcrete	Executed Contract - Nov 6, 2023, amendment (July 16, 2024) prices effective until April 30, 2025	1,002,166
Concrete & Drain	Dranco	Executed contract - (Nov 6, 2023) - expires April 30, 2024- Amendment – July 16, 2024 – prices effective until April 30, 2025	576,661
Masonry	Precision Contracting	Out for signature with trade	1,731,300
Rough Carpentry	TRS (Install)	Executed contract - dated July 27, 2023 - notes prices are effective without increase until completion of project	1,884,992
Lumber Supply	TRS (Supply)	Executed contract - dated July 28, 2023 - notes prices are effective without increase until completion of project	2,486,352
Cabinets	Raywal	Executed contract - dated Nov 14, 2023 - prices effective until Sept 30, 2024	424,491
Sand & Screw	DJ Reno	Executed contract - Sept 13, 2023 - notes pricing to remain without increase until project completion	17,762
Interior Stair & Railing	Ideal	Executed contract - Nov 7, 2023 - Amendment dated July 17, 2024 - Prices to remain until April 30, 2025	230,076

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Trade	Sub-Contractor/Supplier	Status	Amount (\$)
Roofing	Dominion	Executed contract - Nov 7, 2023 - prices expired April 30, 2024 -Amendment – July 17, 2024 – Effective until April 30, 2025	887,782
Caulking	Sealtight	Executed contract - Oct 11, 2023 - prices to remain until completion of project – Amendment – May 27, 2024	53,071
Garage Doors	Barmac	Executed contract -Barmac Garage Doors-May 15, 2024 - pricing to remain in effect until April 30, 2025	62,525
Basement Windows	Base Windows	Executed contract – June 7, 2023 - Amendment dated July 16, 2024 - contract to remain until Dec 31, 2024	17,444
Drywall & Insulation	Nelmar Drywall	Executed contract - July 27, 2023 - prices expire April 30, 2024 – Amendment – May 15, 2024 – effective to April 30, 2025	1,835,589
Wood Flooring	Markham Flooring	Executed Contract - July 20, 2023 - prices expire April 30, 2024 – Amendment – July 24, 2024 - Effective to April 30, 2025	362,092
Ceramics	Rockford Tile	Executed contract - Dec 21, 2023 - Prices expire Dec 31, 2024	459,085
Stone Counters	Maple Terrazzo Marble & Tile (aka Stoneworx Inc.)	Executed contract – July 12, 2023 – expires April 30, 2024	206,733
Mirrors	J.J Home Products	Executed Contract, March 14, 2024 – expires Dec 31, 2024 – Amendment, March 14, 2024 – expires Dec 31, 2024	81,874
Appliances	Coast	Executed Contract - July 31, 2023 - Firm to Dec 2025 supply	249,151
HVAC	EM Air	Executed Contract - July 25, 2024 - prices expire May 1, 2025	781,214
Plumbing	Vitullo	Executed Contract - July 27, 2023 - amendment dated July 17, 2024 - prices effective until April 30, 2025	496,911
Duct Cleaning	On-Site Cleaning	Executed contract - Aug 21, 2024 - expires Dec 31, 2024	6,125
Pre-wire	GTA Cabling Solutions Inc.	Executed contract – Sept 11, 2023 – Effective to completion of project	38,220
Electrical	Practical	Executed Contract - May 30, 2024 - Expires Sept 1, 2024	547,820
Final Clean	1883701 Canada Inc.	Executed Contract – July 25, 2024 – Expires Dec31, 2024	46,173

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Presales:

1. We understand that the Borrower is required to have a minimum of 41 qualified arms-length pre-sales with an aggregate gross purchase price of \$58,532,390 with contracted and received deposits of not less than 12% per Unit. *We have reviewed purchase & sale agreements for 41 pre-sold units with an aggregate gross purchase price of \$58,532,390, the contracted deposits on a per unit basis exceeds the Lender's minimum required amount of 12% of the gross purchase price. We have generated a sales report based on our review of the Purchase & Sale Agreements which we have included in the Appendix of this report.*

Number of Sales	Aggregate Gross P.P.	Contracted Deposits	% of deposits	Deposits Rec'd
41	\$58,532,390	\$7,115,000	14%	\$7,118,747

3. Review contracted deposits and the Borrower's ledger of deposits to confirm deposits as a source of funds have been met. *Through review of the Borrower's ledger we have confirmed that the deposit required as a source of funds has been met and utilized for costs captured in the project budget.*

4. We have received mortgage pre-approvals for 35 of the qualified presales. We will comment further on the receipt or the remaining 6 sold unit mortgage approvals.

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Permits and Approvals: Provide a list of **all** the permits and approvals required for the project, as well as the expected timing of receipt of the approvals and permits. Review all of the development agreements, site plan agreement, subdivision agreement, building permits, and other municipal / regional agreements and, in the case where not all permits are available, identify which permits have been received and any that have been applied for and anticipated timing of receipt.

- **Zoning** ~ The Corporation of the City of Richmond Hill has passed By-Law 127-20 zoning the subject property as Multiple Residence One (RM1) on November 11, 2020.
- **Plan of Subdivision** ~ We have received a copy of the registered site plan prepared by ERTL-HUNT Surveyors, dated May 13, 2022. The Plan was entered into the Land Registry on February 15, 2023, Plan 65M-4772.
- **Site Plan Agreement** ~ We have received a copy of the Site Plan Agreement between The Corporation of the City of Richmond Hill, 9089802 Canada Corp. and The Regional Municipality of York (executed by 9089802 Canada Corp only), dated March 29, 2023. The agreement indicates that upon execution of the agreement payment of \$186,174.49 plus tax of \$24,187.44 for a total of \$210,361.93 is required in addition to the following securities/letters of credit in the total amount of \$689,756.15
 - Site Works \$443,466.15
 - Landscaping \$200,690.00
 - Fire Break \$15,000.00
 - Transportation Demand Management \$30,600.00
- **Building Permits** ~ Building Permits have not yet been acquired. We have accrued for the Development Charges and Cash in Lieu of Parkland in the current draw. Once payment has been received by the Region and the City, building permits will be available and anticipated to be in hand approximately 30 days post payment. We will comment further upon receipt of the building permits.
- **Site Plan.** We have received a copy of the Site Plan prepared by Ahad Rahnamael Architect last updated November 1, 2022. The plan shows the property boundaries, locations of easements, setbacks and location of proposed improvements to the project lands.
- **Servicing Agreement.** We have received a copy of the Servicing Agreement between Metropole Developments Inc. and The Corporation of the City of Richmond Hill. The Agreement indicates that cash payments due at execution of the agreement include:

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Cash Payments @ Execution	Amount (\$)	HST	Total
Engineering Service Arrangement Fee	2,817	366.21	3,183.21
Engineering Review Fees	92,103.65	11,973.47	104,077.12
Parks Admin & Inspect Fee	3,765.04	489.46	4,254.50
Inspection Fees	63,415.63	8,244.03	71,659.66
Legal Administration Fees	7,145	928.82	8,073.85
Total	169,246.32	22,001.99	191,248.34
Securities			
100% of external services	1,509,896		
Parks L/C	29,865		
Total	1,539,761		
City Contribution	790,277.98		

- Development Charges Agreement.** We have reviewed a copy of the Development Charges Agreement dated December 5, 2022, between The Regional Municipality of York and 9089802 Canada Corp. The agreement states that the Owner is required to pay to the Region the Hard Services component of the Residential Development Charges as a requirement of approval of the Final Plan of Subdivision. The amount of \$319,235 was required at execution of the agreement. The payment relates to Blocks 1 and 2 only, which are the freehold townhouse units. We have verified that these costs have been paid to the Regional Municipality of York.

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Letters of Credit: confirm the amounts of any required letters of credit and whether any or all of the letters of credit are duplicates of Project costs included within the Project Budget.

Posted By	To	Amount	Comment
Laurentian Bank	The Corporation of the Town of Richmond Hill	\$529,865	To guarantee the performance of site alteration – original amt was \$1,539,761 reduced by \$569,807.20 on Aug. 4/22, reduced by \$440,880.8 on Jan 2/24
Laurentian Bank	Alectra Utilities Corporation	\$25,916.86	
Laurentian Bank	Alectra Utilities Corporation	\$77,465.24	
Laurentian Bank	The Corporation of the Town of Richmond Hill	\$50,000	
Laurentian Bank	Tarion Warranty Corporation	\$735,000	
Certified Cheque	City of Richmond Hill	\$0.00	Pre-grading \$100,000– Has been returned per Borrower
Certified Cheque	City of Richmond Hill	\$0.00	Tree-Replacement \$40,000 – Has been returned per Borrower
Certified Cheque	City of Richmond Hill	\$689,756.15	Securities required per the Site Plan Agreement (Site Works, Landscaping, Fire Break L/C, Transportation Demand Management) – Included in the project budget
Certified Cheque	York Region	\$20,000	Security Deposit – Harris Ave Reconstruction
Total		\$2,128,003.25	

Insurance: Review the insurance provided in terms of period coverage, insured parties, loss payable and the sum insured. *We have not received the Certificate of Insurance; we understand that the Insurance Binders have been forwarded directly to the Lender.*

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Other Conditions:

1. We have reviewed the KingSett First Mortgage Construction Financing Agreement dated January 7, 2025 (unexecuted copy). It is our understanding that there are no further loan agreements or commitment letters relating to the financing of this project.

2. Confirm the purchase price for the lands upon which the Project is to be constructed by reviewing the purchase and sale agreement and supporting documents.

Acquisition of 40A Harris Avenue	\$ 1,900,000	Review of Purchase & Sale Agreement dated June 20, 2013. Buyer: Abbas Amari in Trust. Confirms purchase price
Acquisition of 40B Harris Avenue	\$ 2,600,000	Review of Purchase & Sale Agreement dated June 20, 2013. Buyer: Abbas Amari in Trust. Confirms purchase price
Acquisition of 60 Harris Avenue	\$ 2,335,000	Review of Purchase & Sale Agreement dated August 9, 2013. Buyer: Abbas Amari in Trust. Confirms purchase price
Land Costs (Historical)	\$ 9,615,823	Please refer to chart below. These costs have been verified through review of the Borrower's General Ledger and Balance Sheet
Land Transfer Tax	\$ 190,642	Confirmed as portion of land price in General Ledger
Property Taxes	\$ 58,800	
Total	\$ 16,700,265	

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Other Conditions:

The historical costs of \$9,615,823 consist of the following:

Consultants	\$ 1,269,615
Loan Fee Laurentian/Vector	\$ 586,062
Mtg broker fee Laurentian/Vector	\$ 259,719
Legal fees	\$ 221,574
Mortgage Interest	\$ 4,513,748
Servicing interest	\$ 1,026,762
Advance fees	\$ 9,515
LC fees	\$ 96,351
Realty taxes	\$ 148,740
Insurance	\$ 50,402
Development Management fee	\$ 1,243,778
Accountant	\$ 43,952
Admin Expenses	\$ 145,605
Costs allocated to Land	\$ 9,615,823

3. Review all available architectural and engineering plans and specifications for conformity with the Project Budget, along with all awarded contracts, letters of intent or tendered quotations. *As previously noted, we have received drawings for permit only. We will comment further as the final permits drawings are received by our office.*

4. Phase I Environmental Site Assessment. We have received a copy of the Phase I ESA prepared by GeoPro Consulting Limited, dated March 15, 2021. Findings of the report indicate that the potential environmental contamination is low, and that no further environmental assessment is required. We have appended a copy of the investigation to this report for your reference.

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49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
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PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

Geotechnical Investigation. We have received the following soils investigation reports:

- GeoPro Consulting Limited, dated February 23, 2018
- GeoPro Consulting Limited, dated April 4, 2018

The report indicates that the foundations for the proposed residential houses may be founded on conventional shallow spread and/or continuous strip footings bearing in the native undisturbed competent sand, fine sand, fine sandy silt, sandy silt, silt, sandy silt till below the fill materials. SLS (kPa) of 150 was found at 3.5-4.8m below existing ground level.

- Test Pit Inspection – Soil Engineers Ltd, dated May 6, 2021.

Soil Eng. was contracted to determine suitable depths for the footings for the proposed 8 townhouse blocks. Nineteen (19) test pits were dug down to sound native soils. Results were presented on a block-by-block basis. We have attached a copy of the report in the appendix for your reference.

Hydrogeological Investigation. We have reviewed a copy of the Hydrogeological Investigation prepared by GeoPro Consulting Limited, dated February 23, 2018. The report indicates that based on the design parameters it is anticipated that the general excavation for building foundations and underground services will be about 4 mBGS, which is above the water levels measured on the site.

We have not identified any unusual or elements of risk within the reports. The budgets are in accordance with the recommendations outlined in the reports.

5. Review all design consultant contracts in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets. The commentary should confirm whether there are adequate funds left in the cost to complete for the contract administration phase of the project of the design team. *We have not received design and/or consultant contracts. As advised by the Borrower the contracts are outdated. However, the budget appears adequate to complete the project as the bulk of the required studies and consultancy work has been completed and paid.*

6. Review all sales, legal and marketing agreements in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets and the timing of commission payments with respect thereto. *We have received agreements regarding the original listing agreement and various co-broker sales agreements. Copies of the agreements will be forwarded under separate cover to the lender. All major marketing and brochures costs have been incurred. The borrower advised that minimum marketing expenses will be incurred to sell the remaining 8 units.*

7. We understand that If there are any off-site storage items being claimed by the Borrower, the associated documentation should be enclosed, including the Bill of Sale and insurance documents. We will attend the location of the off-site materials in the event that these are in excess of \$50,000.

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I EXECUTIVE SUMMARY

PRELIMINARY REPORT PRIOR TO INITIAL FUNDING:

Other:

1. Identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule.
2. Provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender.
3. **List any outstanding documents that have been requested but not received.** For example, if backup to invoices have been requested but not received, this should be noted.
 - Updated final issued for permit construction drawings
 - Invoices (all servicing invoices have been received and reviewed, as well as major soft cost invoices)

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I EXECUTIVE SUMMARY

Project Budget and Source and Use of Funds

Project Budget

We have calculated a reporting budget of \$64,140,725. We understand the Source and Use of Funds to be as follows:

Source and Use of Funds	Original Amount
KingSett Facility	\$ 46,500,000
Borrower's Equity	7,455,000
Purchasers' Deposits	7,145,000
Deferred Costs	1,900,000
Deferred Guarantee Fee	600,000
Total Source of Funds	\$ 63,600,000
Total Project Budget	\$ 64,140,725
Financing Surplus/Shortfall	\$ (540,725)

KingSett Loan Facility

To finance land, hard and soft construction costs of 49 residential units (11 Freehold & 39 Townhomes) Project located at 40 & 60 Harris Gate Avenue, Richmond Hill, Ontario.

Borrower's Equity

We understand that the Borrower's required equity contribution of \$7,455,000 is based on a land value and cash equity. We have verified \$5,564,309 of the required equity contribution. The remaining \$1,890,691 will be verified prior to the Lender's initial funding. *This does not include the current reported \$540,725 financing shortfall.* We await the Lender's direction on the manner in which the shortfall shall be addressed.

Purchasers' Deposits

Purchaser Deposits of \$7,145,000 is required per the Lender's Source and Use of Funds. At the time of writing this report we have verified 41 presales with contracted deposits of \$7,115,000 of which \$7,118,746 has been received (as reported by the Borrower).

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PROJECT MONITOR’S CERTIFICATE

FORM A – PROJECT MONITOR’S CERTIFICATE

TO: KingSett Capital	BORROWER: 9089802 Canada Corp
ADVANCE NO: 1	PROJECT: “Harris Gate”
CERTIFICATE DATE: March 6, 2025	COMPLETION DATE: September 2026

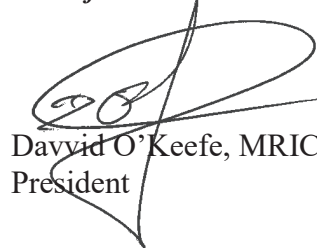
Based on my/our professional experience and qualifications and after making such reasonable enquiries as I/We have deemed necessary in the circumstances, I/We hereby certify to the Bank as follows:

- I/We have periodically reviewed construction since the commencement of construction and last visited the project on January 13, 2025.
- In my/our opinion, as of the date hereof, the figures set forth below accurately reflect the Project costs or work completed on the Project and the costs of the remaining work required completing the Project in accordance with the plans and specification. A report setting out in greater detail those elements comprising the figures set out below is attached hereto and forms part of this Certificate.

a.	Project costs of work completed to date:	\$ 33,870,503
b.	Project costs of remaining work (HB included):	<u>\$ 30,270,222</u>
c.	Estimated total Project costs (a+b):	\$ 64,140,725
d.	Original estimate of total Project costs:	\$ 63,611,529
e.	Amount of additional costs, if any (c-d):	\$ 529,196
- In my/our opinion, as of the date hereof, the remaining contingency reserve of \$1,552,000 contained in 2b above is adequate given the current state of work in place and contracts entered to complete the Project.
- The construction of a six-storey condominium residence is projected to be completed in September 2026.

This certificate is given in connection with the above-referenced advance under your construction credit agreement with the Borrower indicated above and you may rely upon it in making such advance.

O’Keefe and Associates Limited



Davvid O’Keefe, MRICS, PQS, PLE
President

Date: March 6, 2025

We wish to point out that we certified the advance in accordance with the terms of reference provided by the Lender. We are not responsible for any inaccuracies in the budget or report information that has not been properly reported to us by the Borrower or Lender. Furthermore, since we are not consulting engineers or architects, we are unable to certify the quality of the construction workmanship. Hence, we rely on certificates from the projects consultants to certify compliance of the work completed.

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BUDGET REVIEW

9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
40 & 60 HARRIS AVENUE
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III BUDGET REVIEW

i) Project Profile

The current development is comprised of a 49 residential townhouse development. The development site is located at 40 & 60 Harris Avenue, north of Harris Avenue and west of Yonge Street, in the City of Richmond Hill, Ontario. The total GFA of the project is 117,770 square feet for 49 units.

ii) Current Budget Review

We have reviewed the available documentation provided. The following is a summary of the current project budget.

Description	Current Budget	Cost per Unit (49 Units)	Cost per S.F. (117,770 S.F.)
Land and Closing Costs	\$ 16,700,265	\$ 340,822	\$ 141.80
Servicing	6,935,925	141,549	58.89
Construction Hard Costs (incl. contingency)	22,694,357	463,150	192.70
Soft Cost - Development	7,010,171	143,065	59.52
Soft Cost - Consultants	442,888	9,039	3.76
Administration/Marketing	4,335,899	88,488	36.82
Finance Charges	5,426,220	110,739	46.07
Contingency	595,000	12,143	5.05
Total	\$ 64,140,725	\$ 1,308,994	\$ 544.63

Please refer to the enclosed Capital Cost Summary for a detailed summary of the project budget.

Contingency

We have carried a soft cost contingency of \$595,000. Additionally, there is a contingency of \$957,000 included in the Construction hard costs. The total contingency amount of \$1,552,000 is to cover any future unforeseen costs and appears reasonable to complete the project based on the information received to date. We recommend re-visiting the contingencies as the project progresses and contracts are in place for the construction.

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III BUDGET REVIEW

***ii) Current Budget Review* (cont'd)**

1. Land Value

We have carried a total land value of \$16,700,265 which is based on the Lender's project economics. The land value is comprised of the following:

Acquisition of 40A Harris Avenue	\$ 1,900,000
Acquisition of 40B Harris Avenue	\$ 2,600,000
Acquisition of 60 Harris Avenue	\$ 2,335,000
Land Costs (Historical)	\$ 9,615,823
Land Transfer Tax	\$ 190,642
Property Taxes	\$ 58,800
Total	\$ 16,700,265

The historical costs of \$9,615,823 consist of the following:

Consultants	\$ 1,269,615
Loan Fee Laurentian/Vector	\$ 586,062
Mtg broker fee Laurentian/Vector	\$ 259,719
Legal fees	\$ 221,574
Mortgage Interest	\$ 4,513,748
Servicing interest	\$ 1,026,762
Advance fees	\$ 9,515
LC fees	\$ 96,351
Realty taxes	\$ 148,740
Insurance	\$ 50,402
Dev mgt fee	\$ 1,243,778
Accountant	\$ 43,952
Admin Expenses	\$ 145,605
Costs allocated to Land	\$ 9,615,823

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III BUDGET REVIEW

ii) Current Budget Review (cont'd)

2. Servicing Costs

We have carried a budget of \$6,935,925 and consists of the following:

Construction - Services -Harris Ave External - GND - \$74,851 DEFERRED	\$ 1,575,000	Based on GND contract of which \$74,851 remains in the cost to complete for top course asphalt – this amount is a deferred cost in the source of funds
Construction - Services -Harris Ave - Other	\$ 794,517	This relates to soft costs incurred that relate to Harris Ave.
Construction - Services -Harris Gate - GND - \$135,000 DEFERRED	\$ 2,707,100	Based on GND contract of which \$325,000 is yet to be incurred. \$135,000 relates to top course asphalt and is a deferred cost in the source of funds
Construction - Services - Harris Gate - Other	\$ 1,243,026	This relates to soft costs incurred that relate to Harris Gate
Construction - Hydro Servicing	\$ 616,282	Based on Alectra and Transpower contracts for both Harris Ave and Harris Gate

2. Hard Costs

We have reviewed the Borrower's hard cost budget of \$22,694,357 or \$463,150 per unit excluding HST. The hard cost budget includes a contingency of \$957,000 or 4.40% of hard cost to complete (Divisions 2-16, less contingency). The Borrower has provided contracts in the amount of \$14,594,667 or 73% of the current direct hard cost budget. Additionally, the Borrower has advised that accepted trade quotes of \$3,116,630 or 16% are being converted to contracts. We understand the tendering process is ongoing and we will follow up and receive a full committed cost update in future reports. The project budget appears adequate to complete the proposed development based our review of information provided and comparison of the project with current projects we are working on that are similar in size and nature. We recommend revisiting the budget as further contracts become available.

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III BUDGET REVIEW

ii) Current Budget Review (cont'd)

3. Development Charges, Permit Fees, Cash in Lieu of Parkland

We have carried a total of \$7,010,171 for development charges, permit fees, cash in lieu of parkland and municipal and region fees which is in accordance with prevailing rates. We note that the Development Charges and Cash in Lieu of Parkland costs have been verified by the City, it is further noted that the budgeted costs are firm until June 30, 2025.

4. Consulting Fees

We have carried the Borrower's allowed budget of \$442,888 for the consulting fees. The current budget allowance appears sufficient to complete the project.

5. Administration / Marketing

We have carried a budgeted amount of \$4,335,899 which marketing costs, commissions (of which 50% are deferred), legals on closing (100% deferred), general legal, accounting, Tarion fees, and Development Management fee.

6. Finance Charges

We have carried finance charges in the amount of \$5,426,220, which include the following:

Letter of credit fees	255,360	Based on rates per loan agreement – 2-year allowance
Project Monitor	80,000	Allows for budget review and ongoing monthly progress draw reports
Financing Legals	58,750	Borrower's estimate
Loan Commitment Fees - Kingsett	581,250	As per loan agreement
Loan Commitment Fees - Vector	92,500	Previously incurred & paid
Loan Commitment Fees - CS	100,000	Previously incurred & paid
Broker Fee	249,240	For previously incurred and estimated cost to complete
Guarantee Fees - \$600,000 deferred	1,000,000	\$400,000 due on first draw per loan agreement, remaining \$600,000 is deferred
Insurance	209,120	Per the Borrower's estimate
Construction Financing Interest	2,800,000	Based on loan agreement and cash flow

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GENERAL

**9089802 CANADA CORP.
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IV GENERAL

1. Geotechnical Investigation

We have received a copy of the Geotechnical Investigation Report prepared by GeoPro Consulting Limited dated February 23, 2018. The report was prepared for 9089802 Canada Corp Joint Venture c/o Metropole Developments Inc. for proposed townhouse development at 40 and 60 Harris Avenue, Richmond Hill. The investigation utilized based on data obtained from previous investigations, (geotechnical investigation from 2015 and hydro-geotechnical investigation in 2017) field work was completed in September 2015 and consisted of 5 boreholes drilled to depths ranging from 6.6m to 8.1m below existing ground surface. The report indicates that the soil consists of Topsoil with a thickness ranging from 180mm to 250mm. Fill materials of sandy silt, gravelly sand, silty fine sand and sand to depths ranging from about 3.3m to 4.0m below existing ground surface. SPT N values are 2 to 60 blows per 300mm penetration indicating a loose to very dense compactness. In-situ moisture content ranges from 8% to 15%. Native sand and fine sand ranging from 4.0m to 6.6m was found below the fill materials, SPT N values range from 20 to 60 blows per 300mm indicating a very dense compactness. Moisture content at this level ranges from 3% to 8%. Silt deposits ranging from 6.6m to 7.1m had a SPT N value of 14 to 20 blows indication compact soils, moisture content was 23% – 28%. Sandy Silt Till was found at 8.1m (only one borehole went to this depth), the SPT N value is 62 blows per 300m indicating very dense compactness with moisture content of 11%. The report indicates that the boreholes were dry upon drilling, water was encountered at 6.1 and 7.6m depth. The report indicates that the foundations for the proposed residential houses may be founded on conventional shallow spread and/or continuous strip footings bearing in the native undisturbed competent sand, fine sand, fine sandy silt, sandy silt, silt, sandy silt till below the fill materials. SLS (kPa) of 150 was found at 3.5-4.8m below existing ground level.

We have received a copy of the Geotechnical Investigation Report prepared by GeoPro Consulting Limited, dated April 4, 2018. This report was prepared with the consideration of the proposed 200m reconstruction of Harris Avenue between Yonge St and Grande Drive. The investigation consisted of 3 boreholes to a depth of 6.6m below existing ground surface. The investigation determined that the pavement thickness average is 65mm with a 560mm granular base/subbase. Fill materials consisting of sandy silt, fine sand and silt to silty fine sand and clayey silt were encountered below the granular base/subbase ranging from 2.1m to 4.0m. SPT N values range from 2 to 29 blows per 300mm penetration. In-situ moisture measured 9% to 20%. Conventional (open cut) excavation is anticipated for the installation of the proposed watermain, sanitary and storm sewer. The assumed depth would require excavation between 2m to 3m below the ground surface. The native soils at the base of the trenches are assumed to be suitable for supporting the pipes. Site servicing pipes are anticipated to be generally above the ground water table.

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IV GENERAL

We have received a copy of the Soils Investigation – Test Pits Inspection for suitable Founding Level, prepared by Soil Engineers Ltd, dated May 6, 2021. Soil Eng. was contracted to determine suitable depths for the footings for the proposed 8 townhouse blocks. 19 test pits were dug down to sound native soils. Results were presented on a block-by-block basis. We have attached a copy of the report in the appendix for your reference.

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APPENDICES

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX A

Progress Report and Construction Schedule

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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Progress Report and Construction Schedule

Progress Report

We last visited the site on January 13, 2025 and note the following progress:

Harris Avenue

- Underground storm sewers are complete;
- Underground sanitary sewers are complete;
- Underground watermains are complete;
- Roads are complete to base asphalt and base curbs.

Harris Gate

- Underground storm sewers are complete;
- Underground sanitary sewers are complete;
- Underground watermains are complete;
- Roads are complete to base asphalt and base curbs.

Based on our recently site review, we have considered the schedule to be achievable, however, the schedule is subject to manpower availability and competent site management. We will monitor the schedule closely to completion of the project and will provide comments monthly.

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APPENDIX B

Borrower's Accounting Records

**9089802 CANADA CORP.
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APPENDIX C

Zoning

**9089802 CANADA CORP.
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APPENDIX D

Site Plan Agreement

**9089802 CANADA CORP.
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APPENDIX E

City – Harris Avenue Servicing Agreement

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APPENDIX F

Region Development Charges Agreement

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX G

Cost Sharing Agreement

**9089802 CANADA CORP.
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APPENDIX H

Development Charges Invoices

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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40 & 60 HARRIS AVENUE
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APPENDIX I

Geotechnical Reports

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX J

Test Pits

**9089802 CANADA CORP.
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APPENDIX K

Environmental Site Assessments

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX L

Registered M-Plan

**9089802 CANADA CORP.
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APPENDIX M

Site Plan

**9089802 CANADA CORP.
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APPENDIX N

GND Servicing Contract

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX O

GND Payment Certificates

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX P

Alectra Harris Avenue Agreement

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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40 & 60 HARRIS AVENUE
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APPENDIX Q

Alectra Harris Gate Agreement

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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40 & 60 HARRIS AVENUE
RICHMOND HILL, ONTARIO
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APPENDIX R

Transpower Harris Avenue Agreement

**9089802 CANADA CORP.
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APPENDIX S

Transpower Harris Gate Agreement

**9089802 CANADA CORP.
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APPENDIX T

Borrower's Sales Report

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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RICHMOND HILL, ONTARIO
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APPENDIX U

Ballantry Contract Summary

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
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APPENDIX V

Letter of Credits and Securities

**9089802 CANADA CORP.
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40 & 60 HARRIS AVENUE
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APPENDIX W

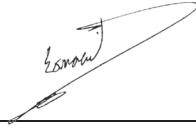
Projected Closing Dates

**9089802 CANADA CORP.
49-UNIT RESIDENTIAL TOWNHOUSE DEVELOPMENT
“HARRIS GATE”
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APPENDIX X

Photographs

**THIS IS EXHIBIT “D” TO THE AFFIDAVIT OF
ABBAS AAMERI OF MARKHAM, ONTARIO,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**

A handwritten signature in black ink, appearing to read 'Esmail Mehrabi', is written over a horizontal line.

A Commissioner, etc.

Esmail Mehrabi

From: [Chad Gemmell](#)
To: [Abbas Aameri](#); [Parisima Fotouhi](#); [Navid Razavi](#)
Subject: Fwd: Harris Gate - KingSett Funding
Date: Friday, August 8, 2025 9:27:15 AM
Attachments: [image001.png](#)

FYI below. This is all I could get them to agree to send.

Regards,

Chad Gemmell
Managing Director & Principal Broker
416-886-3404
GemREAL Capital Corp.
Brokerage Lic # 13189 / Lic # M13001718

----- Forwarded message -----

From: **Adam Balaban** <ABalaban@kingsettcapital.com>
Date: Fri, Aug 8, 2025 at 9:13 AM
Subject: RE: Harris Gate - KingSett Funding
To: Chad Gemmell <chad@gemreal.capital>
CC: Ari Soberano <ari@sharnocapital.com>, Justin Walton <JWalton@kingsettcapital.com>, Victoria D'Acre <VDacre@kingsettcapital.com>, Ankit Pillutla <APillutla@kingsettcapital.com>

Chad – as discussed, we can extend the outside date in the commitment letter to October 15, 2025.

Having said that, as outlined below, funding of the loan will require internal Credit Committee approval, based on in part, the new capital stack and revised budget, an updated risk analysis as well as our satisfactory review that all original pre-funding conditions have been satisfied.

Thanks,

Adam Balaban, CFA | Associate Director, Mortgage Investments | KingSett Capital

T. 416 639 6627 | M. 226 791 7676

Mortgage Agent Level 2

KingSett Mortgage Corporation Licence No. 11330 & 11897

From: Adam Balaban

Sent: Wednesday, July 30, 2025 4:39 PM

To: Chad Gemmell <chad@gemreal.capital>

Cc: Ari Soberano <ari@sharnocapital.com>; Justin Walton <JWalton@kingsettcapital.com>; Victoria D'Acre <VDacre@Kingsettcapital.com>; Ankit Pillutla <APillutla@Kingsettcapital.com>

Subject: Harris Gate - KingSett Funding

Hi Chad – per your request, KingSett is still interested in providing construction financing for the Harris Gate project. Please note that since our commitment letter has expired, any financing would require internal Credit Committee approval, based on in part, the new capital stack and revised budget, an updated risk analysis as well as our satisfactory review that all original pre-funding conditions have been satisfied.

Thanks,

Adam Balaban, CFA | Associate Director, Mortgage Investments | KingSett Capital

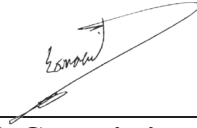
T. 416 639 6627 | M. 226 791 7676

Mortgage Agent Level 2

KingSett Mortgage Corporation Licence No. 11330 & 11897



**THIS IS EXHIBIT “E” TO THE AFFIDAVIT OF
ABBAS AAMERI OF MARKHAM, ONTARIO,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**

A handwritten signature in black ink, appearing to read 'Esmaeil Mehrabi', is written over a horizontal line.

A Commissioner, etc.

Esmaeil Mehrabi



9089802 CANADA CORP

c/o Metropole Developments Inc.

Suite 203 - 1595 16th Avenue

Richmond Hill, Ontario

L4B 3N9

Attention: Chad Gemmell, GemREAL Capital Corp

August 5, 2025

COMMITMENT LETTER

*Sharno Group Inc., its subsidiaries, affiliates, and partners, including Sharno Developments Inc., (collectively "**Sharno**") is pleased to offer the following second mortgage debt financing in accordance with the terms and conditions of this commitment letter (the "**Commitment Letter**").*

Except as otherwise stated herein, all amounts are stated in Canadian dollars.

SUMMARY OF PROPOSED TERMS AND CONDITIONS

Borrower:	9089802 CANADA CORP. The nominee for the co-tenant ownership of the Property pursuant to the co-tenancy agreement dated December 1, 2014, as amended. On behalf of the JV co-tenants, the beneficial owners, including Sepitman Canada Corp., 8637989 Canada Corp., 2404685 Ontario Inc., Luloo Home Inc., Teksun Inc., 2717852 Ontario Corp, and 2717740 Ontario Ltd. (the " Borrower ").
Guarantor:	Unlimited joint and several guarantee from Abbas Aameri, Parisima Fotouhi, and Metropole Developments Inc. [o/a Metropole Group], (collectively, the " Guarantors " and together with the Borrower, the " Obligors "). The Borrower will use best efforts to gain personal guarantees from Hadi Makaremi and Ahmadreza Rouhani who are currently guarantors on the existing land loan with Laurentian as outlined below.
Lender:	Sharno and other lenders acceptable to Sharno (the " Lender ").
Facility Amount:	\$3,000,000 + Reserve (as defined below) (the " Facility Amount ").

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Property:	<p>40-60 Harris Avenue , Richmond Hil, Ontario, Ontario, Canada, L4E 3M2</p> <p>with the following legal Descriptions:</p> <p>BLOCK 1, PLAN 65M4772 SUBJECT TO AN EASEMENT AS IN YR3632399 CITY OF RICHMOND HILL</p> <p>BLOCK 2, PLAN 65M4772 SUBJECT TO AN EASEMENT AS IN YR3632399 CITY OF RICHMOND HILL</p> <p>BLOCK 3, PLAN 65M4772 SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 85 AND 94, 65R40326 AS IN YR3565083 SUBJECT TO AN EASEMENT OVER PARTS 86 TO 93, PLAN 65R40326 AS IN YR3632399 CITY OF RICHMOND HILL</p> <p>(collectively, the “Property”)</p>
Term Facility:	A second mortgage on the Property in the amount of the Facility Amount (the “Term Facility”).
Purpose:	<p>The Borrower has obtained site plan approval for the Property, consisting of a 2.55 acre fully serviced ‘permit ready’ site. It has engaged Ballantry Homes as the construction manager to build out 49 townhouses: 38 common element townhouses on a private road, and 11 freehold townhouses on Harris Ave. As of the date of this Commitment Letter, 41 units are sold, with 8 remaining. KingSett Mortgage Corporation issued a commitment letter on January 14, 2025 for a \$46,500,000 first construction mortgage (“KingSett Mortgage”), in addition to \$2,500,000 for letters of credit. O’Keefe and Associates is the project monitor and cost consultant on the project and completed a full budget review in March 2025. The report identifies a cash injection of \$2,400,000 to satisfy the cost to complete/margin requirements of the KingSett Mortgage. An additional \$600,000 is estimated to be due to the existing land lender, Laurentian Bank of Canada and its subsidiaries (“Laurentian”), for outstanding interest that has accrued. The proceeds of the Term Facility will be used to fund the cash injection required for the first draw of the KingSett Mortgage and the outstanding interest to Laurentian (up to a cap of \$600,000). Should the outstanding interest to Laurentian be partially or fully repaid before the Closing Date, the remaining Term Facility balance may only be applied to the Lender Fee, or withheld entirely, subject to written agreement between the Lender and Borrower.</p>
Closing:	<p>The date of the advance (the “Closing Date”) is targeted to be no later than sixty (60) days following waiver of all Funding Conditions. If possible, the Closing Date will be accelerated, provided the Borrower meets the Funding Conditions outlined below.</p>

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Maturity:	The Term Facility will mature at the same time as the KingSett Mortgage, which is seventeen (17) months after the first calendar day of the month next following the date of the initial advance of the Term Facility (the “Interest Adjustment Date”), unless the advance of the Term Facility is made on the first day of the month in which case the Interest Adjustment Date shall be the date of the advance. The Term Facility may otherwise be extended at the sole and absolute discretion of Lender (the “Maturity Date”).
Interest & Bonus Payment:	<p>25.0% per annum, on outstanding amounts, accruing daily and compounded monthly (the “Interest”).</p> <p>Additionally, the Lender will be entitled to \$875,000 following payment of the KingSett Mortgage and the Facility Amount (the “Bonus Payment”). The Bonus Payment amount and its priority in the capital stack will be negotiated between the Borrower, Lender and Ballantry Homes in the loan agreements as outlined in the Funding Conditions section.</p> <p>On the Maturity Date, the outstanding balance of the Term Facility will be paid in full plus all Interest and Bonus Payment. For further clarity, the estimated Interest and Bonus Payment throughout the Term will form part of the Facility Amount prior to the Closing Date and be due upon the earlier of when the Term Facility is paid in full or the Maturity Date (the “Reserve”).</p>
Lender Fee:	A lender fee of 4.0% of the Facility Amount (the “Lender Fee”) will be earned in full and paid to the Lender, or an agent appointed by the Lender, on the advance of the Term Facility. For clarity, the Borrower will pay this amount on the Closing Date to prevent any discount on the Facility Amount, less the balance, if applicable, of the refundable portion of the Deposit.
Broker Fee:	A broker fee of \$120,000 to Chad Gemmell from GemREAL Capital Corp, the mortgage broker on file, (the “Broker”) will be earned in full and paid to the Broker from the Borrower on the advance of the Term Facility . There shall be no financial obligation of the Lender to pay any associated fees, as the Broker Fee will not come from the Term Facility but rather directly from the Borrower.
Scheduled Repayments:	During the tenure of the Term Facility, no monthly interest payments will be required to be paid by the Borrower.
Voluntary Prepayment:	After the twelve-month (12) anniversary of the Closing Date, prepayment will be allowed. Two (2) months notice for prepayment must be provided, with the earliest period to give notice being on the ten-month (10) anniversary of the

	Closing Date. Any prepayment is subject to a prepayment fee equal to one (1) month's interest, and for clarity, the Bonus Payment will still apply.
Funding Conditions:	<p>The following conditions must be satisfied, in the Lender's sole and unfettered discretion, prior to funding the Term Facility (the "Funding Conditions"): </p> <ol style="list-style-type: none"> 1. KingSett Subordination & Standstill Agreement: To be negotiated between the Lender's counsel and KingSett, including, but not limited to, stipulations that only 100% of KingSett's loan amount will be registered on title, and written agreement on how letters of credit and loan extensions should be handled. In the event the KingSett Mortgage does not close for whatever reason, the Lender shall not be obligated to close and advance the funds under this Term Facility and the Lender may terminate the agreement. The Borrower shall be liable for all costs and expenses incurred by the Lender. 2. Loan Agreements: Executed loan agreements, to supersede this Commitment Letter, between Sharno, Ballantry Homes, and the Borrower outlining loan terms, guarantee agreements, payment of fees and deferred costs, and the financial waterfall structure. These documents will also outline how the funds will be controlled throughout the project, including certification that all proceeds of this Term Facility will be used solely for this Property. 3. Fixed Price Contracts: Lender to receive executed fixed price contracts for a minimum of 85% of hard costs from Ballantry Homes and its subcontractors. The O'Keefe and Associates March 2025 cost consulting report shall be updated prior to funding, including updated figures for hard costs, DCs, cash flows, etc. 4. Financial Review: The Lender shall be provided with the outstanding information to conduct a satisfactory financial review of the Obligors, including but not limited to ongoing projects liquidity/financing structure, outstanding personal net worth statements, articles of incorporation, NOAs, and accountant prepared notice to reader statements for the Obligors, including 2024 financial statements. 5. Sales Confirmation: Confirmation of sales, including confirmation of buyers' mortgage approvals and/or buyer's written intent to close. Notice of Critical Dates to be provided to the buyers for all the 41 pre-sold units. Any buyers refusing to provide mortgage approvals

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	<p>and/or buyer's written intent to close, will be dealt with on a case-by-case basis in the Lender's sole and unfettered discretion . The Lender will also receive satisfactory legal opinion/evidence, either from their lawyer or KingSett's lawyer, that the unit purchase and sale contracts remain firm and binding for all 41 purchasers that the purchasers do not have the legal ability to terminate their purchase and sale contracts or collect any delayed closing fees.</p> <p>6. Outstanding Documents: The Lender shall be provided with the outstanding due diligence documents. This shall include, but not limited to, satisfactory payout statements with respect to the Laurentian loan and Great North Drain Ltd. lien, a statement showing current and estimated future letters of credit and timing of releases, all customary off-title searches, satisfactory coverage in a loan policy of title insurance, proof of the extended New Home Warranty License certificate which expired on June 9, 2025, proof of up to date mortgage statements and property taxes as of the Closing Date, reliance letters in the name of the Lender for all geotechnical, environmental and hydrogeological reports, building permits, sales/marketing report for the 8 unsold units, finishes package, or any other document which the Lender or the KingSett Mortgage may require for review prior to the Lender providing its written consent to the advance.</p> <p>7. Legal Review: The Lender is in the process of retaining Chaitons LLP ("Chaitons") as its solicitor. Following a conflict check, Chaitons has advised that they are currently representing Laurentian in this matter and, as such, are unable to act on behalf of the Lender until a conflict clearance is obtained. Therefore, following this conflict resolution, the Lender's solicitor will review this Commitment Letter, confirm it is satisfactory in its sole and absolute discretion, and provide any comments if applicable. If a conflict resolution is unable to be reached, the Lender will seek another solicitor to provide a legal review of this Commitment Letter under the same terms outlined above.</p>
Security and Supporting Documents:	<p>All debts, liabilities and obligations of the Borrower under the Term Facility will be secured by a second-ranking security interest in favor of the Lender by way of, without limitation:</p> <p>i. a second priority Charge over the Property. For clarity, the only charge allowed in priority of this Term Facility is the KingSett Mortgage. This</p>

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	<p>amount cannot be increased above \$46,500,000 before the Maturity Date or any extension thereof;</p> <p>ii. an unlimited joint and several guarantee (the “Guarantee”) by the Guarantors (including a personal guarantee from Abbas Aameri, Parisima Fotouhi, etc) of all of the obligations of the Borrower to the Lender, which Guarantee shall include an assignment and postponement of indebtedness of the Borrower to the Guarantors; such assignment and postponement to be perfected by registration of a second ranking financing statement under the Personal Property Security Act (Ontario) (the “PPSA”);</p> <p>iii. a second priority Notice of Assignment of Rents (if applicable) registered on the Property together with a registered financing statement under the PPSA;</p> <p>iv. a second priority Assignment of all Agreements of Purchase and Sale and associated purchaser deposits.</p> <p>v. a general security agreement (the “GSA”) from the Borrower in favour of the Lender creating a second priority over all of the present and after acquired assets and property together with the security interests created by the GSA to be perfected by the registration of a financing statement against the Borrower pursuant to the PPSA;</p> <p>vi. a certificate of a senior officer of the Borrower in respect of corporate matters;</p> <p>vii. a certified copy of a resolution from the Borrower respecting this Commitment Letter, and subsequent loan commitments and agreements, and the transactions contemplated herein;</p> <p>viii. a covenant of the Borrower and Guarantors regarding environmental matters;</p> <p>ix. an assignment of insurance from the Borrower and Guarantors appropriate to the Risks involved, with loss payable to the Lender as its interest may appear for the Property;</p> <p>x. a declaration as to the Construction Act and confirmation of any associated or required holdbacks;</p> <p>xi. a letter of opinion from the solicitor for the Borrower as to such matters and in such form as the Lender’s solicitor may require including, without limitation, with respect to the usual corporate matters and enforceability of this Commitment Letter, and subsequent commitment, and the Security addressed to the Lender and its solicitor; and</p>
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	xii. such further and other security, certificates, statutory declarations or ancillary documents reasonably requested by the Lender's solicitor.
Insurance:	Insurance binder / certificate of insurance setting out adequate fire, all-risk, and liability insurance coverage showing the Lender as second mortgagee and loss payee prior to the Closing Date (including listing the Lender as an additional insured). Insurance review may be required at the sole and absolute discretion of the Lender to be completed at the cost of the Borrower. A title insurance policy must be obtained by the Lender's Lawyer prior to the Closing Date.
Events of Default:	<p>Usual and customary for financings of this nature, including but not limited to: (i) non-payment of principal, interest, bonus payment, insurance, property taxes, utilities and/or fees when due; (ii) additional debts, liens, or other encumbrances put on title following the Closing Date; (iii) cross-default to other indebtedness; (iv) breach of covenants, representations or warranties; (v) sale or assignment of Property; (vi) material adverse change; (vii) insolvency/bankruptcy defaults; (viii) conviction of a criminal offence punishable by indictment; (ix) halt of construction for a period of 30 days or more other than as a result of force majeure (x) failure of the Borrower to satisfy or abide by any of the Funding Conditions contained herein; and (XI) any other default, under the Mortgage and Standard Charge Terms and under the provisions of the Mortgages Act of Ontario, as amended.</p> <p>The Borrower will have five (5) business days to cure any default following receipt of written notice from the Lender specifying the default.</p>
Exclusivity:	The Borrower agrees on behalf of itself and the Obligors that the Obligors will not solicit, accept or encourage offers for a competing second lien debt financing facility before the scheduled Closing Date.
Confidentiality:	This Commitment Letter and the contents hereof are confidential and, except for the disclosure hereof or thereof on a confidential basis to the accountants, legal counsel and other professional advisors retained by the recipient hereof, the Borrower or any other permitted recipient in connection with the transaction or as otherwise required by law, may not be disclosed in whole or in part to any person or entity without the prior written consent of the Lender; provided, however, it is understood and agreed that the recipient may disclose this Commitment Letter on a confidential basis to the Obligors and any other person who it is necessary to disclose this Commitment Letter on a confidential basis in connection with satisfying a Funding Condition(s) or other condition(s) to closing the transaction. The Obligors acknowledge that

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	the Lender has invested or has loaned capital (and intends to continue such activities) in/to other properties in close proximity to the Property, and this cannot be construed as evidence of the Lender's violation of any of its obligations under this Agreement or otherwise.
Representations and Warranties:	Usual and customary for financings of this nature, including, but not limited to, (for each Obligor): (i) authority/enforceability; (ii) no violation of law; (iii) no material litigation; (iv) no material adverse change; (v) no required governmental or third-party approvals; (vi) environmental matters; and (vii) perfected security interests.
Expenses:	The Borrower shall reimburse the Lender for all reasonable and documented out of pocket costs and expenses (including the fees and expenses of all counsel, travel, advisors, consultants and auditors) in connection with: (i) the preparation, negotiation, execution, delivery, performance, and discharge of the Commitment Letter, loan agreements and other loan documentation, whether or not the contemplated transaction is completed; and (ii) the Lender's due diligence time and expenses, including time and expenses for assisting the Borrower in fulfilling the Funding Conditions, whether or not the contemplated transaction is completed.
Indemnification:	Each Obligor jointly and severally indemnifies and holds harmless the Lender and each partner, director, officer, employee and affiliate thereof (each, an "Indemnified Person") from and against any and all losses, claims, damages, expenses and liabilities incurred by an Indemnified Person that arise out of or relate to any regulatory investigation or other regulatory proceeding or third party litigation (including any threatened regulatory investigation or third party litigation or other regulatory proceedings and whether or not such Indemnified Person is a party hereto) caused by an act or omission by the Obligors in relation to this Commitment Letter or the transactions contemplated hereby or to the actual or proposed use of the financing or that are otherwise attributable to the acts or omissions of any Obligor, or any of its agents or advisors in connection with the transactions contemplated hereby, including without limitation the fees and disbursements of counsel but excluding any of the foregoing claimed by any Indemnified Person to the extent incurred by reason of the gross negligence or willful misconduct of such person. The Lender shall not be responsible or liable to any Obligor or any other person for consequential damages which may be alleged as a result of this Commitment Letter or any of the transactions contemplated hereby.

Acceptance and Deposit:	<p>If the terms and conditions described above are acceptable, please deliver a signed copy of this Commitment Letter on or before August 7, 2025, at 3:00pm EST along with an additional deposit in the amount of \$65,000, with \$25,000 being refundable, and \$40,000 being nonrefundable (but will be credited towards the Lender Fee in the event this financing facility is provided) (the “Deposit”). Notwithstanding the above, it shall be noted that \$25,000 of the nonrefundable deposit was received on July 24,2025. The balance of the \$15,000 nonrefundable deposit and \$25,000 refundable deposit will be provided following waiver of Financing Condition #5 (Sales Confirmation). All deposits related to the May 22,2025 Term Sheet have been earned in full and/or spent, and not applicable to this Commitment Letter.</p> <p>The Lender will initially use the refundable portion of the Deposit to cover Expenses. Expenses may be greater than the refundable portion of the Deposit and at a date, prior to such Closing Date, the Lender may request additional deposits against which will be charged at any such additional Expenses. The balance of the refundable portion of the Deposit (net of Expenses) referred to in this paragraph will be: (i) returned to the Borrower if a financing facility is not advanced by the Lender for reason of circumstances other than those set forth in the subsequent clause; or (ii) retained by the Lender as a fee if any time during the credit review process the Borrower fails to disclose material information, fails to meet the Funding Conditions, obtains financing from another source, the Property is sold or otherwise the Borrower terminates the Lender’s efforts hereunder; or (iii) credited towards the Lender Fee in the event this financing facility is provided.</p>
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By signing this Commitment Letter, the undersigned Obligors hereto acknowledge that it has been recommended to each of them that they obtain independent legal advice before executing it. The Obligors confirm that they have obtained such independent legal advice or have chosen not to do so at this time, and have each executed this Commitment Letter freely, on a fully informed basis and without duress or coercion.

The Obligors understand, acknowledge and agree to the terms and conditions noted above, and acknowledge that there is no right to set-off. The Obligor’s obligations under the paragraphs entitled “Confidentiality”, “Exclusivity”, “Indemnification”, “Expenses”, and “Acceptance and Deposit” shall survive any termination of this Commitment Letter except that upon the execution of the definitive loan agreements, the terms of such agreements shall supersede these provisions.

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Please feel free to contact me to discuss the terms and conditions or any questions that you might have. We look forward to hearing from you to discuss next steps.

Sincerely,

Sharno Developments Inc.

A handwritten signature in blue ink, appearing to read 'Ari Soberano', is written over a horizontal line.

Per: Ari Soberano

I have authority to bind the Corporation.

AGREED & ACCEPTED by on this 6 day of August, 2025

A handwritten signature in blue ink, appearing to read 'Abbas Aameri', is written over a horizontal line.

9089802 CANADA CORP

nominee for the co-tenant ownership of the Property pursuant to the co-tenancy agreement dated December 1, 2014, as amended. On behalf of the JV co-tenants, the beneficial owners, including Sepitman Canada Corp., 8637989 Canada Corp., 2404685 Ontario Inc., Luloo Home Inc., Teksun Inc., 2717852 Ontario Corp, and 2717740 Ontario Ltd.

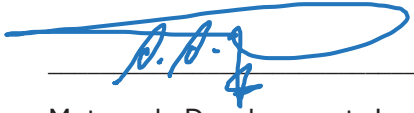
Borrower

Per: **Abbas Aameri**

Title: **Director**

I have authority to bind the Corporation.

20 Eglinton Ave W, Suite 1820, Toronto, Ontario, M4R 1K8



Metropole Developments Inc. [o/a Metropole Group]

Guarantor

Per:

Title:

I have authority to bind the Corporation.



Abbas Aameri

Guarantor



Parisima Fotouhi

Guarantor

LAURENTIAN BANK OF CANADA
Applicant

- and -

9089802 CANADA CORP. et al.
Respondents

Court File No.: CV-25-00747532-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced At TORONTO

AFFIDAVIT OF ABBAS AAMERI

MEHRABI LAW OFFICE

4950 Yonge Street, Suite 2200
Toronto, Ontario, M2N 6K1

Esmail Mehrabi (LSO #60792C)
Barrister & Solicitor

T: (416) 862-2502

F: (416) 686-8882

E: mehrabi@mehrabilawoffice.com

Lawyer for the Respondents

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

LAURENTIAN BANK OF CANADA

Applicant

- and -

**9089802 CANADA CORP., SEPITMAN CANADA CORP., 8637989 CANADA CORP.,
2404685 ONTARIO INC., LULOO HOMES INC., TEKSUN INC.,
2717852 ONTARIO CORP. and 2717740 ONTARIO LTD.**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AFFIDAVIT OF MICHAEL DURAND

I, **MICHEL DURAND**, of the City of Montreal, in the Province of Quebec, **MAKE OATH**

AND SAY AS FOLLOWS:

1. I am a broker registered by the Financial Services Regulatory Authority of Ontario and the Chief Executive Officer and founder of MCommercial.
2. Attached hereto and marked as Exhibit “**A**” is a copy of my biography.
3. Attached hereto and marked as Exhibit “**B**” is a copy of my Acknowledgement of an Expert’s Duty.
4. I have been retained by 9089802 Canada Corp. (hereinafter referred to as “**908 Corp.**”) to provide an expert opinion in this matter with respect to the viability of 908 Corp.’s alternative

financing plan with Canada Mortgage and Housing Corporation (“CMHC”) for their development project at 40A, 40B and 60 Harris Avenue, Richmond Hill, Ontario (the “Project”).

5. CMHC provides support only for rental units, not homes built for sale. As a result, using CMHC financing would require the development to shift from for-sale homes to rental housing.

6. In terms of my experience in securing CMHC financing for the proposed development project, I have been securing loans of this type for more than 30 years. I am an approved agent to act on behalf of lenders to represent them on CMHC transactions.

7. My key responsibilities and role include preparing the underwriting to ensure the project adheres to all CMHC requirements, and ensuring all the required documentation is obtained, reviewed and complete as CMHC has a strict policy in place related to the thoroughness and accuracy of the information being presented. I negotiate with CMHC and/or the lenders, as well as the borrowers, to ensure that the needs of all parties are met. Lenders will often seek my advice and opinion on dealing with CMHC requirements in order to secure certificates of insurance with various Canadian lenders.

8. Lenders use CMHC insurance certificates as primary security to mitigate risk, as these certificates ensure CMHC will cover potential loan losses. Because of this, rates are lower on a CMHC loan as opposed to a conventional or uninsured loan, as the lender has greater security in the event of default.

9. I have been securing financing for similar projects across Canada for over 30 years, including the 10 years when I did the same work when employed by the Bank of Montreal, BLC Bank, and National Bank of Canada, prior to starting my own brokerage firm approximately 20 years ago.

10. Over the last 12 months, I have secured CMHC financing on similar projects with needs varying from \$2 million to over \$200 million per transaction. In the last 12 months, my firm has negotiated and secured over \$1 billion in similar transactions.

THE PROPOSED DEVELOPMENT PROJECT

11. 908 Corp. has provided us with information about its development project, including a detailed construction budget, site plans, building plans, financial status for 908 Corp., breakdown of the ownership structure of the project, and a history of the project's progress.

12. After reviewing the information supplied by the borrower, 908 Corp., in the past weeks, we have determined that they would meet the required criteria to secure a CMHC certificate of insurance which would allow several lenders to be comfortable financing the construction of the proposed project.

13. Attached hereto as Exhibit "C" is a document containing analysis in which I have modeled two of the most popular CMHC programs which would provide a loan to the Project. These programs are the "MLI Standard" and the "MLI Select" programs currently offered by CMHC.

14. The most beneficial terms and conditions for 908 Corp. would be secured through the MLI Select program. The information provided for this project by 908 Corp., including costs to build and the eventual proposed rental revenues, we underwrote to CMHC who provided a loan amount of \$40,169,015.

DETERMINING THE LOAN AMOUNT

15. Determining the amount of the loan that will be approved is quite simple once you master the underwriting requirements set by CMHC.

16. With CMHC, we need to determine the average rental rates, as of today, for the proposed development by unit type.

17. For this project in particular, we have assessed rental rates from the City of Richmond Hill.

18. The average rate for newly built one-bedroom units in Richmond Hill is currently between \$1,900 and \$2,500. For more precision, the range for smaller one-bedroom units in Richmond Hill is between \$1,900 and \$2,000 per month. For standard one-bedroom units in Richmond Hill, the range falls between \$2,200 to \$2,500 per month. In determining the projected revenues, we used the lower range of both the small unit and large unit rental rates in order to be more conservative in determining the most likely loan amount. I note that we would be able to use higher rental rates as these would be recognized by CMHC, and would produce a higher loan amount, but in order to produce a more conservative result, we are using the low range of rental rates in the area.

19. We have used the same approach when determining the rental rates for two-bedroom units in Richmond Hill. The typical average rent for a two-bedroom unit varies between \$2,300 to \$3,300 per month, taking into account lower end units all the way up to higher end units. For the purpose of the analysis attached at Exhibit “C”, we have maintained a very conservative approach and modeled out the average rental rates for two-bedroom unit apartments at the lower end of the scale, which is \$2,300 per unit per month.

20. Once again, the result of using the lower end will produce a much more conservative loan amount ensuring that CMHC will be most comfortable with the rental rates used in the model.

21. In addition, we have modeled out further reducing rental rates to incorporate 18 one-bedroom units at affordable rates in order to ensure the city provides additional incentives to the borrower, including a reduction of development charges of at least \$5 million. Although CMHC

would require only fourteen one-bedroom units to be affordable, 908 Corp. agreed, and we modeled out a higher percentage of affordable units in order to get maximum benefits from the city, including the reduced development charges.

22. Increasing the number of affordable units would also provide additional comfort to CMHC to process the loan request with an approval.

23. When determining the loan amount, we must also consider the projected future expenses for the property. Most of these expenses and their associated rates are fixed by CMHC and we have used the CMHC required rates to underwrite and normalize expense figures in order to ensure the analysis meets all CMHC expectations. Irrespective of the fact that the proposed development will be brand new, limiting the expenses incurred in the first years, the expenses used to determine the loan amount are in line with CMHC requirements and include:

- a. Repairs and maintenance expenses at \$830 per unit per year;
- b. Management expense at 4.25% of the effective gross income;
- c. A salaries expense equal to \$555 per unit per year;
- d. An appliance reserve of \$60 per appliance per unit per year; and
- e. A heat pump replacement reserve of \$190 per unit per year

24. Although CMHC does not require a structural reserve amount in the expense schedule, once again, in order to be conservative, we have included an additional expense for this in the amount of 1% of the annual effective gross income projected for the property.

25. Another critical element in determining the loan amount is the interest rate used to determine the debt service coverage requirements on the loan.

26. As of the date of this report the Canadian Mortgage Bond (“CMB”) rate is 3.18% for the five-year CMB, and 3.76% for the ten-year CMB.
27. In current market conditions, the average spread or premium over CMB which lenders would apply when processing a loan of this size would be between 40 to 50 basis points. This would provide an eventual rate of between 3.58% and 3.68% for the five-year rate, which is the most common rate that borrowers seek out for this type of loan.
28. Once again, to produce a more conservative underwriting and analysis of the proposed project, we are using a qualifying rate of 4% when determining the rate to be used for the eventual long-term loan on the proposed development.
29. As an example of how interest affects the eventual loan amount if we were to use a qualification or ceiling rate of 3.75%; the approved loan amount would then be \$41,930,307, or \$1,761,292 more than if we used a 4% qualification or ceiling rate.
30. As shown in the analysis attached at Exhibit “C”, the projected loan amount is such that the borrower, 908 Corp., is not required to invest any additional funds into the proposed project as a multi-unit residential development in order to complete the construction and deliver the units.
31. Based on the information supplied by 908 Corp., we have also validated that the borrowing entity and the proponents who are the beneficial owners of the project do meet CMHC minimum requirements for equity held personally for CMHC to approve the loan.
32. In our opinion, the chances of the borrowing entity, and the proposed project being approved and securing a CMHC certificate of insurance in the amount of \$40,169,015 is high.

TIMING TO SECURE A CMHC CERTIFICATRE OF INSURANCE

33. Once the request is submitted to CMHC, the current wait time for CMHC to appoint an underwriter is approximately 4 to 6 weeks. Once the file is assigned to an underwriter, the underwriting process is generally no more than 10 days.

34. It is therefore reasonable to estimate that a CMHC certificate can be secured for this project within eight to nine weeks of submitting the file to CMHC. Once a certificate of insurance is issued, the process for a lender to finalize their due diligence, prepare the legal documentation, ensure that all preconditions are met for a first draw, would add another 30 to 45 days, at most.

35. I make this affidavit for the purpose of providing a response to the Bank's application and for no other or improper purpose.

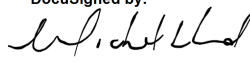
Sworn remotely by Michel Durand of
Montreal, Quebec, before me at the City of
Toronto, in the Province of Ontario, this 8th
day of August, 2025, in accordance with O.
Reg. 431/20 Administering Oath or
Declaration Remotely

DocuSigned by:

E5628F11E8204B7...

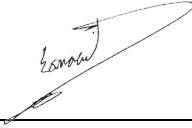
Commissioner for Taking Affidavits

Esmaeil Mehrabi

DocuSigned by:

A421D86B7549411...

MICHEL DURAND

**THIS IS EXHIBIT “A” TO THE AFFIDAVIT OF
MICHEL DURAND OF MONTREAL, QUEBEC,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**

A handwritten signature in black ink, appearing to read 'Esmail Mehrabi', is written over a horizontal line.

A Commissioner, etc.

Esmail Mehrabi



MCommercial



Michel Durand – BIO

Having Graduated with a bachelor's in finance & Marketing from Concordia University, for the last 23 years, Michel has built and led a firm that has become one of the most active Canadian firms dedicated to the Commercial Mortgage Brokerage Industry. Michel's efforts have been recognized by his industry peers' who have nominated him in each of the last 15 years as the best commercial mortgage broker in Canada.

In 2021, he was also inducted into the Canadian Mortgage Professionals Hall of Fame.

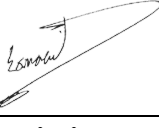
In the industry for 33 years now, Michel developed the foundation for his financing career while working for schedule A banks including the NBC, LBC, and BMO, prior to leading the MCommercial group, which has kept him in the industry focused on Commercial Mortgages. He also served on a board of directors of a venture capital fund as well as on various boards of trade before entering the commercial mortgage brokerage industry.

As an industry expert, he is interviewed regularly to comment on the state of the industry's current and future outlook.

Michel's vast experience in the commercial mortgage sector and his dedication to improving the reputation of the brokerage industry provides him with a unique and clear perspective on the challenges as well as the opportunities borrowers face in today's fast-paced environment. He works tirelessly at keeping all participants in the commercial mortgage field informed of the current issues affecting borrowers as well as lenders in the industry to ensure that each can take advantage of the current market trends.

Michel is a member of Mortgage Professionals Canada and holds mortgage brokerage licenses across Canada, including with, BCFSa in British Columbia, RECA in Alberta, MSC in Manitoba, FSRA in Ontario, AMF in Quebec, FCNB in New Brunswick, and with Financial Services Regulation Division in Newfoundland and Labrador.

**THIS IS EXHIBIT “B” TO THE AFFIDAVIT OF
MICHEL DURAND OF MONTREAL, QUEBEC,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**

A handwritten signature in black ink, appearing to read 'Esmaeil Mehrabi', is written over a horizontal line.

A Commissioner, etc.

Esmaeil Mehrabi

Court File No.: CV-25-00747532-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

LAURENTIAN BANK OF CANADA

Applicant

- and -

**9089802 CANADA CORP., SEPITMAN CANADA CORP., 8637989 CANADA CORP.,
2404685 ONTARIO INC., LULOO HOMES INC., TEKSUN INC.,
2717852 ONTARIO CORP. and 2717740 ONTARIO LTD.**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ACKNOWLEDGEMENT OF EXPERT'S DUTY

1. My name is Michel Durand. I live in the City of Montreal, Province of Quebec.
2. I have been engaged by or on behalf of 9089802 Canada Corp. to provide evidence in relation to the above-noted court proceeding.
3. I acknowledge that it is my duty to provide evidence in relating to this proceeding as follows:
 - a) to provide opinion evidence that is fair, objective and non-partisan;
 - b) to provide opinion evidence that is related only to matters that are within my area of expertise; and

c) to provide such additional assistance as the court may reasonably require to determine a matter in issue.

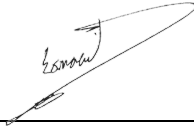
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date: 8/8/2025

DocuSigned by:

A421D86B7549411...
Signature

**THIS IS EXHIBIT “C” TO THE AFFIDAVIT OF
MICHEL DURAND OF MONTREAL, QUEBEC,
SWORN BEFORE ME AT TORONTO, ONTARIO
VIA VIDEO CONFERENCE THIS 8th DAY
OF AUGUST, 2025, IN ACCORDANCE WITH
O.REG 431/20 ADMINISTERING OATH OR
DECLARATION REMOTELY**

A handwritten signature in black ink, appearing to read 'Esmaeil', written over a horizontal line.

A Commissioner, etc.

Esmaeil Mehrabi

INPUT - PROFORMA

LOCATION & TYPE ADDRESS	Ontario - Wood Frame 12 units and more
	40-60 Harris Avenue, Richmond Hill

Income Revenue															
				REGULAR - CMHC / CONVENTIONAL				MLI SELECT							
Unit Size	No. Units	Avg Sq Ft	Vacancy %	Monthly \$ / Units	Annual Gross \$	Vacancy \$	Effective Annually	No. Units	Monthly \$ / Units	Annual Gross \$	Vacancy \$	Effective Annually			
Residential	114	735.00	3.0%	\$ 746.49	\$ 2,918,400.00	\$ 87,552.00	\$ 2,830,848.00	96	\$ 2,177.08	\$ 2,508,000.00	\$ 75,240.00	\$ 2,432,760.00			
Residential - Affordable		516	3.0%					18	\$ 1,347.50	\$ 291,060.00	\$ 8,731.80	\$ 282,328.20			
Total Residential				114	\$ 2,918,400.00	\$ 87,552.00	\$ 2,830,848.00	114	\$ 2,799,060.00	\$ 83,971.80	\$ 2,715,088.20				
Parking	49		5.0%	\$ 100.00	\$ 58,800.00	\$ 2,940.00	\$ 55,860.00	49	\$ 100.00	\$ 58,800.00	\$ 2,940.00	\$ 55,860.00			
Locker	114		8.0%	\$ 50.00	\$ 68,400.00	\$ 5,472.00	\$ 62,928.00	114	\$ 50.00	\$ 68,400.00	\$ 5,472.00	\$ 62,928.00			
Need to be fill	0		8.0%	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	\$ -			
Need to be fill	0		5.0%	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	\$ -			
TOTAL :					\$ 3,045,600.00	\$ 95,964.00	\$ 2,949,636.00	TOTAL :					\$ 2,926,260.00	\$ 92,383.80	\$ 2,833,876.20
REGULAR - TOTAL EGI							\$ 2,949,636.00	MLI SELECT - TOTAL EGI					\$ 2,833,876.20		

Operating Expenses			
	Per Units \$	Annual \$	
Property Taxes	\$ 2,500.00	\$ 285,000.00	
Insurance	\$ 1,200.00	\$ 136,800.00	
Utilities	\$ 200.00	\$ 22,800.00	
Need to be fill 1	\$ -	\$ -	
Need to be fill 2	\$ -	\$ -	
Need to be fill 3	\$ -	\$ -	
Need to be fill 4	\$ -	\$ -	
Need to be fill 5	\$ -	\$ -	
Need to be fill 6	\$ -	\$ -	
TOTAL :	\$ 3,900.00	\$ 444,600.00	

Normalized Expenses			
		REGULAR	MLI SELECT
Maintenance and Repair	\$ 830.00	\$ 94,620.00	\$ 94,620.00
Management	4.25%	\$ 125,359.53	\$ 120,439.74
Salaries	\$ 555.00	\$ 63,270.00	\$ 63,270.00
Replacement Reserve # Appliance	456 \$ 60.00	\$ 27,360.00	\$ 27,360.00
Replacement Reserve # heat pump	114 \$ 190.00	\$ 21,660.00	\$ 21,660.00
Replacement Reserve # Elevator	0 \$ 300.00	\$ -	\$ -
Other Costs	1.0%	\$ 29,496.36	\$ 28,338.76
TOTAL :	\$	265,150.98	\$ 355,688.50

Financing Ratio			
Construction Cost	\$ 48,519,719.98	CMB	3.18%
Appraisal Value	TBD		
Cap rate	4.00%	Interest rate - CMHC	3.68%

CMHC STANDARD - SETTINGS				
Debt Service Coverage	1.3	Regular - EGI	\$ 2,949,636.00	
Amortization	50	Total Expense	\$ 709,750.98	
		NOI	\$ 2,239,885.02	
Qualification rate	4.00%	Economic Value	\$ 50,839,692.00	
Max Loan-to-Value	85.00%			
Max PMT	\$ 1,722,988.48	Max LtV - Economic Value	\$ 43,213,738.20	
Max Mortgage based DSC	\$ 37,437,198.43	Max LtV - Construction Cost	\$ 41,241,761.98	
Max Mortgage based LTV	\$ 41,241,761.98	Max LtV - Appraisal Value	-	
Max Mortgage	\$ 37,437,198.43	5 YR SPREAD*	BROKER SPREAD**	HEDGE
		0.50%	0.00%	0.00%
			MARGIN	Total Qualifying Rate
			0.25%	3.93%

CMHC MLI SELECT - SETTINGS				
Debt Service Coverage	1.1	MLI - EGI	\$ 2,833,876.20	
Amortization	50	Total Expense	\$ 800,288.50	
		NOI	\$ 2,033,587.70	
Qualification rate	4.00%	Economic Value	\$ 50,839,692.49	
Max Loan-to-Value	95.00%			
Max PMT	\$ 1,848,716.09	Max LtV - Economic Value	\$ 48,297,707.86	
Max Mortgage based DSC	\$40,169,015.67	Max LtV - Construction Cost	\$ 46,093,733.98	
Max Mortgage based LTV	\$ 46,093,733.98	Max LtV - Appraisal Value	-	
Max Mortgage	\$ 40,169,015.67	5 YR SPREAD*	BROKER SPREAD**	HEDGE
		0.50%	0.00%	0.00%
			MARGIN	Total Qualifying Rate
			0.25%	3.93%

CONVENTIONAL - SETTINGS				
Debt Service Coverage	1.2	Maintenance and Repair	\$ 830.00	\$ 94,620.00
Amortization	30	Management	4.3%	\$ 125,359.53
		Salaries	\$ 555.00	\$ 63,270.00
Qualification rate	5.00%	Regular - EGI	\$ 2,949,636.00	
Max Loan-to-Value	75.00%	Total Expense	\$ 709,750.98	
Interest Conventional	5.00%	NOI	\$ 2,239,885.02	
		Economic Value	\$ 55,997,125.50	
Max PMT	\$ 1,866,570.85	Max LtV - Economic Value	\$ 41,997,844.13	
Max Mortgage based DSC	\$ 29,145,641.29	Max LtV - Construction Cost	\$ 36,389,789.98	
Max Mortgage based LTV	\$ 36,389,789.98	Max LtV - Appraisal Value	-	
Max Mortgage	\$ 29,145,641.29			

COMMERCIAL FINANCIAL ANALYSIS - CMHC MLI SELECT - 5 YEARS

40-60 Harris Ave., Richmond Hill, Ontario

Revenue

Residential	# Units	Avg Sq Ft	Total Area	Monthly \$ / Unit	% Total	Per Sqft	Annually
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Residential	# Units	Avg Sq Ft	Total Area	Monthly \$ / Unit	% Total	Per Sqft	Annually
Residential	96	735	70,560	2,177	84.21%	2.96	2,508,000
Residential - Affordable	18	516	9,288	1,348	15.79%	2.61	291,060
Total Residential	114	626	79,848	2,046	100%	373	2,799,060

Parking	49	100	58 800
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Locker	114	50	68,400
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Residential	3.0%	83,972
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Other Income	6.6%	8,412
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[illegible]

	% of E.G.I.	Per Soft	Per Unit	Annual
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Property Taxes	10.1%	\$	3.57	2,500	285,000
Insurance	4.8%	\$	1.71	1,200	136,800
Utilities	0.8%	\$	0.29	200	22,800
Maintenance & Repairs	3.3%	\$	1.19	830	94,620
Management Fee	4.3%	\$	1.51	1,056	120,440
Salaries	2.2%	\$	0.79	555	63,270
Replacement Reserve	1.7%	\$	0.61	430	49,020
Others Cost	1.0%	\$	0.35	249	28,339
Total Operating Expenses	28.2%	\$	10.02	\$ 7,020	\$ 800,289

Loan Amount	\$ 40,169,016	Cash Flow After Debt Service - 1 Year	\$ 184,871,611
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Loan Amount	\$ 48,188,916	Cash Flow After Debt Service - 1 Year	\$ 18,371,807
Qualification Interest Rate	4.00%	Monthly Mortgage Payment	\$ 154,059.67
Amortization	50 Years	Principal Payments - Monthly	\$ 21,656.26
Debt Service Coverage	1.10 X	Principal Paid - 5 Years	\$ 1,408,693.16
Total Debt Services - 1 Year	\$ 1,848,716	Interest Paid - 5 Years	\$ 7,834,887.29

Construction Cost	\$ 48 519 720	Loan Amount	\$ 40 169 016
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Appraisal Value	TBD	Loan Amount	\$ 10,100,000
Estimated Economic Value - CAP at 4.00%	\$ 50,839,692	Loan to Value	79.0%
Estimated Value per Suite	\$ 445,962	Operating Expenses/E.G.I	28.2%
Cost per Square Foot	\$ 607.65	N.O.I.	\$ 2,033,588
		Interest Rate as of August 8, 2025	3.68%

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Land					
Uses of funds		%		Sources of funds	%
Land Value	\$ 14,037,383.66	72.3%		Borrower Equity	\$ 8,171,443.50 42.1%
Servicing Cost	\$ 5,378,809.84	27.7%		Land Loan	
Land Lift	\$ -	0.0%		Total Land Loan	\$11,244,750 0.0%
Total Uses	\$ 19,416,193.50	100%		Total Sources	\$ 19,416,193.50 42.1%

Construction					
Uses of funds		%		Sources of funds	%
Land	\$ 19,416,193.50	40.0%		Land Equity	\$ 8,171,443.50 16.8%
Soft Costs	\$ 10,333,486.89	21.3%		cost incurred to date	\$ 760,000.00 1.6%
Hard Costs	\$ 15,069,554.78	31.1%		Additional Borrower Equity Required	\$ (580,739.19) -1.2%
Contingency S/C & H/C	\$ 1,040,413.13	2.1%		Total Equity	\$ 8,350,704.31 17.2%
Project Monitor & L/C	\$ 260,071.68	0.5%			
Financing - Bridge Const. Int.	\$ 1,800,000.00	3.7%		CMHC 1st Mortgage MLI Select	\$ 40,169,015.67 82.8%
Fees -Lender CL 1%	\$ 400,000.00	0.8%		Mezz loan	\$ -
Legal Fees 1/2%	\$ 200,000.00	0.0%		Total Loan	\$ 40,169,015.67 82.8%
Self Assessment					
Total Uses	\$ 48,519,719.98	100%		Total Sources	\$ 48,519,719.98 100%

CMHC Take-out Source and Use Table					
Uses of funds		%		Sources of funds	%
Repay Construction Loan	\$ 40,169,015.67	100.0%		CMHC 1st Mortgage	\$ 40,169,015.67 100%
Repay Mezz Loan	\$ -	0.0%			
Equity Recapture	\$ -	0.0%			
Total Uses	\$ 40,169,015.67	100%		Total Sources	\$ 40,169,015.67 100%

Total Land Loan \$14,500,000 78%
 77.55% \$11,310,000
 Use full amount in 1st Application and 0 in 2nd/3rd Application
 Land Value will be d

interest calc		
18 month Construction @ 4.95%		
year 1	\$	994,183
year 2	\$	745,637
	\$	1,739,820
		\$1,800,000

Legals: \$ 401,690.16 \$412,000
 Financing Fee 1% \$ 401,690.16 \$412,000
 CMHC Fees Added to Loan



LAURENTIAN BANK OF CANADA
Applicant

- and -

9089802 CANADA CORP. et al.
Respondents

Court File No.: CV-25-00747532-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced At TORONTO

AFFIDAVIT OF MICHEL DURAND

MEHRABI LAW OFFICE

4950 Yonge Street, Suite 2200
Toronto, Ontario, M2N 6K1

Esmail Mehrabi (LSO #60792C)
Barrister & Solicitor

T: (416) 862-2502

F: (416) 686-8882

E: mehrabi@mehrabilawoffice.com

Lawyer for the Respondents

LAURENTIAN BANK OF CANADA
Applicant

- and -

9089802 CANADA CORP. et al.
Respondents

Court File No.: CV-25-00747532-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced At TORONTO

RESPONDING RECORD

MEHRABI LAW OFFICE

4950 Yonge Street, Suite 2200
Toronto, Ontario, M2N 6K1

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F: (416) 686-8882

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Lawyer for the Respondents