

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

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

- and -

BARAKAA DEVELOPER INC. and LERRATO INC.

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43**

AFFIDAVIT OF ANDREW STERN

1. I am the Vice-President, Operations of Foremost Financial Corporation, Administrator on behalf of Foremost Mortgage Holding Corporation (the “**Lender**”). As such I have knowledge of the matters which I hereinafter depose. Where I do not have direct knowledge, I state the source of my information and I believe it to be true.

A. *The Parties*

2. The Lender is an Ontario corporation in the business of providing mortgage financing and other loans.
3. The respondents, Barakaa Developer Inc. (“**Barakaa**”) and Lerrato Inc. (“**Lerrato**”) and together with Madison, the “**Borrowers**”), are real estate development

corporations. I understand that both of the Borrowers are controlled by Hitesh Jhaveri and Niketa Wadia (together, the “**Principals**”).

B. The Secured Properties

1. The Madison Properties

4. Barakaa owns the real property municipally known as 23 Madison Avenue, Richmond Hill, Ontario (“**23 Madison**”) and 25 Madison Avenue, Richmond Hill, Ontario (“**25 Madison**” and, together with 23 Madison, the “**Madison Properties**”) and having the legal description set out in the document attached as **Exhibit A**.
5. I attach a copy of the parcel register, as of June 21, 2024, for 23 Madison to my affidavit as **Exhibit B**.
6. I attach a copy of the parcel register, as of June 28, 2024, for 25 Madison to my affidavit as **Exhibit C**.
7. The Madison Properties are the site of two fully constructed residential freehold single-family dwellings (the “**Madison Dwellings**”).
8. On October 29, 2023, I understand that Barakaa entered into an agreement of purchase and sale (the “**23 Madison Transaction**”) with two individuals (the “**23 Madison Homebuyers**”) in respect of 23 Madison.
9. On February 22, 2024, I understand that Barakaa entered into an agreement of purchase and sale (the “**25 Madison Transaction**”) with two individuals (the “**25 Madison Homebuyers**”) in respect of 25 Madison.

10. I understand from discussions with the Principals that the 25 Madison Homebuyers no longer wish to complete the 25 Madison Transaction because of delay caused by a mortgage dispute, described in greater detail below.

2. The Porte Properties

11. Lerrato owns the real property municipally known as 367 Porte Road, Ajax, Ontario and having the legal description set out in the document attached as **Exhibit D** (the “**Porte Properties**” and, together with the two Madison Properties, the “**Secured Properties**”).
12. The Porte Properties are comprised of six parcels of land, five of which are the site of five fully constructed residential freehold townhomes (the “**Porte Dwellings**” and, together with the Madison Dwellings, the “**Dwellings**”).
13. I attach copies of the parcel registers, as of June 21, 2024, for the Porte Properties to my affidavit as **Exhibit E**.
14. In May 2024, Lerrato entered into five agreements of purchase and sale (the “**Porte Transactions**”) with a number of individuals (the “**Porte Homebuyers**” and, together with the Madison Homebuyers, the “**Homebuyers**”) in respect of the Porte Dwellings.
15. The sixth parcel of land (PIN 26454-0558, the “**Sixth Parcel**”) is intended for use by the Town of Ajax to construct municipal waterworks as set out in a development agreement between Lerrato and the Town of Ajax dated August 21, 2018 (the

“Porte Development Agreement”). I attach a copy of the Porte Development Agreement to my affidavit as **Exhibit F**.

16. Section 30(1) of the Porte Development Agreement requires Lerrato to convey title to the Sixth Parcel to the Town of Ajax.
17. The Porte Development Agreement also required Lerrato to post a performance guarantee to secure Lerrato’s performance of the Porte Development Agreement. Pursuant to this security requirement, I understand that Lerrato paid the Town of Ajax \$184,973 (the **“Porte Cash Collateral”**) which is now being held by the Town of Ajax.

C. The Loans

1. The Barakaa Loan

18. On or around June 24, 2022, the Lender completed a mortgage loan transaction (the **“Barakaa Loan”**) with Barakaa in accordance with a Letter of Commitment dated April 27, 2022 (the **“Barakaa Commitment Letter”**) issued by Foremost Financial Corporation, an affiliate of the Lender. The Commitment Letter was subsequently assigned to the Lender. I attach a copy of the Barakaa Commitment Letter to my affidavit as **Exhibit G**.
19. The Barakaa Loan contemplated a facility in the amount of \$4,133,000, all of which was ultimately advanced to Barakaa.
20. Under the Barakaa Commitment Letter, the annual interest rate for the Barakaa Loan was the greater of 7.50% and HSBC Bank Canada Prime + 4.30%.

21. The Barakaa Commitment Letter contemplated monthly interest-only payments and a repayment of the Loan on maturity, being October 1, 2023.
22. On September 28, 2023, Foremost Financial Corporation and Barakaa agreed to an amendment of the Barakaa Commitment Letter extending its term to April 1, 2024. I attach a copy of this amendment to the Barakaa Commitment Letter to my affidavit as **Exhibit H**.

2. The Leratto Loan

23. On or around July 5, 2022, the Lender completed a mortgage loan transaction (the "**Leratto Loan**" and, together with the Barakaa Loan, the "**Loans**") with Leratto in accordance with a Letter of Commitment dated June 10, 2022 (the "**Leratto Commitment Letter**") issued by Foremost Financial Corporation. The Leratto Commitment Letter was subsequently assigned to the Lender. I attach a copy of the Leratto Commitment Letter to my affidavit as **Exhibit I**.
24. The Leratto Loan contemplated a facility in the amount of \$3,155,000, all of which was ultimately advanced to Leratto.
25. Under the Leratto Commitment Letter, the annual interest rate for the Leratto Loan was the greater of 8.00% and HSBC Bank Canada Prime + 4.30%.
26. The Lerrato Commitment Letter contemplated monthly interest-only payments and a repayment of the Loan on maturity, being September 1, 2023.

D. Security for the Loans

27. The Loans were secured by mortgages registered on title to the Secured Properties as follows:

(a) Instrument number YR3443814, registered on title to the Madison Properties on June 24, 2022, a copy of which is attached hereto as **Exhibit J**; and

(b) Instrument number DR2150311, registered on title to the Porte Properties on July 5, 2022, a copy of which is attached hereto as **Exhibit K** (collectively, the “**Foremost Mortgages**”).

28. The Foremost Mortgages are subsequent to the following prior charges registered on title to the Secured Properties in favour of the Lender (which prior charges secured past advances made by the Lender to the Borrowers):

(a) Instrument number YR2706667, registered on title to the Madison Properties on July 24, 2017, a copy of which is attached hereto as **Exhibit L** (the “**Prior Madison Mortgage**”); and

(b) Instrument number DR1850098, registered on title to the Porte Properties on November 26, 2019, a copy of which is attached hereto as **Exhibit M** (the “**Prior Porte Mortgage**” and, together with the Prior Madison Mortgage, the “**Prior Foremost Mortgages**”).

29. There are no amounts outstanding under the Prior Foremost Mortgages. The loans secured by the Prior Foremost Mortgages have been paid off with advances made pursuant to the Loans (which advances are secured by the Foremost Mortgages).
30. Under instrument number DR1850099, on November 26, 2019, the Lender also registered a notice of security interest on title to the Porte Properties with respect to certain chattels affixed to the Porte Properties. I attach a copy of this instrument to my affidavit as **Exhibit N**.
31. The Lender's mortgage on the Madison Properties was, previously, also registered on title to property municipally known as 19 Madison Avenue, Richmond Hill, Ontario. However, in or around January 2024, Barakaa discharged that mortgage in connection with the closing of a sale transaction with a homebuyer which resulted in payment to the Lender in respect of the Barakaa Loan in the amount of \$1,421,190.64.
32. The Foremost Mortgages incorporated standard charge terms 201035 by reference (the "**Charge**"). The Charge expressly provides that the Lender has the right to appoint a receiver in the event of a default by the Borrowers. I attach a copy of the Charge to my affidavit as **Exhibit O**.
33. In addition to the charges, the Borrowers granted to the Lender, among other things, General Security Agreements over the Borrowers' personal property (the "**GSAs**"). I attach a copy of the GSAs to my affidavit as **Exhibit P**.

- 34. The GSAs expressly provided that the Lender can appoint a receiver in respect of the Borrowers if the Loans are in default.
- 35. The obligations of the Borrowers to the Lender are guaranteed by the Principals. On or around May 15, 2022, the Principals executed a guarantee of the Barakaa Loan. I attach a copy of this guarantee to my affidavit as **Exhibit Q**.
- 36. In or around June 2022, the Principals executed a guarantee of the Lerrato Loan. I attach a copy of this guarantee to my affidavit as **Exhibit R**.

E. Status of the Secured Properties

1. The Transactions

- 37. As noted above, the Borrowers have entered into agreements of purchase and sale in respect of 23 Madison and all five of the Porte Dwellings with third parties who are waiting to close the purchase. While Barakaa has entered into an agreement of purchase and sale with respect to 25 Madison, as noted above, the 25 Madison Homebuyers no longer wish to close the 25 Madison Transaction.
- 38. I understand that the Madison Project and the Porte Project are fully complete and, save for the mortgage dispute described below, the 23 Madison Transaction and the Porte Transactions are ready to close.

2. Secured Charges and the Disputed Joshi Mortgages

- 39. The following parties have mortgages registered on title to the Madison Properties (in the order of their registration and excluding the Prior Madison Mortgage):

Instrument Number	Registration	Secured Party	Amount (\$)
YR3443814		The Lender	4,133,000
YR3561972	(the “ 141 Madison Charge ”)	1417199 Ontario Limited	750,000
YR3596443	(the “ BIP Madison Charge ”)	BIP Management Corporation (“ BIP ”)	1,500,000
YR3610007	(the “ Joshi Madison Charge ”)	(Sanjive Joshi, Xpert Credit Control Solutions Inc. and Xpert law Inc. (collectively, the “ Joshi Parties ”)	5,000,000
Total			11,383,000

40. 141 Madison Charge is attached hereto as **Exhibit S**.

41. BIP Madison Charge is attached hereto as **Exhibit T**.

42. The Joshi Madison Charge is attached hereto as **Exhibit U**.

43. The following parties have mortgages registered on title to the Porte Properties (in the order of their registration and excluding the Prior Porte Mortgage):

Instrument Number	Registration	Secured Party	Amount (\$)
DR2150311		The Lender	3,155,000

DR2253705 (the “ BIP Porte Charge ”)	BIP	700,000
DR2272795 (the “ Joshi Porte Charge ” and, together with the Joshi Madison Charge, the “ Joshi Mortgages ”). Note that this mortgage is only registered on title to one of the five parcels (this being “ Unit 5 ”) that make up the Porte Properties: PIN 26454-0557 (LT))	The Joshi Parties	5,000,000
Total		8,855,000

44. The BIP Porte Charge is attached hereto as **Exhibit V**.

45. Joshi Porte Charge is attached hereto as **Exhibit W**.

46. According to an affidavit sworn by Hitesh Jhaveri on December 21, 2023 (the “**Jhaveri Affidavit**”), the Principals allege that the Joshi Mortgages are fraudulent. I attach a copy of the Jhaveri Affidavit, without exhibits, to my affidavit as **Exhibit X**.

47. The Principals and the Joshi Parties are engaged in ongoing litigation concerning the propriety of the Joshi Mortgages, among other things, in an action bearing court file number CV-23-00710241-0000. I attach a copy of the Principals' statement of defence in connection with this matter to my affidavit as **Exhibit Y**.

3. PPSA and Execution Searches

48. The Lender registered financing statements in respect of the GSAs under the *Personal Property Security Act* (Ontario) against Barakaa and Lerrato on June 27, 2022 and July 5, 2022, respectively.
49. The Lender's lawyers conducted a search of the Personal Property Security Registration system in Ontario against Barakaa and a copy of the search, dated June 21, 2024, is attached as **Exhibit Z**.
50. The search against Barakaa indicates that, in addition to the Lender's registration, the following additional registrations exist:

Secured Party	Collateral	Registration Date	Registration Number
Royal Bank of Canada	[no description]	January 14, 2020	20200114 1937 1531 6463
Royal Bank of Canada	[no description]	May 14, 2021	20210514 1442 1530 2042
Royal Bank of Canada	Rolls-Royce Wraith, 2020 - SCAXZ0C06LU201227	August 15, 2022	20220815 1818 1532 3239

51. The Lender's lawyers conducted a search of the Personal Property Security Registration system in Ontario against Lerrato and a copy of the search, June 21, 2024, is attached as **Exhibit AA**.
52. The search against Lerrato indicates that, in addition to the Lender's registration, the following additional registrations exist:

Secured Party	Collateral	Registration Date	Registration Number
Royal Bank of Canada	[no description]	January 14, 2020	20200114 1937 1531 6461
Royal Bank of Canada	Maserati Levante, 2017 - ZN661YUSXHX233094	November 7, 2022	20221107 1810 1532 6721

53. The Lender's lawyers also conducted execution searches against the Borrowers in all 49 Ontario enforcement offices. The searches indicate that there are no executions registered against the Borrowers as of June 21, 2024. I attach copies of these searches to my affidavit as **Exhibit BB**.

4. Default under the Loans

54. All of the Loans are in default. In particular:
- (a) both of the Loans have matured and are due and payable immediately; and
 - (b) the registration of the Joshi Mortgages on certain of the Secured Properties without the consent of the Lender (which was not obtained) represents a further event of default under the terms of the Charge.

55. The Borrowers have failed to pay back the Loans despite the fact that both of the Loans are due and payable.
56. The outstanding indebtedness on the Barakaa Loan is \$3,045,577.15. I attach a mortgage discharge statement for the Barakaa Loan as **Exhibit CC**.
57. The outstanding indebtedness on the Lerrato Loan is \$3,469,760.10. I attach a mortgage discharge statement for the Lerrato Loan as **Exhibit DD**.
58. On May 17, 2024, the Lender's counsel sent a notice of intent to enforce security under section 244 of the *Bankruptcy Insolvency Act* ("**BIA**") to Lerrato (the "**Lerrato Notice**"). I attach a copy of the Lerrato Notice as **Exhibit EE**.
59. On June 26, 2024, the Lender's counsel sent a notice of intent to enforce security under section 244 of the *BIA* to counsel for Barakaa (the "**Barakaa Notice**"). On June 28, 2024, Barakaa's counsel waived the 10-day notice period under the Barakaa Notice and consented to early enforcement of the Barakaa Loan on behalf of Barakaa. I attach a copy a copy of the Barakaa Notice and the email correspondence between the Lender's counsel and Barakaa's counsel affidavit as **Exhibit FF**.

F. Need for a Receiver

60. The Lender is entitled to the appointment of a receiver over the Secured Properties and the Porte Cash Collateral as a result of the Borrowers' defaults under the Loans.

61. KSV Restructuring Inc. (the “**Receiver**”) has consented to its appointment as receiver and manager of the Secured Properties, if so appointed.
62. A receiver is urgently required to assist the Lender in realizing upon its security in the Secured Properties and finalizing the sale and conveyance of the Porte Properties and 23 Madison as well as the marketing and sale of 25 Madison.
63. In particular, the registration of the subsequent mortgages on title to certain of the Secured Properties is impeding the ability of the Borrowers to complete sales of the Dwellings and thereby pay off the Loans as follows:
 - (a) the value of the 23 Madison Transaction is insufficient to discharge the mortgages of BIP and the Joshi Parties registered on title to 23 Madison;
 - (b) the market value of 25 Madison (which the Receiver may need to sell) is likely insufficient to discharge the mortgages of BIP and the Joshi Parties registered on title to 25 Madison;
 - (c) the value of the Porte Transactions is insufficient to discharge the mortgage of the Joshi Parties registered on title to Unit 5.
64. The Borrowers’ inability to close the Transactions is causing prejudice to the Lender, whose first-ranking security is not in dispute, as well as to the Homebuyers.
65. The Receiver, if appointed, will be able to convey title to the Secured Properties free and clear of the above noted encumbrances. This will permit the Receiver to

close the Porte Transactions and the 23 Madison Transaction and market 25
Madison for sale.

AFFIRMED remotely by Andrew Stern
at the City of Toronto, in the Province
of Ontario, before me at the City of
Toronto, in the Province of Ontario, on
this 2nd day of August, 2024 in
accordance with O. Reg. 431/20,
Administering Oath or Declaration
Remotely



Commissioner for Taking Affidavits
Ryan Shah (LSO#: 88250C)



Andrew Stern

This is **Exhibit "A"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

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

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

- and -

BARAKAA DEVELOPER INC. and LERRATO INC.

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43**

THE MADISON PROPERTIES

03206 - 4245

Lot 741 and Part Lots 740 and 742, Plan 133, Part 2, Plan 65R38228; Town of
Richmond Hill

03206 - 4246

Lot 743 and Part Lot 742, Plan 133, Part 1, Plan 65R38228; Town of Richmond Hill

This is **Exhibit "B"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

<u>PROPERTY DESCRIPTION:</u>		LOT 741 AND PART LOTS 740 AND 742, PLAN 133, PART 2, PLAN 65R38228
<u>PROPERTY REMARKS:</u>		PLANNING ACT CONSENT IN DOCUMENT YR2949170. CORRECTION: DOCUMENT YR2949144 ADDED TO 03206-4245 ON 2022/05/26 AT 15:57 BY BURKE, TRACY.
<u>ESTATE/QUALIFIER:</u>	<u>RECENTLY:</u>	<u>PIN CREATION DATE:</u>
FEE SIMPLE	DIVISION FROM 03206-0534	2019/04/29
LT CONVERSION QUALIFIED		
<u>OWNERS' NAMES</u>	<u>CAPACITY</u>	<u>SHARE</u>
BARAKAA DEVELOPER INC.	ROWN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1999/07/26 **						
IF351	1951/02/19	BYLAW				C
IF367	1952/04/28	BYLAW		THE CORPORATION OF THE TOWNSHIP OF KING		C
REMARKS: BY-LAW 951 AMENDING BY-LAW 929						
YR2706667	2017/07/24	CHARGE	\$1,725,000	BARAKAA DEVELOPER INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
65R38228	2018/12/20	PLAN REFERENCE				C
YR2949144	2019/04/11	TRANSFER		BARAKAA DEVELOPER INC.	BARAKAA DEVELOPER INC.	C
YR3430374	2022/05/26	LR'S ORDER		LAND REGISTRAR, YORK REGION LAND REGISTRY OFFICE		C
REMARKS: ADD DOCUMENT YR2921415 AND YR2949170 & DELETE YR2949144 DELETE YR2921415 AND YR2949170 & ADD YR2949144						
YR3443814	2022/06/24	CHARGE	\$4,133,000	BARAKAA DEVELOPER INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
REMARKS: CONTINUANCE OF YR2921415						
YR3561972	2023/06/13	CHARGE	\$750,000	BARAKAA DEVELOPER INC.	1417199 ONTARIO LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #65

03206-4245 (LT)

PAGE 2 OF 2
PREPARED FOR mstickney01
ON 2024/06/21 AT 09:50:44

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR3581760	2023/08/03	POSTPONEMENT	\$1,500,000	1417199 ONTARIO LIMITED	FOREMOST MORTGAGE HOLDING CORPORATION	C
REMARKS: YR3561972 TO YR3443814						
YR3596443	2023/09/12	CHARGE		BARAKAA DEVELOPER INC.	BIP MANAGEMENT CORPORATION	C
YR3596645	2023/09/12	POSTPONEMENT	\$5,000,000	1417199 ONTARIO LIMITED	BIP MANAGEMENT CORPORATION	C
REMARKS: YR3561972 TO YR3596443						
YR3610007	2023/10/19	CHARGE		BARAKAA DEVELOPER INC.	JOSHI, SANJIVE XPERT CREDIT CONTROL SOLUTIONS INC. XPERT LAW INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is **Exhibit "C"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

PROPERTY DESCRIPTION:LOT 743 AND PART LOT 742, PLAN 133, PART 1, PLAN 65R38228

PROPERTY REMARKS:PLANNING ACT CONSENT IN DOCUMENT YR2949144. PLANNING ACT CONSENT IN DOCUMENT YR2949170.

ESTATE/QUALIFIER:RECENTLY:PIN CREATION DATE:

FEE SIMPLEDIVISION FROM 03206-05342019/04/29

OWNERS' NAMESCAPACITY SHAREBARAKAA DEVELOPER INC.ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2019/04/29 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1999/07/26 **						
IF351	1951/02/19	BYLAW				C
IF367	1952/04/28	BYLAW		THE CORPORATION OF THE TOWNSHIP OF KING		C
REMARKS: BY-LAW 951 AMENDING BY-LAW 929						
YR2706663	2017/07/24	TRANSFER	\$2,600,000	2548001 ONTARIO LTD.	BARAKAA DEVELOPER INC.	C
YR2706667	2017/07/24	CHARGE	\$1,725,000	BARAKAA DEVELOPER INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
YR2786884	2018/01/23	CHARGE		*** DELETED AGAINST THIS PROPERTY *** BARAKAA DEVELOPER INC.	PURI, INDU	
YR2882425	2018/10/03	CHARGE		*** DELETED AGAINST THIS PROPERTY *** BARAKAA DEVELOPER INC.	1417199 ONTARIO LIMITED AND INDU PURI	
65R38228	2018/12/20	PLAN REFERENCE				C
YR2921415	2019/01/21	RESTRICTION-LAND		*** DELETED AGAINST THIS PROPERTY *** BARAKAA DEVELOPER INC.		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #65

03206-4246 (LT)

PAGE 2 OF 3
PREPARED FOR MEREDITH FRANCIS
ON 2024/06/28 AT 08:17:19

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: AFFECTS PART 3 65R-38228. OR THE CHIEF ADMINISTRATIVE OFFICER OF THE CORPORATION OF THE TOWN OF RICHMOND HILL</i>		<i>NO TRANSFER OR CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF THE COMMISSIONER OF THE TOWN OF RICHMOND HILL</i>	<i>OF PLANNING & REGULATORY SERVICES</i>	
YR3430374	2022/05/26	LR'S ORDER		LAND REGISTRAR, YORK REGION LAND REGISTRY OFFICE		C
		<i>REMARKS: ADD DOCUMENT YR2921415 AND</i>	<i>YR2949170 & DELETE</i>	<i>YR2949144 DELETE YR2921415</i>		
YR3443814	2022/06/24	CHARGE	\$4,133,000	BARAKAA DEVELOPER INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
		<i>REMARKS: CONTINUANCE OF YR2921415</i>				
YR3444072	2022/06/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** PURI, INDU		
		<i>REMARKS: YR2786884.</i>				
YR3444073	2022/06/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1417199 ONTARIO LIMITED AND INDU PURI		
		<i>REMARKS: YR2882425.</i>				
YR3507980	2022/12/14	CHARGE		*** COMPLETELY DELETED *** BARAKAA DEVELOPER INC.	DHINGRA, PRAN KARA, ZAHIR	
YR3510626	2022/12/21	POSTPONEMENT		*** COMPLETELY DELETED *** DHINGRA, PRAN KARA, ZAHIR	FOREMOST MORTGAGE HOLDING CORPORATION	
		<i>REMARKS: YR3507980 TO YR3443814</i>				
YR3561972	2023/06/13	CHARGE	\$750,000	BARAKAA DEVELOPER INC.	1417199 ONTARIO LIMITED	C
YR3581760	2023/08/03	POSTPONEMENT		1417199 ONTARIO LIMITED	FOREMOST MORTGAGE HOLDING CORPORATION	C
		<i>REMARKS: YR3561972 TO YR3443814</i>				
YR3587494	2023/08/18	CHARGE		*** COMPLETELY DELETED *** BARAKAA DEVELOPER INC.	JOSHI, SANJIVE XPERT CREDIT CONTROL SOLUTIONS INC. XPERT LAW INC.	
YR3596158	2023/09/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** JOSHI, SANJIVE XPERT CREDIT CONTROL SOLUTIONS INC. XPERT LAW INC.		
		<i>REMARKS: YR3587494.</i>				
YR3596443	2023/09/12	CHARGE	\$1,500,000	BARAKAA DEVELOPER INC.	BIP MANAGEMENT CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #65

03206-4246 (LT)


PAGE 3 OF 3
PREPARED FOR MEREDITH FRANCIS
ON 2024/06/28 AT 08:17:19

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR3596642	2023/09/12	DISCH OF CHARGE	\$5,000,000	*** COMPLETELY DELETED *** DHINGRA, PRAN KARA, ZAHIR	BIP MANAGEMENT CORPORATION	C
YR3596645	2023/09/12	POSTPONEMENT		1417199 ONTARIO LIMITED		
YR3610007	2023/10/19	CHARGE		BARAKAA DEVELOPER INC.	JOSHI, SANJIVE XPERT CREDIT CONTROL SOLUTIONS INC. XPERT LAW INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is **Exhibit "D"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

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

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

- and -

BARAKAA DEVELOPER INC. and LERRATO INC.

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43**

THE PORTE PROPERTIES

PIN 26454 - 0553
PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN P131742;
TOWN OF AJAX

PIN 26454 - 0554
PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN P131742;
TOWN OF AJAX

PIN 26454 - 0555
PT LT 6 CON 1 PT 3 40R30173, PICKERING; S/T EASEMENT AS IN P131742; TOWN
OF AJAX

PIN 26454 - 0556
PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN P131742;
TOWN OF AJAX

PIN 26454 - 0557
PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN P131742; TOWN
OF AJAX

PIN 26454 - 0558
PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN P131742;
TOWN OF AJAX

This is **Exhibit "E"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

PROPERTY DESCRIPTION:

PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX

PROPERTY REMARKS:

FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2004 06 21. PLANNING ACT CONSENT IN DOCUMENT DR1738399.

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 26454-0123

PIN CREATION DATE:

2018/10/22

OWNERS' NAMES

LERRATO INC.

CAPACITY

SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PI31742	1951/08/03	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
REMARKS: SKETCH ATTACHED.						
CO94360	1961/05/17	BYLAW			WARREN	C
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA						
LT989006	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW NO. 51-99 BEING A NEW AREA SPECIFIC BY-LAW REGARDING DEVELOPMENT CHARGES FOR WATER SUPPLY SERVICE FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
LT989054	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW REGARDING DEVELOPMENT CHARGES FOR SANITARY SEWERAGE WORKS FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
DR291339	2004/06/29	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF DURHAM	JOSHI, ASHWANI MOHAN, SUSMITA	C
REMARKS: PART 1, 40R22784						
DR431407	2005/09/26	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: AIRPORT ZONING REGULATIONS						
40R30173	2018/08/21	PLAN REFERENCE				C
DR1735681	2018/09/17	NOTICE		THE CORPORATION OF THE TOWN OF AJAX	LERRATO INC.	C
DR1738399	2018/09/26	TRANSFER		LERRATO INC.	LERRATO INC.	C
DR1850098	2019/11/26	CHARGE	\$2,375,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DR1850099	2019/11/26	NO SEC INTEREST	\$2,375,000	FOREMOST MORTGAGE HOLDING CORPORATION		C
DR2150311	2022/07/05	CHARGE	\$3,155,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2253705	2023/08/10	CHARGE	\$700,000	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
DR2254558	2023/08/14	NOTICE	\$2	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
REMARKS: DR2253705						
DR2268558	2023/10/03	POSTPONEMENT		BIP MANAGEMENT CORPORATION	FOREMOST MORTGAGE HOLDING CORPORATION	C
REMARKS: DR2253705 TO DR2150311						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #40

26454-0554 (LT)

PAGE 1 OF 2
PREPARED FOR MartaA12
ON 2024/06/21 AT 09:33:34

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION:	PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX		
PROPERTY REMARKS:	FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2004 06 21. PLANNING ACT CONSENT IN DOCUMENT DR1738402.		
ESTATE/QUALIFIER:	RECENTLY:	PIN CREATION DATE:	
FEE SIMPLE	DIVISION FROM 26454-0123	2018/10/22	
LT ABSOLUTE PLUS			
OWNERS' NAMES	CAPACITY	SHARE	
LERRATO INC.			

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PI31742	1951/08/03	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
REMARKS: SKETCH ATTACHED.						
CO94360	1961/05/17	BYLAW				C
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA WARREN						
LT989006	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW NO. 51-99 BEING A NEW AREA SPECIFIC BY-LAW REGARDING DEVELOPMENT CHARGES FOR WATER SUPPLY SERVICE FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
LT989054	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW REGARDING DEVELOPMENT CHARGES FOR SANITARY SEWERAGE WORKS FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
DR291339	2004/06/29	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF DURHAM	JOSHI, ASHWANI MOHAN, SUSMITA	C
REMARKS: PART 1, 40R22784						
DR431407	2005/09/26	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: AIRPORT ZONING REGULATIONS						
40R30173	2018/08/21	PLAN REFERENCE				C
DR1735681	2018/09/17	NOTICE		THE CORPORATION OF THE TOWN OF AJAX	LERRATO INC.	C
DR1738402	2018/09/26	TRANSFER		LERRATO INC.	LERRATO INC.	C
DR1850098	2019/11/26	CHARGE	\$2,375,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DR1850099	2019/11/26	NO SEC INTEREST	\$2,375,000	FOREMOST MORTGAGE HOLDING CORPORATION		C
DR2150311	2022/07/05	CHARGE	\$3,155,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2253705	2023/08/10	CHARGE	\$700,000	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
DR2254558	2023/08/14	NOTICE	\$2	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
REMARKS: DR2253705						
DR2268558	2023/10/03	POSTPONEMENT		BIP MANAGEMENT CORPORATION	FOREMOST MORTGAGE HOLDING CORPORATION	C
REMARKS: DR2253705 TO DR2150311						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION:

PT LT 6 CON 1, PT 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX

PROPERTY REMARKS:

FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2004 06 21. PLANNING ACT CONSENT IN DOCUMENT DR1738403.

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 26454-0123

PIN CREATION DATE:

2018/10/22

OWNERS' NAMES

LERRATO INC.

CAPACITY

SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PI31742	1951/08/03	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
REMARKS: SKETCH ATTACHED.						
CO94360	1961/05/17	BYLAW				C
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA WARREN						
LT989006	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW NO. 51-99 BEING A NEW AREA SPECIFIC BY-LAW REGARDING DEVELOPMENT CHARGES FOR WATER SUPPLY SERVICE FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
LT989054	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW REGARDING DEVELOPMENT CHARGES FOR SANITARY SEWERAGE WORKS FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
DR291339	2004/06/29	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF DURHAM	JOSHI, ASHWANI MOHAN, SUSMITA	C
REMARKS: PART 1, 40R22784						
DR431407	2005/09/26	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: AIRPORT ZONING REGULATIONS						
40R30173	2018/08/21	PLAN REFERENCE				C
DR1735681	2018/09/17	NOTICE		THE CORPORATION OF THE TOWN OF AJAX	LERRATO INC.	C
DR1738403	2018/09/26	TRANSFER		LERRATO INC.	LERRATO INC.	C
DR1850098	2019/11/26	CHARGE	\$2,375,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #40

26454-0555 (LT)

PAGE 2 OF 2
PREPARED FOR mstickney01
ON 2024/06/21 AT 09:57:01

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DR1850099	2019/11/26	NO SEC INTEREST	\$2,375,000	FOREMOST MORTGAGE HOLDING CORPORATION		C
DR2150311	2022/07/05	CHARGE	\$3,155,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2253705	2023/08/10	CHARGE	\$700,000	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
DR2254558	2023/08/14	NOTICE	\$2	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
REMARKS: DR2253705						
DR2268558	2023/10/03	POSTPONEMENT		BIP MANAGEMENT CORPORATION	FOREMOST MORTGAGE HOLDING CORPORATION	C
REMARKS: DR2253705 TO DR2150311						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION:

PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX

PROPERTY REMARKS:

FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2004 06 21. PLANNING ACT CONSENT IN DOCUMENT DR1738417.

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 26454-0123

PIN CREATION DATE:

2018/10/22

OWNERS' NAMES

LERRATO INC.

CAPACITY

SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PI31742	1951/08/03	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
REMARKS: SKETCH ATTACHED.						
CO94360	1961/05/17	BYLAW			WARREN	C
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA						
LT989006	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW NO. 51-99 BEING A NEW AREA SPECIFIC BY-LAW REGARDING DEVELOPMENT CHARGES FOR WATER SUPPLY SERVICE FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
LT989054	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW REGARDING DEVELOPMENT CHARGES FOR SANITARY SEWERAGE WORKS FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
DR291339	2004/06/29	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF DURHAM	JOSHI, ASHWANI MOHAN, SUSMITA	C
REMARKS: PART 1, 40R22784						
DR431407	2005/09/26	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: AIRPORT ZONING REGULATIONS						
40R30173	2018/08/21	PLAN REFERENCE				C
DR1735681	2018/09/17	NOTICE		THE CORPORATION OF THE TOWN OF AJAX	LERRATO INC.	C
DR1738417	2018/09/26	TRANSFER		LERRATO INC.	LERRATO INC.	C
DR1850098	2019/11/26	CHARGE	\$2,375,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #40

26454-0556 (LT)

PAGE 2 OF 2
PREPARED FOR mstickney01
ON 2024/06/21 AT 09:59:55

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DR1850099	2019/11/26	NO SEC INTEREST	\$2,375,000	FOREMOST MORTGAGE HOLDING CORPORATION		C
DR2150311	2022/07/05	CHARGE	\$3,155,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2253705	2023/08/10	CHARGE	\$700,000	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
DR2254558	2023/08/14	NOTICE	\$2	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
REMARKS: DR2253705						
DR2268558	2023/10/03	POSTPONEMENT		BIP MANAGEMENT CORPORATION	FOREMOST MORTGAGE HOLDING CORPORATION	C
REMARKS: DR2253705 TO DR2150311						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2004 06 21.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
DIVISION FROM 26454-0123

PIN CREATION DATE:
2018/10/22

OWNERS' NAMES
LERRATO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PI31742	1951/08/03	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
REMARKS: SKETCH ATTACHED.						
CO94360	1961/05/17	BYLAW				C
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA WARREN						
LT989006	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW NO. 51-99 BEING A NEW AREA SPECIFIC BY-LAW REGARDING DEVELOPMENT CHARGES FOR WATER SUPPLY SERVICE FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
LT989054	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW REGARDING DEVELOPMENT CHARGES FOR SANITARY SEWERAGE WORKS FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
DR291339	2004/06/29	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF DURHAM	JOSHI, ASHWANI MOHAN, SUSMITA	C
REMARKS: PART 1, 40R22784						
DR431407	2005/09/26	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: AIRPORT ZONING REGULATIONS						
DR1669919	2017/12/22	TRANSFER	\$1,100,000	SYMMBAN-IBI DEVELOPMENTS INC.	LERRATO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
40R30173	2018/08/21	PLAN REFERENCE				C
DR1735681	2018/09/17	NOTICE		THE CORPORATION OF THE TOWN OF AJAX	LERRATO INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DR1850098	2019/11/26	CHARGE	\$2,375,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR1850099	2019/11/26	NO SEC INTEREST	\$2,375,000	FOREMOST MORTGAGE HOLDING CORPORATION		C
DR2150311	2022/07/05	CHARGE	\$3,155,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2253705	2023/08/10	CHARGE	\$700,000	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
DR2254558	2023/08/14	NOTICE	\$2	LERRATO INC.	BIP MANAGEMENT CORPORATION	C
DR2268558	2023/10/03	POSTPONEMENT		BIP MANAGEMENT CORPORATION	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2272795	2023/10/19	CHARGE	\$5,000,000	LERRATO INC.	JOSHI, SANJIVE XPERT CREDIT CONTROL SOLUTIONS INC. XPERT LAW INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #40

26454-0558 (LT)

PAGE 1 OF 2
PREPARED FOR MartaA12
ON 2024/06/21 AT 09:36:25

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2004 06 21.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

OWNERS' NAMES
LERRATO INC.

RECENTLY:
DIVISION FROM 26454-0123

CAPACITY SHARE
ROWN

PIN CREATION DATE:
2018/10/22

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PI31742	1951/08/03	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
REMARKS: SKETCH ATTACHED.						
CO94360	1961/05/17	BYLAW				C
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA WARREN						
LT989006	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW NO. 51-99 BEING A NEW AREA SPECIFIC BY-LAW REGARDING DEVELOPMENT CHARGES FOR WATER SUPPLY SERVICE FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
LT989054	2000/10/16	BYLAW		THE REGIONAL MUNICIPALITY OF DURHAM		C
REMARKS: BY-LAW REGARDING DEVELOPMENT CHARGES FOR SANITARY SEWERAGE WORKS FOR THE CARRUTHERS CREEK DEVELOPMENT AREA						
DR291339	2004/06/29	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF DURHAM	JOSHI, ASHWANI MOHAN, SUSMITA	C
REMARKS: PART 1, 40R22784						
DR431407	2005/09/26	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: AIRPORT ZONING REGULATIONS						
DR1669919	2017/12/22	TRANSFER	\$1,100,000	SYMMBAN-IBI DEVELOPMENTS INC.	LERRATO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
40R30173	2018/08/21	PLAN REFERENCE				C
DR1735681	2018/09/17	NOTICE		THE CORPORATION OF THE TOWN OF AJAX	LERRATO INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DR1850098	2019/11/26	CHARGE	\$2,375,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR1850099	2019/11/26	NO SEC INTEREST	\$2,375,000	FOREMOST MORTGAGE HOLDING CORPORATION		C
DR2150311	2022/07/05	CHARGE	\$3,155,000	LERRATO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	C
DR2272795	2023/10/19	CHARGE	\$5,000,000	LERRATO INC.	JOSHI, SANJIVE XPERT CREDIT CONTROL SOLUTIONS INC. XPERT LAW INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is **Exhibit "F"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN

26454 - 0123 LT

Description

PT LT 6 CON 1, PT 1 PL 40R22784, AJAX, (PICKERING), REGIONAL MUNICIPALITY OF DURHAM, S/T EASEMENT AS IN PI31742

Address

367 PORTE ROAD
AJAX

Consideration

Consideration

\$0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name

THE CORPORATION OF THE TOWN OF AJAX

Address for Service

65 Harwood Avenue South, Ajax,
Ontario L1S 2H9

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a municipal corporation Steven Parish (Mayor) and Alexander Harras (Deputy Clerk).

Party To(s)	Capacity	Share
<div><div>Name</div><div>LERRATO INC.</div></div> <div><div>Address for Service</div><div>9 Ridgevale Drive, Markham, Ontario L6B 1A8</div></div> <div>I, Hitesh R. Jhaveri (President), have the authority to bind the corporation</div> <div>This document is not authorized under Power of Attorney by this party.</div>		

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice is for an indeterminate period

Schedule: See Schedules

Signed By

Barbara Shirley Inkpen

467 Westney Rd S. #16
Ajax
L1S 6V8

acting for
Applicant(s)

Signed 2018 09 14

Tel

905-683-6880

Fax

905-428-2063

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

POLAK MCKAY & HAWKSHAW

467 Westney Rd S. #16
Ajax
L1S 6V8

2018 09 17

Tel

905-683-6880

Fax

905-428-2063

Fees/Taxes/Payment

Statutory Registration Fee

\$63.65

Total Paid

\$63.65

File Number

Applicant Client File Number :

18-A-008

DEVELOPMENT AGREEMENT

THIS AGREEMENT made this 21st day of August, 2018.

B E T W E E N:

LERRATO INC.

(hereinafter called the "Developer" or the "Owner")

OF THE FIRST PART,

- and -

THE CORPORATION OF THE TOWN OF AJAX

in the Regional Municipality of Durham

(hereinafter called the "Town")

OF THE SECOND PART.

WHEREAS:

The Developer proposes to subdivide certain lands in the Town of Ajax pursuant to Land Division application numbers LD121, 122, 123 and 124/2017 as approved by the Durham Region Land Division Committee (the "Consent or Consents") in accordance with a draft reference plan of survey attached hereto as Schedule "G" (the "Plan");

The Developer is required as a condition of final approval of the Consent to enter into a Development Agreement with the Town pursuant to Sections 51 and 53 of the Planning Act, R.S.O. 1990 c. P.13;

The Developer's engineers have prepared drawings listed in Schedule "D" attached hereto for the work and services to be performed and constructed by the Developer hereunder, which said drawings have been approved by the Town (the "Drawings");

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the Town consenting to the release of the Consents and the covenants hereinafter expressed the Parties hereby **COVENANT** and **AGREE** one with the other as follows:

PART 1 – GENERAL

1. LANDS AFFECTED

The lands affected by this Agreement (the "Lands") are:

Part Lot 6 Concession 1 being Part 1 Plan 40R22748 Town of Ajax Regional Municipality of Durham. All of PIN 26454-0123 (LT).

2. VARIATION IN REGISTERED PLAN

If the division of the Lands into five (5) lots varies from the Plan on which this Agreement is based, and as a result of such variations, certain changes are required to be made to this Agreement or the Schedules attached hereto or with respect to the financial requirements of the Developer in connection herewith, it shall be sufficient for the Town to deliver to the Developer a letter indicating the amendments to this Agreement, whereupon such amendments shall be deemed to be incorporated into this Agreement. The Developer hereby covenants and agrees to comply with the terms and conditions of such amendments as if they had been incorporated into this Agreement.

3. NOTICE

(1) Any notice required to be given hereunder may be given by personal delivery, facsimile transmission or registered mail,

(a) in the case of the Developer, to

Lerrato Inc.

Mr. Hitesh R. Jhaveri, President

9 Ridgevale Drive

Markham, Ontario

L6B 1A8

(b) in the case of the Town, to

The Town Clerk

The Corporation of the Town of Ajax

65 Harwood Avenue South

Ajax, Ontario

L1S 2H9

Fax No. (905) 683-1061

(2) Each Party may redesignate the person or the address, or both, to whom or to which such notice may be given by giving written notice to the other.

(3) Any notice given in accordance with this section shall be deemed to have been given on the second day following the day of mailing or on the day of delivery or facsimile transmission, as the case may be.

4. LICENCE TO ENTER

The Developer shall retain for itself, its successors and assigns, and the Town, its servants, agents and inspectors the right to enter upon the Lands in order to comply with the provisions of this Agreement.

5. HEADINGS

The headings appearing within the body of this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

6. SPECIAL REQUIRMENTS

The Developer shall comply with the recommendations and conditions of the Town of Ajax Report dated August 11, 2017 as submitted to the Durham Region Land Division Committee.

7. GOVERNING LAW

This Agreement shall be governed in accordance with the laws of the Province of Ontario.

8. CANCELLATION OF AGREEMENT

In the event the Consents are not made final on or before twelve months of the date of this Agreement the Town may at its option on one month's notice to the Owner declare this Agreement be null and void.

9. INTERPRETATION

Whenever in this Agreement the word "Developer" and the pronoun "it" is used, it shall be read and construed to include all genders and the plural and the number of the verb agreeing therewith shall be construed accordingly.

10. TOWN TO ACT PROMPTLY AND REASONABLY

Wherever the Town, the Town's Solicitor, the Town's Treasurer or any Town Director is required to take action pursuant to this Agreement, or is required to make a decision or render an

opinion, or give confirmation or give authorization, permission or approval, then such action, decision, confirmation, authorization, permission or approval shall be made promptly in all respects and the Town and its officials shall act reasonably.

11. SCHEDULES

All Schedules referred to herein and attached hereto shall be and form part of this Agreement.

12. BINDING PARTIES

(1) It is declared and agreed that this Agreement and the covenants, provisions, conditions and schedules herein contained, shall enure to the benefit of and be binding upon the respective successors and assigns of each of the parties hereto.

(2) This Agreement is entered into and executed by the Developer for the purpose of having the Town act in reliance on the covenants by the Developer contained herein and the Developer hereby waives any right or claim which it now has or may hereinafter acquire which is inconsistent with the terms of this Agreement.

(3) The invalidity or unenforceability of any provision or part of any provision of this Agreement shall not affect the validity or enforceability of any other provision or part thereof, and any such invalid or unenforceable provision or part thereof shall be deemed to be separate, severable and distinct, and no provision or part thereof shall be deemed dependent upon any other provision or part thereof unless expressly provided for herein.

13 INDEMNIFICATION

The Developer will indemnify the Town from all actions, causes of action, suits, claims and demands whatsoever and all costs incurred in respect thereof by reason of the Developer doing, failing to do or doing incorrectly or negligently anything which by the terms of this Agreement it is required to do. Without limiting the foregoing the Developer agrees to indemnify and hold harmless the Town for all costs, fees, expenses and disbursements incurred by the Town in connection with the preparation for and attendance at a hearing before a Court of Law or tribunal as a result of the *Occupational Health and Safety Act, R.S.O. 1990 c. O.1* and any Order issued thereunder with respect to the development of the Lands.

PART 2 - CONSTRUCTING SERVICES

14. LIABILITY INSURANCE

(1) The Developer covenants and agrees with the Town that in contracting the construction of the Services, the Developer will obtain and maintain public liability and property damage insurance, satisfactory to the Town, to protect the Developer and the Town jointly against loss, damage or injury to persons or property caused directly or indirectly by reason of the Developer undertaking the construction of the Services. A certificate of such insurance shall be filed with the Treasurer prior to the commencement of construction and such policy shall be effective until issuance of the Certificate of Final Acceptance of above ground Services.

(2) Such policy shall be in an amount not less than \$5,000,000.00 and shall not be cancellable unless prior notice has been received by the Town not less than 30 days prior to cancellation date.

15. PROFESSIONAL ENGINEERS AND OTHER CONSULTANTS

(1) The Developer shall employ a Professional Engineer to:

- (i) design all Services;
- (ii) prepare and furnish all drawings, plans, reports and certificates as required by the Town, or pursuant to this Agreement;
- (iii) obtain all approvals required from all other governmental authorities or agencies;
- (iv) provide the field layout, the contract administration and site supervision and inspection of the construction of all Services;
- (v) maintain all records of construction and upon completion, advise the Town of all construction changes and final measurements;
- (vi) provide the Town with "as constructed" drawings from time to time upon completion of the construction of the Services in paper and digital format satisfactory to the Town;
- (vii) act as the Developer's representative in all matters pertaining to the construction of the Services;
- (viii) issue "Letter or Letters of Completion";
- (ix) provide the Town with Lot Grading Certification for all lots; and

- (x) perform such additional functions and services as may be required pursuant to this Agreement.
- (2) The employment of the Professional Engineer by the Developer shall be pursuant to a written contract setting out the aforesaid scope of services and such other services as the Town may require to complete the Services. The Developer shall obtain a written acknowledgement from the Professional Engineer addressed to the Town and filed with the Town to the following effect that:
- (i) the Professional Engineer holds a valid Certificate of Authorization issued under the *Professional Engineers Act* (Ontario);
 - (ii) the Professional Engineer has received a copy of this Agreement and is aware of all of the terms and conditions contained herein;
 - (iii) the Professional Engineer will perform his services for the Developer in accordance with the terms of this Agreement;
 - (iv) the Professional Engineer will keep the Town advised of any and all material facts, changes or developments, pertaining to the Lands, the Plan and this Agreement; and
 - (v) the Professional Engineer will not withdraw his services pursuant to his contract with the Developer and in connection with this Agreement without giving thirty (30) days prior written notice to the Town.
- (3) The Professional Engineer, or any successor thereto, shall continue to be retained until the Services have been assumed or accepted by the Town.
- (4) In the event that during the construction of any of the Services there is a dispute relating to the interpretation of any clause herein or with respect to any of the Drawings, the decision of the Town shall solely govern such interpretation, and such decision of the Town shall be final and binding on all parties hereto.
- (5) The Developer shall, at all times and from time to time, at the Developer's expense, furnish all reasonable aid and assistance to the Professional Engineer, the Town and any other consultant, inspector or inspection firm in connection with this Agreement or the Services, the including a full time inspector on site during the installation of the Services and all necessary testing certification and inspection of material and methods as may be required by the Professional Engineer, the Town, inspector or inspection firm. All tests required shall be carried

out in accordance with the specifications of the person requesting such test, and shall be performed at the cost of the Developer. Notwithstanding any inspection that may be carried out by the Town, or any inspector or inspection firm on behalf of the Town, the failure of the Town or the said inspector or inspection firm to condemn or object to any defective work or material shall not constitute a waiver of any specification or the approval or acceptance of any defective work or material, and the Developer shall remain responsible for all and any work done or required to be done in accordance with the terms of this Agreement, including the repair or replacement of any defective work or material, at the Developer's sole cost and expense. In the event that the Town has required any quantitative or qualitative test for any purpose whatsoever as a pre-condition of any further construction, the Developer shall not construct such Services for which the test is required until such test has been received, reviewed and approved by the Town and has issued an order in connection therewith. Such order may specify which work and in what manner it should be done, and may be subject to conditions and may specify that such work is to be completed within a specified time period, and the Developer shall comply with all terms of such order.

16. MUNICIPAL SERVICES

(1) The Developer shall construct, install and carry out in a good and workmanlike manner all the municipal services, works and improvements (hereinafter called "Services"), as shown on the Drawings. The Drawings may be amended from time to time but such amendments shall not take effect unless approved by the Town. All Drawings and any other plans or drawings required pursuant to this Agreement shall be prepared in accordance with the Design Criteria and Standard Detail Drawings adopted by the Town and in accordance with the Digital Data and format requirements of the Town.

17. CONSTRUCTION

- (1) The Developer shall not commence construction of any Services unless:
- (i) a Certificate of Insurance has been delivered in accordance with Section 14 and the Performance Guarantee has been provided in accordance with Section 22;
 - (ii) the Drawings have been approved by the Town;

- (iii) the Developer has given five (5) full business days written notice to the Town of its intention to commence construction;
 - (iv) the Developer has submitted to the Town a detailed construction schedule (hereinafter called the "Schedule of Construction") indicating the various stages of construction, references to the location of each stage, the anticipated date of commencement of construction and the anticipated completion date of each stage of construction relating to the construction of the Services and the Schedule of Construction has been approved by the Town. The Schedule of Construction shall be filed with the Town within thirty (30) days of the signing of this Agreement. In the event that the Developer should fail to comply with the provisions of this paragraph, then the Town may at any time after such default prepare its own schedule of construction and upon sending a copy of such schedule to the Developer, it shall become binding and effective on the Developer in the same manner and to the same extent as if such schedule of construction had been prepared by the Developer and approved by the Town. The Schedule of Construction may be revised with the approval of the Town upon not less than thirty (30) days notice to the Town prior to the date on the Schedule of Construction to be revised.
- (2) The Developer shall construct the Services in accordance with the Municipal Service Instructions contained in Schedule "B" attached hereto, in accordance with the adopted Town standards and Provincial standards and the Drawings set out in Schedule "D" attached hereto.
- (3) The Developer shall not complete the connection of any Services to existing municipal services as shown on the Drawings without the prior approval of the Town.
- (4) If construction of the Services has not been commenced within twelve (12) months of the date the Town advises the Durham Region Land Division that the conditions of the Consents affecting the Town have been satisfied the Town may revoke its approval of the Drawings. In the event of the revocation of such approval, the Town may require the re-submission of engineering drawings prepared in accordance with the then current standards and requirements of the Town and other governmental agencies or authorities.
- (5) The Developer shall construct the Services in accordance with the Schedule of Construction. Failure to fully complete all Services in accordance with the Schedule of Construction shall be

deemed to be a default of the Developer pursuant to the terms of this Agreement, and the Town shall be entitled to avail itself of all remedies contained herein with respect to such default. Upon such default and in addition to any other remedy the Town may have, the Town may require that the Developer cease and desist from doing any further work on the Lands, and the Developer hereby agrees to stop work if it receives notice to do so. The aforesaid agreement to stop work refers to any and all construction of any nature or kind whatsoever in connection with the Lands, including the construction of houses or other buildings or structures on the Lands. If the Developer is unable to fulfil the Schedule of Construction by labour disputes, fire or by a cause of any kind beyond its control then the Schedule of Construction shall be amended with the approval of the Town.

(6) The construction of Services shall be deemed completed only upon the issuance of a Certificate of Preliminary Acceptance by the Town.

(7) If the Developer covers or permits to be covered work that has been designated for special tests, inspections or approvals by the Town before such special tests, inspections or approvals have been made, given or completed, the Developer shall, if so directed by the Town, uncover such work, have the inspection or test satisfactorily completed and make good such work at the Developer's expense. The Town may order any part or parts of the Services to be specially examined should it believe that such work is not in accordance with the requirements of this Agreement. If, upon examination, such work is in the opinion of the Town found not in accordance with the requirements of this Agreement, the Developer shall correct such work and regardless of any finding as aforesaid the Developer shall pay all expenses in connection with the provisions of this clause.

(8) Access to the Lands for construction purposes is only permitted from Porte Road.

(9) In this Agreement:

(i) "Construction" includes erection, alteration, repair of the Services or buildings, painting, grading, excavating, laying of pipe, paving and "construction equipment" means any equipment or device designed and intended for use in construction.

(ii) "Noise" means sound originating from construction on the Lands and received on other lands.

(iii) No noise shall be emitted or caused to be emitted from the Lands on Sunday and

except between the hours of 7:00 a.m. and 8:00 p.m. on each day Monday to Thursday, between the hours of 7:00 a.m. and 5:00 p.m. on Fridays and between the hours of 9:00 a.m. and 5:00 p.m. on Saturdays.

18. INCOMPLETED OR FAULTY WORK

(1) If in the opinion of the Town the Developer fails to install the Services, or, having commenced to install the Services, fails or neglects to proceed to complete the Services in accordance with the Schedule of Construction, or, in the event that the Services are not being installed according to the requirements of this Agreement, or if the Developer abandons the work, in addition to any other remedy the Town may have and upon the Town giving seven days' written notice to the Developer or its Professional Engineer, the Town may, without further notice, proceed to supply all materials and to do all necessary works in connection with the installation of the Services including the repair or reconstruction of faulty work and the replacement of materials not in accordance with the specifications, and to charge the cost thereof, together with an engineering fee of 15% of the cost of such materials and works, to the Developer who shall forthwith pay the same upon demand by the Town, such proceeding by the Town shall be as agent for the Developer and shall not be deemed, for any purposes whatsoever, as an acceptance or assumption of the Services by the Town.

(2) When, after the Developer has commenced construction of the Services, but before the Services have been finally accepted by the Town, any of the Services provided by the Developer do not function properly and, in the opinion of the Town, repairs are necessary to be made to prevent damage or hardship to any persons or any property, the Town shall notify the Developer or the Professional Engineer of the repairs which are required to be made. In the event the condition as aforesaid is an emergency, or immediate repair is required, then the Town without prior notice may take such action and do all such acts and things as are considered necessary and advisable in the place of the Developer, and the Developer shall reimburse the Town for any and all expenses incurred, whether directly or indirectly by the Town, in connection with such action.

(3) The Developer further covenants and agrees with the Town that it will repair any damage that may be caused to any of the Services by any person, resulting from the construction of any dwellings or other buildings by the Developer or on behalf of the Developer or resulting from the construction

of any of the Services or other matters which the Developer is obligated to perform under this Agreement. It is further understood and agreed that if damages should occur to any of the Services it shall be assumed that such damages were caused by the above-mentioned construction operations and the onus shall therefore be upon the Developer to prove otherwise.

(4) The Developer covenants and agrees with the Town to repair any damage to other lands and/or streets caused by the work or construction of the Services, by restoring the lands and streets to the condition existing prior to the damage sustained, taking into account the normal deterioration of such lands and streets. Such restoration is to be undertaken by the Developer at its own expense upon notification by the Town to the Developer.

19. CERTIFICATION OF ACCEPTANCE

(1) In this Agreement "Functional" means;

(i) the Professional Engineer's Letter of Completion referred to in Section 11 has been delivered to the Town; and

(ii) drawings for the General Plan of Services have been submitted to the Town in autocad format acceptable to the Town in accordance with the Design Criteria.

(2) "Certificates of Preliminary Acceptance of Services" indicating the start of the maintenance period for underground Services shall be issued by the Town as follows:

(i) underground Services are Functional and all deficiencies corrected to the satisfaction of the Town;

(ii) base curb, if any, and base asphalt are complete;

(iii) as-built drawings for all underground Services including service connections, if any, have been delivered to the Town; and

(iv) a statutory declaration by the Developer that all accounts for underground Services have been paid has been delivered to the Town.

(3) "Certificate of Preliminary Acceptance of Services" indicating the start of maintenance period for aboveground Services shall be issued by the Town as follows:

(i) completion of all aboveground Services including landscaping and boulevard planting, if any, required by this Agreement;

- (ii) if required by the Town the street and walkway lighting has been completed and is operational;
 - (iv) the Professional Engineer's Letter of Completion referred to in Section 15;
 - (v) a Statutory Declaration of the Developer that all accounts have been paid has been delivered to the Town;
 - (vi) expiry of any Construction Act (Ontario) holdback period; and
 - (vii) the Developer has complied with all of the provisions of this Agreement.
- (4) The Town shall, within sixty (60) days from the receipt of the Professional Engineer's Letter of Completion, either advise in writing the Professional Engineer that such work has been completed to its satisfaction or has not been completed to its satisfaction as the case may be and if the Town does not within the said sixty (60) day period so advise the Professional Engineer, it is assumed the work has been accepted unless the Town is delayed in inspecting the work and such delay is not the fault of the Town in which case the sixty (60) day period may be extended by the Town equal to the period of delay.
- (5) "Certificate of Final Acceptance" indicating the end of the maintenance period for underground Services shall be issued by the Town subject to the following:
- (i) issuance of a Certificate of Preliminary Acceptance of aboveground Services; and
 - (ii) an inspection by the Town of the Services to be covered by such Certificate of Final Acceptance indicating that all such Services have been maintained and all deficiencies and defects in such Services have been corrected by the Developer to the satisfaction of the Town.
- (6) "Certificate of Final Acceptance" indicating the end of the maintenance period for aboveground Services shall be issued by the Town subject to the following:
- (i) a complete set of "as constructed" Drawings satisfactory to the Town is submitted on mylar drafting film acceptable to the Town in accordance with the Design Criteria; but not until
 - (ii) the works are acceptable and the Developer has performed all of its obligations under the terms of this Agreement.

20. TREE PRESERVATION REPORT

(1) The Owner shall submit to the Town for its review and approval, a tree inventory and tree preservation program (the "Tree Preservation Program"), including a hazard tree report with recommendations prepared by a qualified arborist and indicating which existing trees in the Tree Preservation Program may be preserved, and shall implement the Tree Preservation Program as approved. The Tree Preservation Program shall provide details on how tree preservation will be carried out, identify the means of enforcement and consider the grading and cut and fill operations proposed to be carried out on the Lands and the manner in which trees should be protected during such operations.

(2) Until the Tree Preservation Program is approved the Owner shall not commence nor allow to be commenced any aspect of the development of the Lands, including grading, cut and fill operations or the removal of any tree.

(3) Trees to be preserved in accordance with the Tree Preservation Program are to be depicted on the Drawings. Such Drawings shall show the size, location and geodetic elevation of trees to be preserved and the limits of any cut and fill work.

(4) In the event that any tree required to be preserved by the approved Tree Preservation Program is removed without the prior approval of the Town or is, in the opinion of the Town, damaged to such an extent that its value or longevity is decreased or is likely to be decreased, then the Owner shall replace that tree with a tree or trees of a size, species and equivalent value as determined by the Town; such replacement shall be at no cost to the Town.

(5) The Developer shall deposit with the Town the sum of \$2,500.00 to ensure that the health of the preserved trees has been maintained during site works and construction. This additional security, less any amount deducted by the Town, shall be released two (2) years after completion of construction

21. DRAINAGE, LOT GRADING, EROSION CONTROL AND SODDING

(1) The Lands shall be graded to drain in accordance with Lot Grading Plans approved by the Town and indexed in Schedule "D". The Owner shall construct all Services in such a manner that no damage shall result by reason of the drainage therefrom. The Owner shall convey or cause to be

conveyed all easements required for drainage purposes as may be required from time to time in the discretion of the Town.

(2) The Owner shall upon request of the Town, take such erosion control measures and construct such erosion control works as the Town may in writing direct. Such erosion control measures, may without limiting the generality of the foregoing, include:

- (i) temporary sodding or seeding;
- (ii) temporary grading measures;
- (iii) use of barriers, fencing and embankments;
- (iv) permanent planting, seeding or sodding;
- (v) use of rip-rap or other similar methods;
- (vi) construction of culverts, drains and spillways;
- (vii) sedimentation ponds, retention ponds, detention ponds or siltation ponds.

(3) The Owner's Professional Engineer shall provide the Town with Lot Grading Certification in two stages (the "Lot Grading Certification"). Preliminary Lot Grading Certification will be submitted in the form of a letter certifying that the lot has been graded to conform to Town standards, Design Criteria, approved grading plans indexed in Schedule "D" and to the lot site plan approved prior to the issuance of building permit for the lot and that the lot can now be sodded. Final Lot Grading Certification will be submitted in the form of a letter certifying that all lots have been graded to conform to Town standards, Design Criteria and approved grading plans and will include a resubmission of the lot grading plans showing "as constructed" grades for each lot within the Lands.

(4) In the event any lot within the Lands requires the construction or installation of a retaining wall, entry gate features, fences, noise barrier, drainage easements, culverts, drains or catch basins, the Owner shall give notice of same in all offers of purchase and sale agreements for such lot. The Owner shall also give notice in all offers of purchase and sale that the owner from time to time of any lot upon which a retaining wall, noise barrier or fences have been constructed shall be responsible to maintain same.

PART 3- FINANCIAL MATTERS

22. PERFORMANCE AND MAINTENANCE GUARANTEE

(1) Before commencing the construction, installation or performance of any of the Services provided for herein or prior to the Town advising the Durham Region Land Division Committee that the conditions of the Consents affecting the Town have been satisfied, whichever first occurs, the Developer shall supply the Town with a 100% performance and maintenance guarantee (hereinafter called "Performance Guarantee"), either in the form of a cash deposit or Unconditional and Irrevocable Letter of Credit approved by the Town Treasurer in an amount as determined in Schedule "A" for the purpose of:

- (i) guaranteeing the satisfactory construction, installation or performance of the Services;
- (ii) guaranteeing the payment of any amounts payable to the Town under this Agreement;
- (iii) guaranteeing the payment of any amount, including legal expenses, that the Town may be required to pay under or as a result of claims pursuant to the *Construction Act, R.S.O. 1990 c. C30*;
- (iv) guaranteeing all underground Services, workmanship and materials for a period of two (2) years from the date of certification set out in Section 19 (2);
- (v) guaranteeing all above ground Services, workmanship and materials including all landscaping works and materials for a period of two (2) years from the date of certification set out in Section 19 (3); and
- (vi) guaranteeing all other obligations of the Developer in this Agreement.

(2) The Performance Guarantee may be reduced by the Town at the sole discretion of the Town but in no event shall the Performance Guarantee be reduced below the amount equal to the total of 100% of the cost of the Services remaining to be completed, plus 10% of the value of the Services as finally completed. The balance of any Performance Guarantee shall be returned to the Developer, less any deductions for rectification of deficiencies, when the above ground Services have been finally accepted in accordance with Section 19.

(3) If, in the opinion of the Town the amount of the Performance Guarantee is insufficient, then the Town shall recalculate the amount of the Performance Guarantee and shall advise the Developer

of such recalculation and provide the Developer with a copy of such recalculation and the Developer shall deliver any additional security required by the Town within seven (7) business days of its receipt of such notice.

(4) Schedule "A" is a guide to the amount of the Performance Guarantee required but in determining the sufficiency of the Performance Guarantee regard shall be given to the total cost of satisfying all of the obligations of the Developer pursuant to any provisions of this Agreement.

(5) Where any Services are not installed in accordance with the Schedule of Construction or where the Developer is in default of any of its obligations in this Agreement, the Town may enter and install such Services or perform such obligations at the Developer's expense and apply the Performance Guarantee to reimburse the Town therefore. It is hereby acknowledged and agreed that the Performance Guarantee is held by the Town for its sole benefit and not for the benefit of, by way of trust or otherwise, any person performing any of the Services, directly or indirectly, on behalf of the Developer.

(6) The Developer further agrees to deposit with the Town, prior to signing of this Agreement, cash or an irrevocable and unconditional letter of credit in the sum of \$20,000.00 as security for the Developer's covenant, which the Developer herein gives, to keep streets and adjacent lands free from deposits, litter and debris, to comply with the Town's Mud Tracking and Earth Movement Bylaw (hereinafter called the "Mud Deposit"). In the event debris or deposits remain on the street for more than six (6) consecutive hours following notice to the Developer the Town shall be entitled to clean the streets and deduct the cost of same from the Mud Deposit. The Developer shall immediately reimburse the Town for all costs incurred so that the Mud Deposit is re-instated to the sum of \$20,000.00. The Mud Deposit may be included in the Performance Guarantee.

(7) To ensure the completion of the grading and sodding of lots and paving of driveways within the Plan the Performance Guarantee shall include an amount as identified in Schedule "A". The Performance Guarantee shall not be reduced below an amount equal to the cost of completing the grading and sodding and driveways as determined by the Town. If the lot grading or sodding is not completed on the lots within six (6) months of the occupancy of the dwelling, seasonal conditions permitting, in addition to any other available remedies, the Town may draw upon the Performance Guarantee to its full value and complete same. If the driveway paving is not completed on the lots

within twelve (12) months of occupancy of the dwelling, in addition to any other available remedies, the Town may draw upon the Performance Guarantee to its full value and complete same.

23. FINANCIAL PAYMENTS

- (1) Within ten (10) days of the execution of this Agreement by the Town the Developer shall:
 - (i) deliver to the Town by certified cheque the amounts set out in Schedule "C" for the Town's Engineering Services, Operation and Environmental Services and Design Services fees;
 - (ii) deliver to the Town by certified cheque to the Town the reasonable legal costs incurred by the Town which arise from this Agreement in the amount of \$2,822.98, inclusive of H.S.T; and
 - (iii) deliver to the Town by certified cheque the amount set out in Schedule "C" for cash-in-lieu of tree compensation.
- (2) The Developer shall deliver to the Town prior to the issuance of the first building permit for construction of a dwelling on the Lands by certified cheque an amount for cash-in-lieu of parkland in accordance with By-law 79-2006 and Section 42 of the Planning Act R.S.O. 1990 c. P..13.
- (3) Prior to the issuance of a building permit for the first dwelling to be constructed on the Lands the Developer shall pay to Fairpark Homes Inc. or as it may direct the sum of \$13,902.61 for compensation for services installed by Fairpark Homes Inc. that benefit the Lands.

24. GENERAL FINANCIAL PROVISIONS

- (1) The Owner agrees with the Town to pay to the Town:
 - (i) the taxes in full on all its lands in the Town of Ajax required by law from time to time;
 - (ii) interest at the rate of 12% per annum on all sums of money payable in this Agreement which are not paid on the due dates calculated from such due dates; and
 - (iii) the cost of all registrations incurred by the Town relating in any way to the Plan.
- (2) The Owner covenants and agrees that prior to the transfer of any part of the Lands following the issuance of the final Consents it shall inform the Transferee (other than homebuyers) of all development charges related to the Lands in accordance with Section 59(4) of the *Development Charges Act* (Ontario).

PART 4- DEVELOPING THE PROJECT

25. ARCHITECTURAL CONTROL

- (1) The Owner shall, prior to the exhibiting of any residential units for sale, lease or other form of conveyance and prior to the construction of a dwelling, comply with the Town's A-8 Architectural Design Guidelines for Residential Subdivisions, as amended from time to time.
- (2) The Owner shall pay for or reimburse the Town for the cost of the "Control Architect". Such payments shall be made to the Town within Thirty (30) days of the Town submitting to the Owner its invoice.

26. OFFICIAL PLAN AND ENGINEERING MAP

- (1) The Owner agrees to display in the sales office or provide prospective purchasers with a plan or plans of the Lands and adjacent area indicating the public facilities including parks, schools and churches and the zoning of each lot or block along with the zoning and official plan designations of adjacent lands and a traffic management plan identifying all roads in the immediate area and indicating the traffic calming devices, signage and parking restrictions. The zoning map and official plan designations will be supplied by the Town and will be updated as amended.
- (2) The Owner shall also provide prospective purchasers with the following: "Any enquiries dealing with the proposed engineering design, lot grading, utility locations or general construction can be directed to Town of Ajax Building Approvals and Engineering Services Section at 619-2529 Ext. 3232."

27. DWELLING CONSTRUCTION

- (1) No dwelling on the Lands shall be constructed until:
 - (i) any default of any of the provisions of this Agreement has been rectified;
 - (ii) storm sewer facilities are constructed and installed in accordance with this Agreement and are Functional;
 - (iii) watermains, hydrants and sanitary sewer facilities are constructed and installed and a clearance has been received from The Regional Municipality of Durham;
 - (iv) a base curb and a base course asphalt road has been constructed in front of such dwelling and extended to an existing maintained public road;
 - (v) if required by the Town, the street and walkway lighting has been completed and is

operational;

(vi) the Consents are final;

(vii) the conveyance of all easements or lands to the Town has been completed as per Schedule "E";

(viii) architectural approval has been received in accordance with Section 25;

(ix) all monies required by this Agreement have been paid including any outstanding taxes;

(x) all engineering, traffic management, landscape design and utility coordination drawings have been approved by the Town; and

(xi) tree preservation measures have been carried out in accordance with Section 20.

(2) The Owner further covenants and agrees that all buildings erected on the Lands shall conform to building levels approved by the Town before the building operations are commenced. Building levels and building location shall be checked by the Owner's Professional Engineer or an Ontario Land Surveyor and certification of such levels and locations shall be submitted to the Chief Building Official of the Town in the form of a Foundation Control Certificate approved by the Town prior to any construction above the sub-floor for such building.

(3) The Owner covenants and agrees to employ or cause any building to employ construction methods to prevent the spread of fire on the Lands.

(4) The Owner covenants and agrees to submit to the Chief Building Official of the Town for his approval, prior to applying for building permits, a soils report (the "Soils Report") based on test pits or boreholes conducted in the field, and prepared by a qualified professional engineer in that regard verifying adequate bearing capacity and the level of permanent ground water. Further, the Soils Report shall delineate those areas within the Plan where the footings will be below the ground water level and those areas where the footings will be installed in engineered fill and:

- (i) where the footings for a dwelling are to be below the level of permanent ground water, the Owner agrees to submit to the Chief Building Official for his approval design drawings showing dewatering or subdrainage systems to protect the dwelling from uplift and flooding;
- (ii) where the footings for a dwelling are to be installed in engineered fill, the Owner agrees to have a qualified professional engineer conduct a site inspection prior to the placing of such

footings and to prepare a soils field report verifying the bearing capacity of the soils as being adequate for the designed footings. The aforementioned soils field report shall be submitted to the Chief Building Official for his approval prior to the pouring of concrete footings for such dwelling unit;

(iii) where footings are to be installed on native soil, (i.e. not engineered fill) the Owner agrees to have a qualified professional engineer conduct a site inspection of one lot prior to the placing of footings in such lot and to prepare a soils field report as a quality control mechanism to verify conformance with the Soils Report. The soils field report shall verify the bearing capacity of the soils as being competent for the designed footings. The aforementioned soils field report shall be submitted to the Chief Building Official prior to the pouring of concrete footings for the dwelling unit on such lot; and

(iv) nothing herein shall prohibit or restrict the Chief Building Official from requiring the submission of a soils field report prior to the placing of footings on any lot.

(5) At the time of application for a building permit the Owner covenants and agrees to submit to the Chief Building Official of the Town for his approval a soil investigation report prepared by a qualified professional engineer in that regard verifying:

(i) structural adequacy of the soil to support the proposed foundations in accordance with Division B subsection 4.2.2 of the Ontario Building Code; and

(ii) leakage of soil gas (i.e. radon and methane) into the proposed buildings will not constitute a hazard in accordance with Division B subsection 9.13.4 of the Ontario Building Code.

(6) The Owner covenants and agrees to deliver to the Town a building location survey prepared by an Ontario Land Surveyor for each dwelling unit in the Plan. Such survey shall be delivered to the Town within ninety (90) days of the completion of the foundation work for such dwelling unit.

28. OCCUPANCY

The Owner covenants and agrees that no dwelling shall be occupied for any purpose whatsoever unless:

(i) a garbage bin has been provided in a central location that is accessible to all occupants. This garbage bin will be serviced as required from time to time at the Owner's

expense. The bin will remain in service for purposes of disposal of residential waste until the Regional Municipality of Durham commences municipal waste collection and will be marked "for residential waste only";

(ii) the Owner has caused to be affixed the street number for such dwelling unit to a wall of the building, or other approved location, which faces a public street adjacent to the front lot line of the lot as defined in the Town's Zoning Bylaw so as to ensure clear visibility of the number at all times from the public street. Each number shall be a minimum of ten centimetres in height; and

(iii) the Owner has constructed and installed all necessary traffic controls, traffic calming measures or devices, parking restrictions, signs and pavement markings as required by the Town and has submitted to the Town a written declaration which identifies the completion of such work unless otherwise agreed to by the Town.

29. CONSTRUCTION ACT

The Developer agrees that it will comply with the Construction Act (Ontario) and hold in its possession and in a separate fund, which fund shall be designated a trust fund, the statutory holdback and added amounts required by reason of notice of construction lien claims. Such money will not be disbursed except in compliance with the Construction Act. The Developer will be responsible to and save harmless the Town for any loss suffered by the Town, including legal expenses, by reason of any neglect or refusal by the Developer to comply with the Construction Act and/or this section. The Town shall be entitled to apply the Performance Guarantee to cover liens and costs that may be claimed against or include the Town in respect of work done or improvements made to lands dedicated as public streets or other lands.

PART 5 - TRANSFERS AND REGISTRATIONS

30. CONVEYANCE OF LAND AND EASEMENTS

(1) The Developer covenants and agrees to convey to the Town, free from encumbrances, the lands and easements for public purposes, described in Schedule "E" hereto. The Transfer/Deed for the said lands described in Schedule "E" are to be in a form approved by the Town Solicitor.

(2) In addition to the conveyances described in Schedule "E" attached hereto, the Developer shall provide such further conveyances upon the request of the Town as are required to facilitate the Services.

(3) The Developer shall also ensure that encroachment and maintenance easements are provided on any lot for the maintenance of any dwelling or other structures constructed or placed on any adjoining lot.

31. LIEN UPON THE LANDS

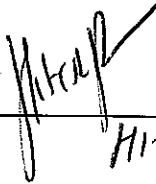
The Owner hereby consents to the registration of this Agreement upon the Lands and hereby acknowledges that same constitutes a first lien upon the Lands as security for any obligation of the Owner pursuant to this Agreement.

32. REMOVAL OF AGREEMENT FROM TITLE


It is hereby agreed by and between the parties hereto that upon the satisfactory completion of the installation of the Services, all necessary grading and payment of all financial requirements herein and otherwise upon compliance with all the provisions of this Agreement the Town will consent to the removal of this Agreement from title to the Lands.

IN WITNESS WHEREOF the parties have signed this Agreement as of the date set out above.


LERRATO INC.

Per: 
Name: Hilary Jhaven
Title: President

I have authority to bind the Corporation


THE CORPORATION OF THE TOWN OF AJAX

Name: Steven Parish
Title: Mayor


Name: Alexander Harras
Title: Manager of Legislative Services/Deputy Clerk

We have authority to bind the Corporation

LIST OF SCHEDULES

SCHEDULE

- A Summary of Calculation of Performance Guarantee
- B Municipal Service Instructions
- C Schedule and Summary of Payments or Guarantees and Deliveries
- D Index of Drawings and Plans
- E Lands or Easements to be conveyed to the Town
- F Special Provisions required by other Agencies
- G Reference Plan

SCHEDULE "A"

Summary of Performance Guarantees

ITEM	QUANTITY	UNIT	UNIT COST	TOTAL AMOUNT
ENGINEERING				
Siltation Control				
Construction Access Mud-Mat	107	m ²	15	\$1,605.00
Silt Fence	180	l.m.	12	\$2,160.00
Sediment Traps	2	each	80	\$160.00
Siltation Control Maintenance	1	l.s.	\$1,000.00	\$1,000.00
Removal and Disposal of Siltation Control Measures	1	l.s.	\$1,355.00	\$1,355.00
			Sub-Total	\$6,280.00
Storm Sewer Services				
Connections	1	each	\$2,000.00	\$2,000.00
Rear Lot Catch Basin	1	each	\$2,200.00	\$2,200.00
			Sub-Total	\$4,200.00
Roadworks and Appurtenances				
Roadworks Base		l.s.	\$6,390.00	\$6,390.00
Roadworks Top		l.s.	\$4,844.20	\$4,844.20
Sidewalk (1.5 m)		l.s.	\$2,880.00	\$2,880.00
Retaining Walls		l.s.	\$37,500.00	\$37,500.00
Roadworks and Aboveground Works		l.s.	\$25,662.00	\$25,662.00
Driveways		l.s.	\$7,500.00	\$7,500.00
			Sub-Total	\$107,256.20
			HST (13%)	\$13,943.31
			Sub-Total	\$121,199.51
			15% Consultant Fees	\$18,179.93
			Total Engineering	\$139,379.43
			6.9% Engineering Fees	\$7,400.68
LANDSCAPING				
Sod and Topsoil (Lot Grading)	5	each	\$2,000.00	\$10,000.00
Sod and Topsoil (Boulevard)	168.3	m ²	\$8.50	\$1,430.55
Soft Landscape Plantings				
Deciduous Tree Planting	15	each	\$450.00	\$6,750.00
Deciduous Shrubs	54	each	\$40.00	\$2,160.00
Perennials	112	each	\$25.00	\$2,800.00
			Sub-Total	\$11,710.00
2-Year Tree Preservation Deposit	1	l.s.	\$2,500.00	\$2,500.00

Wood Privacy Fence (1.8 m)	48	l.m.	\$200.00	\$9,600.00
Wood Privacy Partition (1.8 m)	4	each	\$500.00	\$2,000.00
Wood Privacy Gate (1.8 m)	2	each	\$200.00	\$400.00
Decorative Metal Fence (1.2 m)	17	l.m.	\$310.00	\$5,270.00
Tree Preservation Fencing	6	l.m.	\$75.00	\$450.00
Tree Removal	1	l.s.	\$1,000.00	\$1,000.00
Concrete Patio Slabs (600 mm X 600 mm)	109	each	\$25.00	\$2,725.00
			Sub-Total	\$47,085.00
			HST (13%)	\$6,121.12
			Sub-Total	\$53,206.67
			15% Consultant Fees	\$7,981.00
			Total Landscaping	\$61,187.67
			5.9% Design/Operations & Environmental Services Fee	\$851.67
			6.9% Engineering Fees	\$2,252.89
REGIONAL SERVICES				
Sanitary Sewers				
Connections	1	each	\$2,000.00	\$2,000.00
Water Services				
Connections	1	each	\$2,000.00	\$2,000.00
Relocate Existing Valve and Box	1	each	\$1,500.00	\$1,500.00
Relocate Existing Hydrant	1	each	\$3,000.00	\$3,000.00
Anti-Tampering Devices	2	each	\$250.00	\$500.00
Hydrostatic Pressure and Leakage Testing	1	l.s.	\$3,000.00	\$3,000.00
			Sub-Total	\$12,000.00
			HST (13%)	\$1,560.00
			Sub-Total	\$13,560.00
			15% Consultant Fees	\$2,034.00
			Total Regional Services	\$15,594.00
SUMMARY				
Total (Engineering + Landscaping – Regional Services)				\$184,973.00

SCHEDULE "B"**MUNICIPAL SERVICE INSTRUCTIONS**

All services shall be designed and constructed in accordance with the Drawings.

1. ROADWAYS

(i) The Owner shall maintain all roadways suitable for vehicular traffic after the installation of Granular 'A' material and until the said roadways have been finally accepted by the Town.

(ii) The Town may carry out winter maintenance on the roadways constructed or reconstructed by the Owner and if the roadways are constructed to the satisfaction of the Town. The Owner agrees that such winter maintenance will not constitute acceptance and absolves the Town from any and all liability with respect to damage or interference with the works of the Owner provided that such damage or interference was not caused intentionally or through gross negligence on the part of the Town.

(iii) The granular base, when possible, shall be laid just prior to the time that curbs and gutters are constructed. Any granular base material which has, in the opinion of the Town, become contaminated with deleterious material or is otherwise determined to be unacceptable, shall be removed and shall not become part of the final road base.

(iv) The granular stone base shall be inspected and approved by the Professional Engineer before the base course of asphalt is laid in accordance with the Town's material testing requirements.

(v) The final lift of asphalt paving shall not be placed until underground service trenches have been subjected to a full winter for consolidation purposes and until the Owner has tested all roadways in accordance with a testing method approved by the Town.

2. CONCRETE SIDEWALKS

(i) All sidewalks shall be constructed in locations as shown on the Drawings.

3. BOULEVARDS

(i) The Owner shall carry out or cause to be carried out, at its expense, boulevard tree planting in accordance with the Town's policy on boulevard planting, pruning and tree removal as amended from time to time and subject to the approval of the Town. Boulevard

planting is to be in accordance with the Drawings. The tree planting shall be completed within six (6) months of the completion of grading and sodding of the boulevard.

(ii) Prior to the acceptance of the works in the boulevards the Owner shall deliver to the Town as-built drawings showing all works and plantings constructed or planted thereon.

(iii) The Town reserves the right to revise or request a revision to any drawing necessary for the better utilization of the parks or boulevards.

4. GRADING AND DRAINAGE

(i) The Owner shall carry out all grading as shown on the Grading Plans prepared by the Owner's Professional Engineer and approved by the Town.

(ii) All drainage works shall be designed and constructed to accommodate run-off from the drainage area as built-up.

(iii) The roof drainage of all buildings shall not be carried to sanitary sewers. Roof drainage shall be connected to the storm sewer unless otherwise approved by the Town.

(iv) The Owner shall provide that all foundation weeping tiles of any structure constructed on the Lands shall be connected to a storm sewer system or drainage system or otherwise constructed in such a manner to be approved by the Town.

(v) The Owner shall carry out at its expense temporary or permanent drainage works that may be necessary to eliminate ponding or erosion conditions. The decision of the Town shall be final and binding.

(vi) A minimum of 150mm of topsoil shall be spread on all lands described herein, from which the topsoil has been removed except for lands occupied by roads, sidewalks, buildings, parking areas and drives and other areas designated by the Town.

(vii) No debris, junk, refuse, rocks, stumps, trees or fill of any kind shall be deposited on public property. The Owner agrees to remove such material at its expense within seven days of being notified by the Town to do so.

(viii) No lot shall be sodded until preliminary lot grading certification is completed. The front, side and rear of all lots shall be fully sodded except for paved and treed areas. The Tree Preservation Program, if any, shall remain in effect during final grading and sodding. The grading and sodding of a lot shall be completed within six (6) months of the

occupancy of the dwelling on the lot, seasonal conditions permitting.

5. STORM SEWERS

- (i) A complete system of storm sewers and appurtenances shall be installed by the Owner to service the lands covered by this Agreement in accordance with the engineering drawings and specifications.
- (ii) Storm sewers shall be connected and drained to outlets approved by the Town.
- (iii) The Owner shall flush and clean all the storm sewers prior to acceptance by the Town.
- (iv) All storm sewers regardless of size are to be inspected by Closed Circuit Television and the Owner shall submit reports and tapes to the Town prior the issuance of a Certificate of Preliminary Acceptance of Services.

SCHEDULE "C"

Summary of Financial Payments and Guarantees to the Town of Ajax by Leratto Inc. for File Numbers LD121 to 124/2017 (inclusive)

<u>OBLIGATION</u>	<u>METHOD</u>	<u>AMOUNT</u>	<u>DUE DATE</u>
Performance Guarantee And Engineering Deposit	Letter of Credit	\$184,973.00	Prior to Commencement of Construction or release of Consent
Mud Deposit	Certified Cheque or Letter of Credit	\$20,000.00	Prior to execution of Agreement
Engineering Services Fee	Certified Cheque	\$9,653.57	10 days after execution of Agreement
Legal Fee	Certified Cheque	\$2,822.98	10 days after execution of Agreement
Tree Compensation	Certified Cheque	\$24,500.00	10 days after execution of Agreement
Design, Operations & Environmental Services Fee	Certified Cheque	\$ 851.67	10 days after execution of Agreement
Control Architect Review	Certified Cheque	As determined by Invoice	Within 30 days of Invoice
Stormwater Management Facility Maintenance	Certified Cheque	\$ 380.00	Prior to execution of Agreement
Cash-in-lieu of Parkland	Certified Cheque	\$33,196.00	Prior to Issuance of Building Permit
Liability Insurance	Certificate of Insurance	\$5,000,000.00	Prior to Commencement of Construction

SCHEDULE "D"

Index of Drawings and Plans

PLAN/DRAWING	PREPARED BY	FINAL REVISION DATE
Drawing Name: General Notes Drawing Number: GN-1	Schaeffers Consulting Engineers	June 13/18
Drawing Name: Details Drawing Number: D-1	Schaeffers Consulting Engineers	June 13/18
Drawing Name: Site Servicing and Grading Plan Drawing Number: SG-1	Schaeffers Consulting Engineers	July 27/18
Drawing Name: Erosion and Sediment Control Plan Drawing Number: SC-1	Schaeffers Consulting Engineers	April 24/2018
Drawing Name: Details Drawing Number: D-1	Landscape Planning Ltd.	June 27/2018
Drawing Name: Landscape Plan Drawing Number: L-1	Landscape Planning Ltd.	June 27/2018
Drawing Name: Tree Inventory & Preservation Plan Drawing Number: 1	Kuntz Forestry Consulting Inc.	April 18/2018

SCHEDULE "E"

Lands and/or Easements to be Conveyed to the Town of Ajax

<u>ITEM</u>	<u>PLAN</u>	<u>DESCRIPTION OF EASEMENT TO BE CONVEYED</u>	
1.	40R-30173	Part 6	Rear Lot Catch Basin, Part 1

SCHEDULE "F"

SPECIAL PROVISIONS REQUIRED BY OTHER AGENCIES

1. UTILITIES

(1) Where electricity, cable television service or telephone service is to be provided it shall be underground and in accordance with the utility company responsible for such service, as the case may be.

(2) Prior to any building construction the Owner shall advise all contractors that the Lands are serviced by buried utilities and providing a list of utility companies and phone numbers for locates as follows:

“This Development is serviced by buried utilities. Please contact the following to verify locations prior to any digging.”

Bell Canada 1-800-400-2255

Enbridge Gas Distribution 416-495-5386

Veridian Connections 905-420-8440

Durham Region
(Regional roads, water and sewers) 905-683-1471

Rogers Communications 905-436-4100

(3) The Developer shall coordinate the preparation of an overall utility distribution plan to the satisfaction of all affected authorities.

(4) The Developer shall grade streets to final elevation prior to the installation of gas lines and provide the necessary field survey information required for the installation of gas lines to the satisfaction of Enbridge Gas Distribution Inc.

3. COMMUNICATIONS SERVICE PROVIDERS

In this section Communications Service Provider (“CSP”) means telephone and broadcasting distribution companies licensed by the CRTC.

(1) Prior to commencing any work within the Lands the Developer shall confirm that sufficient wire-line communication/telecommunication infrastructure is currently available to provide communication/telecommunication service to the development. In the event such infrastructure is not available the Developer is hereby advised that it may be required to pay for the connection and/or the

extension of existing infrastructure. If the Developer elects not to pay for such connection to and/or extension of the existing communication/telecommunication infrastructure, the Developer shall be required to demonstrate to the Town that sufficient alternative communication/telecommunication facilities are available to enable, at a minimum, the effective delivery of communication/telecommunications services for emergency management services (i.e. 911 Emergency Services);

(2) The Developer agrees to convey to any CSP providing service any easements that may be required for communication/telecommunications services and to enter into any required maintenance agreements.

(3) The Developer shall prior to any construction, in consultation with the CSPs, prepare an overall utility distribution plan that shows the locations of all utility infrastructure for the Lands as well as the timing of installation of such infrastructure.

4. CANADA POST

(1) If necessary the Developer agrees to consult with Canada Post to determine suitable locations for the placement of Community Mailboxes and to indicate the locations on the Drawings.

(2) The Developer agrees to provide:

(i) an appropriately sized sidewalk section (concrete pad) as per Town standards and to the specifications of Canada Post for the placement of the Community Mailboxes;

(ii) any required walkway across the boulevard as per Town standards; and

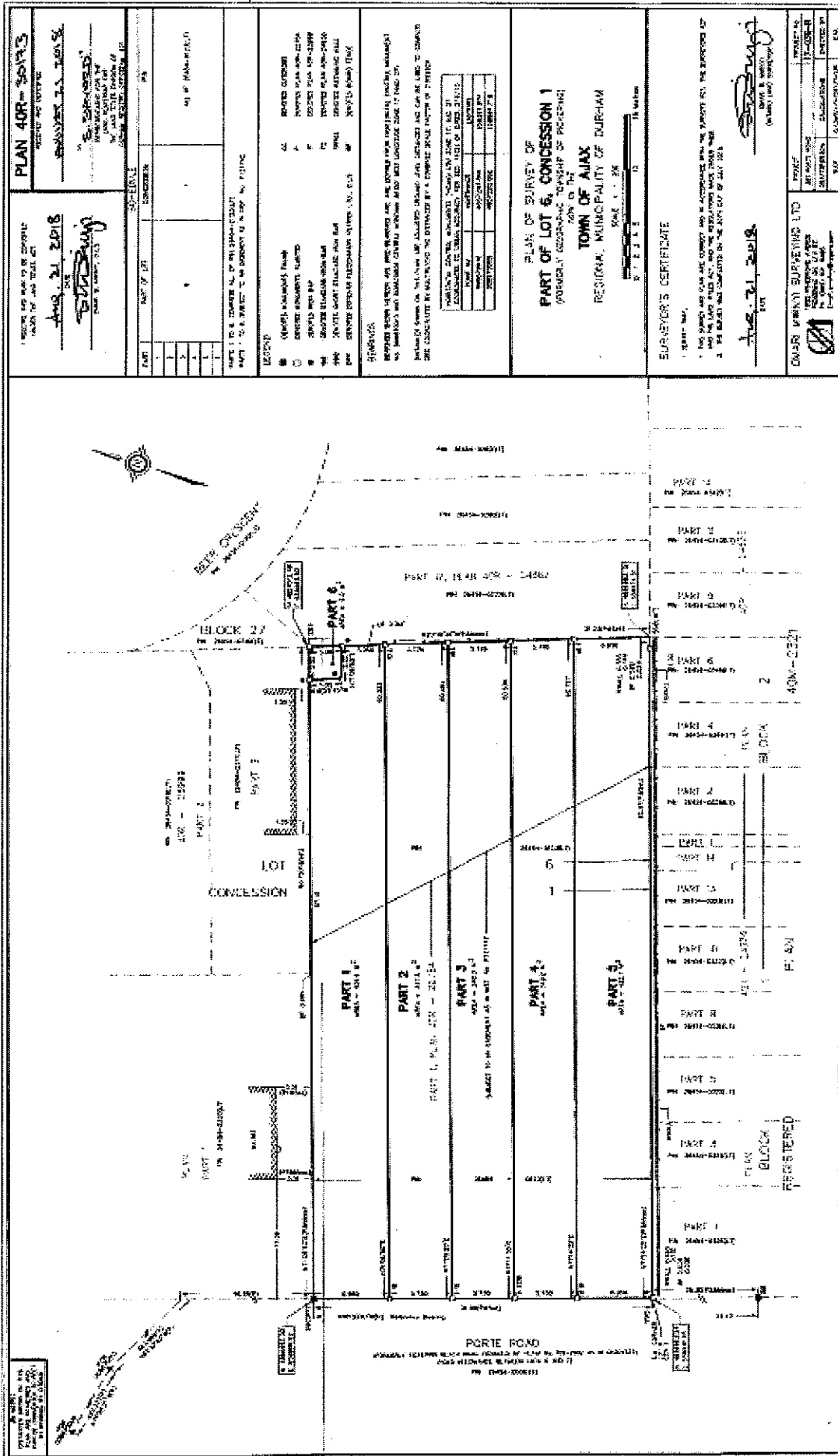
(iii) any required curb depressions for wheelchairs to the specifications of Canada Post.

(3) The Developer agrees to insert a notice in the agreement of purchase and sale for any lot advising the purchaser that mail delivery will be from a designated Community Mailbox. The Developer shall be responsible for advising each homeowner as to the location of the Community Mailbox to be used by such homeowner.

(4) The Developer shall provide temporary mailbox locations until the permanent Community Mailboxes have been installed.

SCHEDULE "G"

Reference Plan



This is **Exhibit "G"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



April 27, 2022

Hitesh Jhaveri
Barakaa Developer Inc.
9 Ridgevale Dr
Markham, ON

Hitesh Jhaveri & Niketa Wadia & OSMI Homes Inc.

**Re: 1st Mortgage loan on 19, 23, 25 Madison Avenue, Richmond Hill, ON
(Solicitor to confirm municipal address of subject property on closing) (the "Property" or the "Project")**

Foremost Financial Corporation & Foremost Mortgage Holding Corporation (the "Lender") is pleased to advise that your application for mortgage financing (the "Loan") **has been approved** subject to the following terms and conditions (the "Commitment").

Project Description: We understand that you purchased a 135 ft. by 100 ft. parcel of land for \$2,600,000 in July 2017. You have since severed the property into three residential building lots measuring 45 ft. by 100 ft. each and have received building permits to build three 3,500 sq. ft. detached homes on the respective lots. Construction is currently underway. The homes will be enrolled with Tarion and will be sold once complete.

Financing Program:	Discharge Existing Foremost First Mortgage	\$ 1,725,000
	City/Region Development Charges	\$ 308,119
	Hard Construction Costs	\$ 2,091,000
	Equity Requirement	<u>(\$ 241,119)</u>
	Interest Reserve	\$ 250,000
	Total	\$ 4,133,000

Borrower(s): Barakaa Developer Inc.

Guarantor(s): Hitesh Jhaveri & Niketa Wadia & OSMI Homes Inc.

Loan Facility: \$4,133,000

Interest Rate: The Greater of 7.50% or HSBC Bank Canada Prime + 4.30%

Payment Type: Calculated Daily, compounded payable monthly on the first day of the month.

Amortization Type: Interest Only

Term: 16 months from the interest adjustment date

Prepayment:	The Loan is open for repayment on any payment date with two (2) weeks prior written notice To avoid an interest penalty, please notify the Lender within the required timeframe.
Commitment Fee:	<p>\$51,663 which amount will be deemed earned by the Lender upon your acceptance of this Commitment, but as a consideration to the Borrower(s)/Guarantor(s) may be paid as follows:</p> <p>a) \$10,000 upon acceptance of this Commitment; b) \$41,663 balance to be deducted from the initial advance.</p>
Initial Funding Date:	The initial funds are to be advanced on or before May 16, 2022 or a date mutually agreed upon by the Lender and the Borrower(s), past which date this Commitment will be at our option null and void and any portion of the Commitment Fee already paid to the Lender will be retained by the Lender. In the event that the Lender agrees to an extension beyond the date specified, the new date will be subject to the then current market terms and conditions as at that date.
Advances:	<p>The sum of \$2,033,119 (\$1,725,000 to discharge existing Foremost First Mortgage plus \$308,119 for City/Region Development Charges) shall be advanced on the value of land upon the execution and registration of the mortgage.</p> <p>\$1,849,881 shall be advanced for the purpose of financing the construction of three 3,500 sq. ft. single family dwelling. Based on the construction budget you provided for \$2,091,000, there will be an equity requirement of \$241,119. Foremost has agreed to split the equity requirement which will be injected over the second and third construction advance in the amount of \$120,560 and \$120,559, respectively. Thereafter the money shall be advanced as construction progresses and calculated on a "work in place" and "cost to complete" basis.</p> <p>The Loan will be advanced in a series of advances not more often than monthly as work on the Project is completed. The Lender shall be paid a fee of \$150.00 at the time of each advance.</p>
Partial Discharges:	Lender agrees to provide partial discharges of its security as unit sales in the Project close upon receipt by the Lender of 80% of the greater of the appraised value of the individual unit net of HST or the sale price net of HST.
Interest Reserve:	Interest shall become due and payable the first of the month immediately following the first advance of funds under the Loan and the first of each month thereafter. The construction budget must allow an interest reserve of \$250,000 from which payment of interest will be made. The interest reserve shall be available to be drawn upon on the 1 st construction advance for the interest payment due after construction of the Project has commenced. Any interest payments due prior to the first construction advance must be paid by the borrower. When the interest reserve is depleted the Borrower will be responsible to fund all interest payments.

Security:

The following security, satisfactory in form and content to the Lender and its solicitors, shall be in place before the first advance under the Loan:

- \$413,300.00 *h*
1. Registered 1st mortgage in the amount of ~~\$4,959,600 (1.2 x Loan Facility for administration purposes)~~, which will be subject to the Lender's Standard Charge Terms (registered as #201035) and which will be supported by title insurance.
 2. General security agreement from the Borrower constituting a first charge against all assets of the Borrower.
 3. Joint and several guarantees and postponement of claims from all Guarantor(s) for the full amount of the Loan.
 4. Insurance coverage satisfactory to the Lender naming Foremost Mortgage Holding Corporation as an additional insured party and loss payee as 1st mortgagee.
 5. Cost overrun guarantees from the Borrower(s)/Guarantor(s).
 6. Assignment of the Interest Reserve.
 7. Assignment of all construction and servicing contracts, and any other material contracts deemed necessary by the Lender's lawyer relating to the Project.
 8. Such further and other security and documentation as may be reasonably required by the Lender and its solicitors.

Conditions Precedent:

No Loan advances shall be made until there has been delivered to the Lender and the Lender's approval or acceptance has been given with respect to the items outlined in Schedule A.

Superpriority Remittances:

The Borrower shall provide the Lender with evidence annually (or more frequently if requested) that all Superpriority Remittances are current including, but not limited to, amounts owing for income taxes, harmonized sales taxes (HST), employee source deductions, workplace safety and insurance remittances and pension plan remittances.

Purchaser Deposits:

Notwithstanding the maximum Loan Facility stated herein, in the event the Borrower receives one or more deposits from purchasers, which shall be available for the Borrower's use, the Loan Facility shall be reduced by the amount of said deposit(s).

Subsequent Financing:

No financing subsequent to the Lender mortgage shall be permitted without the prior written consent of the Lender.

Costs:

Borrower(s)/Guarantor(s) is responsible for payment of all the Lender's out of pocket costs in connection with the Loan (whether or not the Loan is advanced) including but not limited to legal, appraisal, cost consultant, insurance consultant, environmental consultant, and items outlined in Schedule B.

Erection of a Sign:

The Lender shall have the right to erect a sign, at its expense on the Property during the construction period, indicating the source of financing. The location and size of such sign to be mutually agreed upon by the parties.

- Syndication:** It is understood and agreed that the Lender may be syndicating a portion of this Loan to one or more participants and any information provided to the Lender regarding the Loan may be shared with such participants.
- Credit Bureau:** Borrower(s)/Guarantor(s) consent to Lender conducting one or more credit bureau searches as Lender may deem necessary.
- Commitment Confirmation:** This Commitment is conditional for a minimum of three business days following receipt and approval of all conditions precedent upon the Lender's credit committee approval of the Loan. If the Loan is not approved then this Commitment shall be null and void and any portion of the Commitment Fee paid hereunder less any out of pocket "Costs" incurred by the Lender shall be repaid to the Borrower without interest or further deduction.

Acceptance:

This Commitment is open for acceptance until 5:00 p.m. on May 2, 2022 by which time we must receive from you a duly executed copy of this letter together with a \$10,000 payment to Foremost Financial Corporation in trust. Any changes to this Commitment must be in writing and executed by all parties.

We look forward to working with you to bring about a successful closing of the Loan.

Yours truly
Foremost Financial Corporation

Paul Rayment

Paul Rayment (Apr 27, 2022 13:07 EDT)

Paul Rayment
Executive Vice President - Broker

Accepted this 23 day of April 2022

Borrower:

Barakaa Developer Inc.

PER: [Signature], ASO

Name: Hitesh Jhar

Guarantors:

[Signature]
Hitesh Jhaveri

[Signature]
Niketa Wadia

OSMI Homes Inc.

PER: [Signature], ASO

Name: Hitesh Jhar

Schedule A
Conditions Precedent

No Loan advances shall be made until the below has been delivered to the Lender and the Lender's approval or acceptance has been given. Please allow for **five business days**, prior to the day of funding, to review.

<u>Conditions Precedent</u>	<u>Notes/Comments</u>
1. Signed application and net worth statements and Consent form from the Borrower(s)/Guarantors(s).	To be provided
2. Credit Bureau on the personal Borrower(s)/Guarantors(s).	To be provided
3. 2020 Notice of Assessment from the Borrower(s)/Guarantors(s).	To be provided
4. Government issued photo Identification on Borrower(s)/Guarantors(s).	To be provided
5. Most recent financial statements for Barakaa Developer Inc.	To be provided
6. Borrower's ability to service soft costs of the Project.	To be provided
7. Confirmation that properties are severed	To be provided
8. Meeting between the Lender and the mortgagor if the lender deems necessary.	To be provided
9. Inspection of Property.	To be provided
10. Insurance policy satisfactory to the Lender naming <u>Foremost Mortgage Holding Corporation</u> 1A-26 Lesmill Road, Toronto, ON M3B 2T5 as an additional insured party and loss payee as 1st mortgagee.	To be provided
Please ensure the insurance coverage includes: Commercial General Liability Builders Risk in the amount of \$2,091,000	
11. Detailed budget completed on the Lenders budget forms.	To be provided
12. Appraisal on the Property, addressed to <u>Foremost Financial Corporation & Foremost Mortgage Holding Corporation</u> , indicating a value of not less than \$3,000,000 As is and \$6,600,000 upon completion. On Construction:	Received
13. Copy of approved plans showing municipal stamp.	To be provided prior to Hard Cost advance
14. Copy of building permit.	To be provided prior to Hard Cost advance
15. Borrower's Tarion registration and enrolment of the house(s) with Tarion.	To be provided prior to Hard Cost advance

Schedule B
Anticipated Deductions

Anticipated deductions on initial advance:

Lender Fee (1.25%)	\$51,662.50	
Less: Standby Fee	<u>(\$10,000.00)</u>	\$41,662.50
Legal Fee		\$10,000.00 plus disbursements, plus HST
First Canadian Title (Estimate)		<u>\$3,868.56</u>
Total		<u>\$55,531.06</u>

On each construction advance the charges will be:

Inspection Fee \$100.00 per hour plus HST (typically 3-4 hours)
Admin Fee \$150.00 plus HST
Legal Fees \$350.00 plus disbursements, plus HST
Each advance will be subject to a 10% Construction Lien Holdback

Other costs include:

Appraisal Fee (Borrower to pay appraiser directly)
Builders Risk Insurance (Loss Payee, Mortgagee & Additional Insured: Foremost Mortgage Holding Corporation)
Environmental Fee (If applicable)
Budget Review by Cost Consultant (If applicable)

Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Disclosure to Borrower**Cost of Borrowing Disclosure:**

Property to be mortgaged: 19, 23, 25 Madlson Avenue, Richmond Hill, ON (Solicitor to confirm municipal address of subject property on closing)

Details of Mortgage:

The principal amount of the 1st mortgage \$ 4,133,000.00, will be repayable in Monthly installments of Interest Only, to be paid on the 1st, starting on July 1, 2022. The net advance of funds is .

The total amount of all payments over the 16-month term will be Interest Only.

Interest:

The date on which interest begins to accrue is: May 16, 2022 and will be calculated based on the amount of facility advanced.

The annual interest rate is The Greater of 7.50% or HSBC Bank Canada Prime + 4.30% and the compounding period is Monthly. Interest for each payment period is calculated against the balance owing. Each payment is applied first to the accumulated cost of borrowing, and then to the outstanding principal. Any interest unpaid becomes part of the balance owing for the purposes of calculating the interest charged in future payment periods.

Where the annual interest rate may change, the method of determining the annual interest rate is:

The Greater of 7.50% or HSBC Bank Canada Prime + 4.30%

Fees and Costs Payable by Borrower:

	Comments	Value	Included in APR
Lender Fee	Foremost Financial Lender Fee	<u>\$ 51,662.50</u>	<u>X</u>
Insurance Fees	First Canadian Title (Estimate)	<u>\$ 3,868.56</u>	<u>X</u>
Legal Fees (Excluding HST & Disbursements)	Payable To Harvey Mandel	<u>\$ 10,000.00</u>	<u>X</u>
Per Each Additional Advance:			
Legal Fees + Disbursements & HST	Payable to Harvey Mandel	<u>\$ 350.00</u>	
Admin Fee	Per advance	<u>\$ 150.00</u>	
Inspection fee per hour	For each construction advance	<u>\$ 100.00</u>	
Total Costs:		<u>\$ 66,131.06</u>	

Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$ 478,831.06 APR: 8.689%.

The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.

Terms and Conditions:

Prepayment Privileges: See commitment for details

Transferability: Non-Transferable

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

Conflict of Interest Disclosure:

The Mortgage Broker/Agent has the following relationship which may be a potential conflict of interest:

The lender will be a related entity or a private investor

Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Disclosure to Borrower**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

☒ **Mortgage - Commissions**

The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

☒ **Mortgagee - Lender is an affiliated company**

The Lender is an affiliated or related company of the brokerage and the brokerage will receive a commission and may receive contingent commissions from the Lender.

Information on Brokerage:

The Brokerage is representing The Lender, not the Borrower in this transaction.

The Brokerage has placed over 50% of their business with Foremost Mortgage Holding Corporation during the previous fiscal year.

The Brokerage has acted as a lender in the previous fiscal year.

Name and Address of Brokerage: Foremost Financial Corporation License #: 10342 1A-26 Lesmill Road, Toronto, ON M3B 2T5

Name of Authorized Person signing on behalf of Brokerage: Pauline Cygelfarb, Broker Licence #: M08003113

Date: April 27, 2022

Authorized Signature: [Signature]

Disclosure of Material Risks:

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

Acknowledgment

I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: _____

Borrower: [Signature]
Barakaa Developer Inc.

Date: _____

Guarantor: [Signature]
Hitesh Jhaveri

Date: _____

Guarantor: [Signature]
Niketa Wadia

Date: _____

Guarantor: [Signature]
OSMI Homes Inc.

I / we waive the 2 business days requirement for this disclosure.

Date: 22/4/22

Borrower: [Signature]
Barakaa Developer Inc.

Date: 22/4/22

Guarantor: [Signature]
Hitesh Jhaveri

Date: 22/4/22

Guarantor: [Signature]
Niketa Wadia

Date: 22/4/22

Guarantor: [Signature]
OSMI Homes Inc.









Commitment Letter & Disclosure to Borrower - 19, 23, 25 Madison Ave, Richmond Hill (Construction)

Final Audit Report

2022-04-27

Created:	2022-04-27
By:	Matthew Belcastro (matthewb@foremost-financial.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAANtgo2F9CudkUt-CO3IzmIEI_S8ZuFNy5

"Commitment Letter & Disclosure to Borrower - 19, 23, 25 Madison Ave, Richmond Hill (Construction)" History

-  Document created by Matthew Belcastro (matthewb@foremost-financial.com)
2022-04-27 - 4:48:00 PM GMT- IP address: 142.116.49.204
-  Document emailed to Paul Rayment (paul@foremost-financial.com) for signature
2022-04-27 - 4:48:34 PM GMT
-  Email viewed by Paul Rayment (paul@foremost-financial.com)
2022-04-27 - 5:04:58 PM GMT- IP address: 104.47.75.190
-  Document e-signed by Paul Rayment (paul@foremost-financial.com)
Signature Date: 2022-04-27 - 5:07:23 PM GMT - Time Source: server- IP address: 99.238.55.12
-  Document emailed to Pauline Cygelfarb (pauline@foremost-financial.com) for signature
2022-04-27 - 5:07:25 PM GMT
-  Email viewed by Pauline Cygelfarb (pauline@foremost-financial.com)
2022-04-27 - 5:15:30 PM GMT- IP address: 174.93.96.241
-  Document e-signed by Pauline Cygelfarb (pauline@foremost-financial.com)
Signature Date: 2022-04-27 - 5:15:51 PM GMT - Time Source: server- IP address: 174.93.96.241
-  Agreement completed.
2022-04-27 - 5:15:51 PM GMT

This is **Exhibit "H"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



Barakaa Developer Inc.
9 Ridgevale Drive
Markham, Ontario L6B 1A8

September 28, 2023

RE: FIRST MORTGAGE
MORTGAGEE: FOREMOST MORTGAGE HOLDING CORPORATION
PROPERTIES: 19, 23, 25 Madison Avenue, Richmond Hill L4E 2Z7

The above noted mortgage matures on October 1st, 2023. We are prepared to renew this mortgage for a further 6 months, month to month term from October 1st, 2023 until April 1st, 2024.

Principal Balance after October 1st, 2023 payment providing all mortgage payments, up to and including the October 1st, 2023 payment is received when due and honoured by your bank.
The details of the extension are as follows:

Mortgage Identification	MADIS19-25
Original Loan Facility	\$ 4,133,000.00
Current Principal Balance	\$ 4,133,000.00
Interest rate	The Greater of 7.50% or HSBC prime plus 4.30%
Term of loan (in months)	6
Monthly Interest payment	Interest only
Next Payment date	November 1 st , 2023
Maturity date	April 1 st , 2024
Renewal fee	\$3,444.17 paid monthly
Outstanding payments /fees	N/A



SPECIAL CONDITIONS:

PAYMENTS AND FEE'S DUE

Initial	
	The monthly renewal fee of \$3,444.17 shall be paid on the first day of each month starting October 1 st , 2023 that the loan remains outstanding up to the discharge of the loan. The monthly renewal shall be payable to Foremost Financial Corporation in Trust.
	Monthly interest payment is due on the first day of each month starting November 1 st , 2023, until April 1 st , 2024, inclusive. The monthly interest payment shall be payable to Foremost Financial Corporation in Trust.

OUTSTANDING CONDITIONS:

Initial	
	Receipt of signed disclosure to borrower -must be signed and dated 2 days before signing the renewal letter. The 2-day waiting period can be waived by signing acknowledgement (page 2 of disclosure to borrower) waiving the 2-day waiting period requirement.
	Receipt of confirmation that insurance policy is up to date and in good standing and list Foremost Mortgage Holding Corporation as 1 ST Mortgagee. Received – Exp. October 22, 2023
	Proof property taxes are up to date on the secured property(ies) (If not provided your account will be charged the cost for a tax certificate) – Outstanding

Receipt of the signed Renewal agreement accepting the terms of the renewal along with the above conditions must be forwarded to us no later than October 6, 2023 after which we reserve the right to revoke our offer to renew and consider same null and void with full payment being due.

19, 23, 25 Madison Avenue, Richmond Hill L4E 2Z7

26 Lesmill Road, Unit 1A, Toronto, ON Canada M3B 2T5

Lic. 10342/11654

T: 416.488.5300

F: 416.488.5401

E: info@foremost-financial.com

W: www.foremost-financial.com



We look forward to receipt of the documents requested above.

Yours truly,

FOREMOST FINANCIAL CORPORATION

Pauline Cygelfarb

Pauline Cygelfarb
encls.
e&oe

Accepted Dated: 28/09/2023

Borrower(s):

PER: *[Signature]* ASO
Barakaa Developer Inc.

Guarantor(s):

PER: *[Signature]* ASO
OSMI Homes Inc

[Signature]
Hitesh Jhaveri

[Signature]
Niketa Wadia

19, 23, 25 Madison Avenue, Richmond Hill L4E 2Z7

26 Lesmill Road, Unit 1A, Toronto, ON Canada M3B 2T5

Lic. 10342/11654

T: 416.488.5300

F: 416.488.5401

E: info@foremost-financial.com

W: www.foremost-financial.com

Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Disclosure to Borrower**Cost of Borrowing Disclosure:**

Property to be mortgaged: 19, 23, 25 Madison Avenue., Richmond Hill, ON L4E 2Z7

Details of Mortgage:

The principal amount of the 1st mortgage \$ 4,133,000.00, will be repayable in Monthly installments of Interest Only, to be paid on the 1st, starting on November 1, 2023. The net advance of funds is .

The total amount of all payments over the 6 month term will be Interest Only.

Interest:

The date on which interest begins to accrue is: October 1, 2023 and will be calculated based on the amount of facility advanced.

The annual interest rate is The Greater of 7.50% or HSBC Canada Trust Prime +4.30% and the compounding period is Monthly. Interest for each payment period is calculated against the balance owing. Each payment is applied first to the accumulated cost of borrowing, and then to the outstanding principal. Any interest unpaid becomes part of the balance owing for the purposes of calculating the interest charged in future payment periods.

Where the annual interest rate may change, the method of determining the annual interest rate is:

The Greater of 7.50% or HSBC Canada Trust Prime +4.30%

Fees and Costs Payable by Borrower:

	Comments	Value	Included In APR
Lender Fee	FFC Renewal Fee to be paid monthly at \$3,444.17	<u>\$ 20,665.00</u>	<u>X</u>
Total Costs:		<u>\$ 20,665.00</u>	

Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$ 258,312.50 APR: 12.500%

The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.

Terms and Conditions:

Prepayment Privileges: The Loan is open for repayment at any time with two (2) week written notice.

Transferability: Non-Transferable

Method of Payment: See original commitment and renewal for details.

Special Conditions: See original commitment and renewal for details.

Particulars / Penalties: See original commitment and renewal for details.

Conflict of Interest Disclosure:

The Mortgage Broker/Agent has the following relationship which may be a potential conflict of interest:

The lender will be a related entity or a private investor

Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Disclosure to Borrower**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

☒ **Mortgage - Commissions**

The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

☒ **Mortgagee - Lender is an affiliated company**

The Lender is an affiliated or related company of the brokerage and the brokerage will receive a commission and may receive contingent commissions from the Lender

Information on Brokerage:

The Brokerage is representing The Lender, not the Borrower in this transaction.

The Brokerage has placed over 50% of their business with Foremost Mortgage Holding Corporation during the previous fiscal year.

The Brokerage has acted as a lender in the previous fiscal year.

Name and Address of Brokerage: Foremost Financial Corporation License #: 10342 1B-26 Lesmill Road, Toronto, ON M3B 2T5

Name of Authorized Person signing on behalf of Brokerage: Pauline Cygelfarb, Broker License #: M08003113

Date: September 28, 2023

Authorized Signature: _____

Pauline Cygelfarb

Disclosure of Material Risks:

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

Acknowledgment

I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: _____

Borrower: _____

Barakaa Developer Inc.

Date: _____

Guarantor: _____

Hitesh Jhaveri

Date: _____

Guarantor: _____

Niketa Wadia

Date: _____

Guarantor: _____

OSMI Homes Inc

I / we waive the 2 business days requirement for this disclosure.

Date: 28/09/2023

Borrower: _____

Barakaa Developer Inc.

Date: 28/09/2023

Guarantor: _____

Hitesh Jhaveri

Date: 28/09/2023

Guarantor: _____

Niketa Wadia

Date: 28/09/2023

Guarantor: _____

OSMI Homes Inc

This is **Exhibit "I"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



June 10, 2022

Hitesh Jhaveri
Leratto Inc.
9 Ridgevale Drive
Markham, ON

Re: 1st Mortgage loan on 367 Porte Road, Ajax, ON (Solicitor to confirm legal and municipal description of subject Property on closing) (the "Property" or the "Project")

Foremost Financial Corporation & Foremost Mortgage Holding Corporation (the "Lender") is pleased to advise that your application for mortgage financing (the "Loan") **has been approved** subject to the following terms and conditions (the "Commitment").

Project Description:

We understand that you purchased a home on a 102 ft. by 200 ft. lot in November 2016 for \$715,000. You have since taken the property through the planning process and have received approval to build five (5) freehold townhomes on the property. Construction is currently underway. You have presold three (3) of the five (5) townhomes, one for \$925,000 and two for \$950,000. The townhomes will be enrolled with Tarion and the remaining, unsold units will be sold once complete.

Financing Program:

Discharge Existing Foremost 1 st Mortgage		825,000
Site Servicing		80,000
City/Region Development Charges & Park Levies		337,930
Hard Construction Costs (\$ 195 PSF)	2,207,070	
Less: Funds from Purchaser Deposits (23.8% of hard cost budget)	(525,000)	1,682,070
Interest Reserve		230,000
Total		3,155,000

Borrower(s): Leratto Inc.

Guarantor(s): Hitesh Jhaveri & Niketa Wadia

Loan Facility: \$3,155,000

Interest Rate: The Greater of 8.00% or HSBC Bank Canada Prime + 4.30%

Payment Type: Calculated Daily, compounded payable monthly on the first day of the month.

Amortization Type: Interest Only

Term: 14 months from the interest adjustment date

Prepayment:	The Loan is open for repayment on any payment date with two (2) weeks prior written notice To avoid an interest penalty, please notify the Lender within the required timeframe.
Commitment Fee:	<p>\$33,500 which amount will be deemed earned by the Lender upon your acceptance of this Commitment, but as a consideration to the Borrower(s)/Guarantor(s) may be paid as follows:</p> <ul style="list-style-type: none"> a) \$5,000 upon acceptance of this Commitment; b) \$9,500 balance to be deducted from the initial advance. c) \$9,500 balance to be deducted from the second advance. d) \$9,500 balance to be deducted from the third advance.
Initial Funding Date:	The initial funds are to be advanced on or before June 16, 2022 or a date mutually agreed upon by the Lender and the Borrower(s), past which date this Commitment will be at our option null and void and any portion of the Commitment Fee already paid to the Lender will be retained by the Lender. In the event that the Lender agrees to an extension beyond the date specified, the new date will be subject to the then current market terms and conditions as at that date.
Advances:	<p>The sum of \$ 1,242,930 shall be advanced on the value of land upon the execution and registration of the mortgage to discharge the existing Foremost first (1st) mortgage, and to provide funds for site servicing work and City/Region Development Charges and Park Levies.</p> <p>\$ 1,682,070 shall be advanced for the purpose of financing the hard construction costs of five (5) homes. Based on the construction budget you provided for \$ 2,207,070, Foremost will fund 76.2% of the work in place hard costs and you will inject additional funds into the project for the remaining balance of 23.8% of the work in place hard costs through purchaser deposits. The funds shall be advanced as construction progresses and calculated on a 'work in place' & 'cost to complete' basis.</p> <p>The Loan will be advanced in a series of advances not more often than monthly as work on the Project is completed. The Lender shall be paid a fee of \$250.00 at the time of each advance.</p>
Partial Discharges:	Lender agrees to provide partial discharges of its security as unit sales in the Project close upon receipt by the Lender of 80% of the greater of the appraised value of the individual unit net of HST or the sale price net of HST.

Interest Reserve:

Interest shall become due and payable the first of the month immediately following the first advance of funds under the Loan and the first of each month thereafter. The construction budget must allow an interest reserve of \$230,000 from which payment of interest will be made. The interest reserve shall be available to be drawn upon on the 1st construction advance for the interest payment due after construction of the Project has commenced. **Any interest payments due prior to the first construction advance must be paid by the borrower.** When the interest reserve is depleted the Borrower will be responsible to fund all interest payments.

Security:

The following security, satisfactory in form and content to the Lender and its solicitors, shall be in place before the first advance under the Loan:

1. Registered 1st mortgage in the amount of \$3,155,000, which will be subject to the Lender's Standard Charge Terms (registered as #201035) and which will be supported by title insurance.
2. General security agreement from the Borrower constituting a first charge against all assets of the Borrower.
3. Joint and several guarantees and postponement of claims from all Guarantor(s) for the full amount of the Loan.
4. Insurance coverage satisfactory to the Lender naming **Foremost Mortgage Holding Corporation** as an additional insured party and loss payee as 1st mortgagee.
5. Cost overrun guarantees from the Borrower(s)/Guarantor(s).
6. Assignment of the Interest Reserve.
7. Assignment of all construction and servicing contracts, and any other material contracts deemed necessary by the Lender's lawyer relating to the Project.
8. Such further and other security and documentation as may be reasonably required by the Lender and its solicitors.

Conditions Precedent:

No Loan advances shall be made until there has been delivered to the Lender and the Lender's approval or acceptance has been given with respect to the items outlined in Schedule A.

Superpriority Remittances:

The Borrower shall provide the Lender with evidence annually (or more frequently if requested) that all Superpriority Remittances are current including, but not limited to, amounts owing for income taxes, harmonized sales taxes (HST), employee source deductions, workplace safety and insurance remittances and pension plan remittances.

Purchaser Deposits:

Notwithstanding the maximum Loan Facility stated herein, in the event the Borrower receives one or more deposits from purchasers, which shall be available for the Borrower's use in excess of \$ 525,000, the Loan Facility shall be reduced by the amount of said deposit(s).

Subsequent Financing:

No financing subsequent to the Lender mortgage shall be permitted without the prior written consent of the Lender.

Costs:	Borrower(s)/Guarantor(s) is responsible for payment of all the Lender's out of pocket costs in connection with the Loan (whether or not the Loan is advanced) including but not limited to legal, appraisal, cost consultant, insurance consultant, environmental consultant, and items outlined in Schedule B.
Erection of a Sign:	The Lender shall have the right to erect a sign, at its expense on the Property during the construction period, indicating the source of financing. The location and size of such sign to be mutually agreed upon by the parties.
Syndication:	It is understood and agreed that the Lender may be syndicating a portion of this Loan to one or more participants and any information provided to the Lender regarding the Loan may be shared with such participants.
Credit Bureau:	Borrower(s)/Guarantor(s) consent to Lender conducting one or more credit bureau searches as Lender may deem necessary.

Commitment Confirmation: This Commitment is conditional for a minimum of three business days following receipt and approval of all conditions precedent upon the Lender's credit committee approval of the Loan. If the Loan is not approved then this Commitment shall be null and void and any portion of the Commitment Fee paid hereunder less any out of pocket "Costs" incurred by the Lender shall be repaid to the Borrower without interest or further deduction.

Acceptance: This Commitment is open for acceptance until 5:00 p.m. on June 15, 2022 by which time we must receive from you a duly executed copy of this letter together with a \$5,000 payment to Foremost Financial Corporation in trust. Any changes to this Commitment must be in writing and executed by all parties.

We look forward to working with you to bring about a successful closing of the Loan.

Yours truly
Foremost Financial Corporation

Paul Rayment

Paul Rayment
Executive Vice President - Broker

Accepted this 18 day of 06 2022

Borrower:

Leratto Inc.

PER: *[Signature]* ,ASO

Name: *Hitesh Jhaveri*

Guarantors:

[Signature]
Hitesh Jhaveri

[Signature]
Niketa Wadia

Schedule A
Conditions Precedent

No Loan advances shall be made until the below has been delivered to the Lender and the Lender's approval or acceptance has been given. Please allow for **five business days**, prior to the day of funding, to review.

<u>Conditions Precedent</u>	<u>Notes/Comments</u>
1. Signed application and net worth statements and Consent form from the Borrower(s)/Guarantors(s).	To be provided
2. Credit Bureau on the personal Borrower(s)/Guarantors(s).	Received
3. 2021 Notice of Assessment from the Borrower(s)/Guarantors(s).	To be provided
4. Government issued photo Identification on Borrower(s)/Guarantors(s).	To be provided
5. Most recent financial statements for Leratto Inc.	To be provided
6. Borrower's ability to service soft costs of the Project.	To be provided
7. Confirmation the agreements of purchase and sale for the pre-sold units are subordinate to the loan facility.	To be provided
8. Meeting between the Lender and the mortgagor if the lender deems necessary.	To be provided
9. Inspection of Property.	To be provided
10. Insurance policy satisfactory to the Lender naming <u>Foremost Mortgage Holding Corporation</u> 1A-26 Lesmill Road, Toronto, ON M3B 2T5 as an additional insured party and loss payee as 1st mortgagee.	To be provided
Please ensure the insurance coverage includes: Commercial General Liability Builders Risk in the amount of \$2,207,070	
11. Detailed budget completed on the Lenders budget forms.	To be provided
12. Budget review by the Cost Consultant assigned by the lender.	To be provided
13. Appraisal on the Property, addressed to <u>Foremost Financial Corporation & Foremost Mortgage Holding Corporation</u> , indicating a value of not less than \$4,975,000 upon completion.	Received
14. Copy of approved plans showing municipal stamp.	To be provided
15. Copy of building permit.	To be provided
16. Borrower's Tarion registration and enrolment of the house(s) with Tarion.	To be provided

Schedule B
Anticipated Deductions

Anticipated deductions on initial advance:

Lender Fee (1.25%)	\$33,500.00	
Less: Standby Fee	<u>(\$5,000.00)</u>	\$9,500.00
Broker Fee		N/A
Legal Fee		\$7,890.00 plus disbursements, plus HST
First Canadian Title (estimate)		<u>\$2,644.92</u>
Total		<u>\$20,034.92</u>

On each construction advance the charges will be:

Inspection Fee \$100.00 per hour plus HST (typically 3-4 hours)
Admin Fee \$250.00 plus HST
Legal Fees \$350.00 plus disbursements, plus HST
Each advance will be subject to a 10% Construction Lien Holdback

Other costs include:

Appraisal Fee (Borrower to pay appraiser directly)
Builders Risk Insurance (Loss Payee, Mortgagee & Additional Insured: Foremost Mortgage Holding Corporation)
Environmental Fee (If applicable)
Budget Review by Cost Consultant (If applicable)

Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Disclosure to Borrower**Cost of Borrowing Disclosure:**

Property to be mortgaged: 367 Porte Road, Ajax, ON

Details of Mortgage:

The principal amount of the 1st mortgage \$ 3,155,000.00, will be repayable in Monthly installments of Interest Only, to be paid on the 1st, starting on August 1, 2022. The net advance of funds is .

The total amount of all payments over the 14-month term will be Interest Only.

Interest:

The date on which interest begins to accrue is: June 16, 2022 and will be calculated based on the amount of facility advanced.

The annual interest rate is The Greater of 8.00% or HSBC Bank Canada Prime + 4.30% and the compounding period is Monthly. Interest for each payment period is calculated against the balance owing. Each payment is applied first to the accumulated cost of borrowing, and then to the outstanding principal. Any interest unpaid becomes part of the balance owing for the purposes of calculating the interest charged in future payment periods.

Where the annual interest rate may change, the method of determining the annual interest rate is:

The Greater of 8.00% or HSBC Bank Canada Prime + 4.30%

Fees and Costs Payable by Borrower:

	Comments	Value	Included In APR
Lender Fee	Foremost Financial Lender Fee	<u>\$ 33,500.00</u>	<u>X</u>
Brokerage Fee		<u>N/A</u>	
Insurance Fees	First Canadian Title (Estimate)	<u>\$ 2,644.92</u>	<u>X</u>
Legal Fees (Excluding HST & Disbursements)	Payable To Harvey Mandel	<u>\$ 7,890.00</u>	<u>X</u>
Per Each Additional Advance:			
Legal Fees + Disbursements & HST	Payable to Harvey Mandel	<u>\$ 350.00</u>	
Admin Fee	Per advance	<u>\$ 150.00</u>	
Inspection fee per hour	For each construction advance	<u>\$ 100.00</u>	
Total Costs:		<u>\$ 44,634.92</u>	

Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$ 338,501.59 APR: 9.196%

The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.

Terms and Conditions:

Prepayment Privileges: See commitment for details

Transferability: Non-Transferable

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

Conflict of Interest Disclosure:

The Mortgage Broker/Agent has the following relationship which may be a potential conflict of interest:

The lender will be a related entity or a private investor

Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Disclosure to Borrower**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

☒ **Mortgage - Commissions**

The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

☒ **Mortgagee - Lender is an affiliated company**

The Lender is an affiliated or related company of the brokerage and the brokerage will receive a commission and may receive contingent commissions from the Lender.

Information on Brokerage:

The Brokerage is representing The Lender, not the Borrower in this transaction.


The Brokerage has placed over 50% of their business with Foremost Mortgage Holding Corporation during the previous fiscal year.

The Brokerage has acted as a lender in the previous fiscal year.

Name and Address of Brokerage: Foremost Financial Corporation License #: 10342 1A-26 Lesmill Road, Toronto, ON M3B 2T5

Name of Authorized Person signing on behalf of Brokerage: Matthew Gonsalves, Broker Licence #: M13002389

Date: June 10, 2022

Authorized Signature: 

Disclosure of Material Risks:

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

Acknowledgment

I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: _____

Borrower: _____
Leratto Inc.

Date: _____

Guarantor: _____
Hitesh Jhaveri

Date: _____

Guarantor: _____
Niketa Wadia

I / we waive the 2 business days requirement for this disclosure.

Date: 18/6/22

Borrower: _____
Leratto Inc.

Date: 18/6/22

Guarantor: _____
Hitesh Jhaveri

Date: 18/6/22

Guarantor: _____
Niketa Wadia









Commitment Letter & Disclosure to Borrower - 367 Porte Rd, Ajax

Final Audit Report

2022-06-11

Created:	2022-06-10
By:	Matthew Belcastro (matthewb@foremost-financial.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAABeKSacRexSn6ajsUioA5YRf9klP4Uzfr

"Commitment Letter & Disclosure to Borrower - 367 Porte Rd, Ajax" History

-  Document created by Matthew Belcastro (matthewb@foremost-financial.com)
2022-06-10 - 7:33:58 PM GMT- IP address: 70.25.64.217
-  Document emailed to Paul Rayment (paul@foremost-financial.com) for signature
2022-06-10 - 7:34:33 PM GMT
-  Email viewed by Paul Rayment (paul@foremost-financial.com)
2022-06-10 - 9:08:27 PM GMT- IP address: 104.28.133.22
-  Document e-signed by Paul Rayment (paul@foremost-financial.com)
Signature Date: 2022-06-10 - 9:09:18 PM GMT - Time Source: server- IP address: 99.238.55.12
-  Document emailed to Matthew Gonsalves (matt@foremost-financial.com) for signature
2022-06-10 - 9:09:20 PM GMT
-  Email viewed by Matthew Gonsalves (matt@foremost-financial.com)
2022-06-11 - 1:48:38 AM GMT- IP address: 70.51.69.39
-  Document e-signed by Matthew Gonsalves (matt@foremost-financial.com)
Signature Date: 2022-06-11 - 1:49:28 AM GMT - Time Source: server- IP address: 70.51.69.39
-  Agreement completed.
2022-06-11 - 1:49:28 AM GMT



Adobe Acrobat Sign

This is **Exhibit "J"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties				
PIN	03206 - 4244	LT	Interest/Estate	Fee Simple
Description	LOT 739 AND PART LOT 140, PLAN 133, PART 3, PLAN 65R38228; TOWN OF RICHMOND HILL			
Address	RICHMOND HILL			
PIN	03206 - 4245	LT	Interest/Estate	Fee Simple
Description	LOT 741 AND PART LOTS 740 AND 742, PLAN 133, PART 2, PLAN 65R38228; TOWN OF RICHMOND HILL			
Address	RICHMOND HILL			
PIN	03206 - 4246	LT	Interest/Estate	Fee Simple
Description	LOT 743 AND PART LOT 742, PLAN 133, PART 1, PLAN 65R38228; TOWN OF RICHMOND HILL			
Address	RICHMOND HILL			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	BARAKAA DEVELOPER INC.
Address for Service	9 Ridgevale Drive, Markham, Ontario L6B 1A8
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)	Capacity	Share
Name	FOREMOST MORTGAGE HOLDING CORPORATION	
Address for Service	26 Lesmill Road, Suite 1A, Toronto, Ontario M3B 2T5	

Statements
This document is supported by evidence which is indexed at the Land Registry Office as index number YR2921415.
The Corporation of the City of Richmond Hill, has consented to the registration of this document, subject to the continuance of registration number YR2921415 registered on 2019/01/21
In accordance with registration YR2921415 registered on 2019/01/21, the consent of The Corporation of the Town of Richmond Hill has been obtained for the registration of this document.
In accordance with registration YR2921415 registered on 2019/01/21, The Corporation of the Town of Richmond Hill has consented to the registration of this document. See Schedules

Provisions			
Principal	\$4,133,000.00	Currency	CDN
Calculation Period	monthly not in advance		
Balance Due Date	2023/10/01		
Interest Rate	see schedule		
Payments			
Interest Adjustment Date	2022 06 01		
Payment Date	1st of each and every month		
First Payment Date	2022 07 01		
Last Payment Date	2023 10 01		
Standard Charge Terms	201035		
Insurance Amount	Full insurable value		
Guarantor	Hitesh Jhaveri, Niketa Wadia Jhaveri and OSMI Homes Inc.		

Additional Provisions
See Schedules

Signed By			
Harvey Martin Mandel	55 Queen St East, Suite 203 Toronto M5C 1R6	acting for Chargor(s)	Signed 2022 06 24

Signed By

Tel 416-364-7717
Fax 416-364-4813

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

HARVEY MANDEL LAW OFFICE	55 Queen St East, Suite 203 Toronto M5C 1R6	2022 06 24
Tel 416-364-7717		
Fax 416-364-4813		

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number : 11537

ADDITIONAL PROVISIONS

The principal amount of this mortgage is four million, one hundred thirty three thousand Dollars (\$4,133,000.00), and the Mortgagor hereby agrees to pay interest on the Principal Amount at the HSBC Bank Canada's prime rate plus four and three tenths percent (4.3%) per annum, as charged from time to time,

PROVIDED THAT in no event shall the rate of interest payable hereunder be less than seven and one half percent (7.5%) per annum, calculated monthly and payable monthly, not in advance, before and after maturity, default and judgement. Interest is payable on overdue interest and on indebtedness payable under this Mortgage at the aforesaid interest rate. Any payment appropriated as a permanent reduction of this Mortgage shall be first applied against interest accrued hereunder. This Mortgage shall be void upon payment of the Principal Amount of lawful money of Canada with interest at the rate calculated as aforesaid. The Mortgagor hereby acknowledges, confirms and agrees that as of the date of the execution of the charge, the HSBC Bank Canada's prime rate is three and seventy hundredths (3.70%) per cent per annum.

The Mortgagor hereby acknowledges, confirms and agrees that each time the HSBC Bank Canada's prime rate is changed, then the rate of interest used to calculate the interest due and payable hereunder shall be changed accordingly; interest shall be calculated monthly and payable monthly on the first day of each month next following the date of each such change. In addition, the Mortgagor shall deliver to the Mortgagee no later than the first day of each month next following the date of each such change, a cheque for the additional interest payable, over and above the amount of the interest being paid by way of post-dated cheques.

The HSBC Bank Canada's prime rate shall mean the rate of interest per annum established and reported by the HSBC Bank Canada to the Bank of Canada from time to time as a reference rate of interest for the determination of interest rates that the HSBC Bank Canada charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

The whole of the Principal Amount shall become due and payable on the first day of October, 2023, interest at the rate calculated as aforesaid, before and after maturity, default and judgment, on such portion of the principal as remains from time to time unpaid on the first day of each and every month in each year until the principal is fully paid; the first payment of interest to be computed from the first day of June, 2022 upon the Principal Amount, to become due and payable on the first day of July, 2022.

In the event that the aforesaid prime rate of interest shall not be determinable on any interest payment date, then the prime rate of interest for such date shall be based upon the last prime rate of interest which was determinable.

Notwithstanding the reference herein to the interest rate on a per annum basis and notwithstanding any other provision herein contained the parties acknowledge that the mortgagee shall not be deemed to re-invest any monthly or other payments received by it hereunder.

THE GUARANTOR(S) TO THIS CHARGE AND THEIR ADDRESS(ES) FOR SERVICE IS AS SET OUT BELOW:

NAME OF GUARANTOR and ADDRESS FOR SERVICE

Hitesh Jhaveri 9 Ridgevale Drive Markham, Ontario L6B 1A8	Osmi Homes Inc. 9 Ridgevale Drive Markham, Ontario L6B 1A8	Niketa Wadia Jhaveri 9 Ridgevale Drive Markham, Ontario L6B 1A8
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THE GUARANTORS UNDERSTAND THEIR REQUIREMENTS AND RESPONSIBILITIES

RESPECTING THE SIGNING OF THE CHARGE AND ANCILLARY DOCUMENTS THERETO.

THE GUARANTORS HAVE ACKNOWLEDGED SAME BY EXECUTING AN ACKNOWLEDGMENT AND DIRECTION OF THE CHARGE, A GUARANTORS CONSENT AND AN ACKNOWLEDGMENT OF STANDARD CHARGE TERMS, 201035 AND IN PARTICULAR SECTION 48 "COVENANTOR" WHICH MEANS GUARANTOR, WHICH GOVERNS THE CHARGE AND OUTLINES THE GUARANTORS' OBLIGATIONS AND ACCOUNTABILITY THEREUNDER.

This is **Exhibit "K"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN	26454 - 0553	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0554	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0555	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0556	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0557	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0558	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

NameLERRATO INC.

Address for Service9 Ridgeway Drive, Markham, Ontario
L6B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
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NameFOREMOST MORTGAGE HOLDING CORPORATION

Address for Service26 Lesmill Road, Suite 1A, Toronto, Ontario M3B 2T5

Provisions

Principal	\$3,155,000.00	Currency	CDN
Calculation Period	monthly not in advance		
Balance Due Date	2023/09/01		
Interest Rate	see schedule		
Payments			
Interest Adjustment Date	2022 07 01		
Payment Date	1st of each and every month		
First Payment Date	2022 08 01		
Last Payment Date	2023 09 01		
Standard Charge Terms	201035		
Insurance Amount	Full insurable value		
Guarantor	Niketa Wadia Jhaveri and Hitesh Jhaveri		

Additional Provisions

See Schedules

The applicant(s) hereby applies to the Land Registrar.

Signed By

Harvey Martin Mandel	55 Queen St East, Suite 203 Toronto M5C 1R6	acting for Chargor(s)	Signed	2022 07 05
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Tel 416-364-7717
Fax 416-364-4813

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

HARVEY MANDEL LAW OFFICE	55 Queen St East, Suite 203 Toronto M5C 1R6	2022 07 05
--------------------------	---	------------

Tel 416-364-7717
Fax 416-364-4813

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number : 12121

ADDITIONAL PROVISIONS

The principal amount of this mortgage is three million one hundred and fifty five thousand Dollars (\$3,155,000.00), and the Mortgagor hereby agrees to pay interest on the Principal Amount at the HSBC Bank Canada's prime rate plus four and thirty hundredths percent (4.3%) per annum, as charged from time to time,

PROVIDED THAT in no event shall the rate of interest payable hereunder be less than eight percent (8.0%) per annum, calculated monthly and payable monthly, not in advance, before and after maturity, default and judgement. Interest is payable on overdue interest and on indebtedness payable under this Mortgage at the aforesaid interest rate. Any payment appropriated as a permanent reduction of this Mortgage shall be first applied against interest accrued hereunder. This Mortgage shall be void upon payment of the Principal Amount of lawful money of Canada with interest at the rate calculated as aforesaid. The Mortgagor hereby acknowledges, confirms and agrees that as of the date of the execution of the charge, the HSBC Bank Canada's prime rate is three and seven tenths (3.7%) per cent per annum.

The Mortgagor hereby acknowledges, confirms and agrees that each time the HSBC Bank Canada's prime rate is changed, then the rate of interest used to calculate the interest due and payable hereunder shall be changed accordingly; interest shall be calculated monthly and payable monthly on the first day of each month next following the date of each such change. In addition, the Mortgagor shall deliver to the Mortgagee no later than the first day of each month next following the date of each such change, a cheque for the additional interest payable, over and above the amount of the interest being paid by way of post-dated cheques.

The HSBC Bank Canada's prime rate shall mean the rate of interest per annum established and reported by the HSBC Bank Canada to the Bank of Canada from time to time as a reference rate of interest for the determination of interest rates that the HSBC Bank Canada charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

The whole of the Principal Amount shall become due and payable on the first day of September, 2023, interest at the rate calculated as aforesaid, before and after maturity, default and judgment, on such portion of the principal as remains from time to time unpaid on the first day of each and every month in each year until the principal is fully paid; the first payment of interest to be computed from the first day of July, 2022 upon the Principal Amount, to become due and payable on the first day of August, 2022.

In the event that the aforesaid prime rate of interest shall not be determinable on any interest payment date, then the prime rate of interest for such date shall be based upon the last prime rate of interest which was determinable.

Notwithstanding the reference herein to the interest rate on a per annum basis and notwithstanding any other provision herein contained the parties acknowledge that the mortgagee shall not be deemed to re-invest any monthly or other payments received by it hereunder.

THE GUARANTOR(S) TO THIS CHARGE AND THEIR ADDRESS(ES) FOR SERVICE IS AS SET OUT BELOW:

NAME OF GUARANTOR and ADDRESS FOR SERVICE

Niketa Wadia Jhaveri and Hitesh Jhaveri
9 Ridgevale Drive, Markham, Ontario L8B 1A8

THE GUARANTORS UNDERSTAND THEIR REQUIREMENTS AND RESPONSIBILITIES RESPECTING THE SIGNING OF THE CHARGE AND ANCILLARY DOCUMENTS THERETO.

THE GUARANTORS HAVE ACKNOWLEDGED SAME BY EXECUTING AN ACKNOWLEDGMENT AND DIRECTION OF THE CHARGE, A GUARANTORS CONSENT AND AN ACKNOWLEDGMENT OF STANDARD CHARGE TERMS, 201035 AND IN PARTICULAR SECTION 48 "COVENANTOR" WHICH MEANS GUARANTOR, WHICH GOVERNS THE CHARGE AND OUTLINES THE GUARANTORS' OBLIGATIONS AND ACCOUNTABILITY THEREUNDER.

This is **Exhibit "L"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN	03206 - 0534 LT	Interest/Estate	Fee Simple
Description	LT 739 PL 133 KING; LT 740 PL 133 KING; LT 741 PL 133 KING; LT 742 PL 133 KING; LT 743 PL 133 KING ;; TOWN OF RICHMOND HILL		
Address	29 MADISON AVE RICHMOND HILL		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	BARAKAA DEVELOPER INC.
Address for Service	9 Ridgevale Drive Markham, Ontario L6B 1A8

I, Niketa Wadia and Hitesh Jhaveri, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)CapacityShare

Name	FOREMOST MORTGAGE HOLDING CORPORATION
Address for Service	26 Lesmill Road Unit 1B Toronto, Ontario M3B 2T5

Provisions

Principal	\$1,725,000.00	Currency	CDN
Calculation Period	monthly not in advance		
Balance Due Date	2018/07/01		
Interest Rate	7.75 per cent per annum		
Payments			
Interest Adjustment Date	2017 07 01		
Payment Date	1st of each month		
First Payment Date	2017 08 01		
Last Payment Date	2018 07 01		
Standard Charge Terms	201035		
Insurance Amount	full insurable value		
Guarantor	Niketa Wadia, Hitesh Jhaveri and Osmi Homes Inc.		

Additional Provisions

ADDITIONAL PROVISIONS

The principal amount of this mortgage is \$1,725,000.00.

The whole of the Principal Amount shall become due and payable on the first day of July, 2018, interest calculated and payable at the interest rate and for the calculation periods set forth in this Charge as well after as before maturity and both before and after default on such portion of the principal amount as remains from time to time unpaid shall become due and payable on the 1 day of each and every month in each year until the principal amount is fully paid; the first payment of interest to be computed from the first day of July, 2017 upon the Principal Amount, to become due and payable on the first day of August, 2017.

THE GUARANTOR(S) TO THIS CHARGE AND THEIR ADDRESS(ES) FOR SERVICE IS AS SET OUT BELOW:

NAME OF GUARANTOR and ADDRESS FOR SERVICE

Hitesh Jhaveri
9 Ridgevale Drive
Markham, Ontario
L6B 1A8

Osmi Homes Inc.

Additional Provisions

9 Ridgevale Drive
Markham, Ontario
L6B 1A8

Niketa Wadia
9 Ridgevale Drive
Markham, Ontario
L6B 1A8

THE GUARANTORS UNDERSTAND THEIR REQUIREMENTS AND RESPONSIBILITIES RESPECTING THE SIGNING OF THE CHARGE AND ANCILLARY DOCUMENTS THERETO.

THE GUARANTORS HAVE ACKNOWLEDGED SAME BY EXECUTING AN ACKNOWLEDGMENT AND DIRECTION OF THE CHARGE, A GUARANTORS CONSENT AND AN ACKNOWLEDGMENT OF STANDARD CHARGE TERMS, 201035 AND IN PARTICULAR SECTION 48 COVENANTOR WHICH MEANS GUARANTOR, WHICH GOVERNS THE CHARGE AND OUTLINES THE GUARANTORS OBLIGATIONS AND ACCOUNTABILITY THEREUNDER.

Signed By

Harvey Martin Mandel	55 Queen St East, Suite 203 Toronto M5C 1R6	acting for Chargor(s)	Signed	2017 06 28
----------------------	---	--------------------------	--------	------------

Tel 416-364-7717
Fax 416-364-4813

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

HARVEY MANDEL LAW OFFICE	55 Queen St East, Suite 203 Toronto M5C 1R6	2017 07 24
--------------------------	---	------------

Tel 416-364-7717
Fax 416-364-4813

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

File Number

Chargor Client File Number : 11537

This is **Exhibit "M"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN	26454 - 0553	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	PORTE ROAD AJAX			
PIN	26454 - 0554	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	PORTE ROAD AJAX			
PIN	26454 - 0555	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	PORTE ROAD AJAX			
PIN	26454 - 0556	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	PORTE ROAD AJAX			
PIN	26454 - 0557	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	PORTE ROAD AJAX			
PIN	26454 - 0558	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name

LERRATO INC.

Address for Service

9 Ridgevale Drive, Markham, Ontario
L8B 1A8

I, Hitesh Jhaveri, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)CapacityShare

Name

FOREMOST MORTGAGE HOLDING CORPORATION

Address for Service

26 Lesmill Road, Suite 1A, Toronto, Ontario M3B 2T5

Provisions

Principal	\$2,375,000.00	Currency	CDN
Calculation Period	monthly not in advance		
Balance Due Date	2021/04/01		
Interest Rate	see schedule		
Payments			
Interest Adjustment Date	2019 12 01		
Payment Date	1st of each month		
First Payment Date	2020 01 01		
Last Payment Date	2021 04 01		
Standard Charge Terms	201035		
Insurance Amount	Full insurable value		
Guarantor	Niketa Wadia, Hitesh Jhaveri		

Additional Provisions

See Schedules

Signed By

Harvey Martin Mandel	55 Queen St East, Suite 203 Toronto M5C 1R6	acting for Chargor(s)	Signed	2019 11 26
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Tel 416-364-7717

Fax 416-364-4813

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

HARVEY MANDEL LAW OFFICE	55 Queen St East, Suite 203 Toronto M5C 1R6	2019 11 26
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Tel 416-364-7717

Fax 416-364-4813

Fees/Taxes/Payment

Statutory Registration Fee	\$65.05
Total Paid	\$65.05

File Number

Chargor Client File Number : 12121

ADDITIONAL PROVISIONS

The principal amount of this mortgage is two million three hundred and seventy five thousand Dollars (\$2,375,000.00), and the Mortgagor hereby agrees to pay interest on the Principal Amount at the HSBC Bank Canada's prime rate plus four and one half percent (4.5%) per annum, as charged from time to time,

PROVIDED THAT in no event shall the rate of interest payable hereunder be less than eight and one half percent (8.5%) per annum, calculated monthly and payable monthly, not in advance, before and after maturity, default and judgement. Interest is payable on overdue interest and on indebtedness payable under this Mortgage at the aforesaid interest rate. Any payment appropriated as a permanent reduction of this Mortgage shall be first applied against interest accrued hereunder. This Mortgage shall be void upon payment of the Principal Amount of lawful money of Canada with interest at the rate calculated as aforesaid. The Mortgagor hereby acknowledges, confirms and agrees that as of the date of the execution of the charge, the HSBC Bank Canada's prime rate is three and ninety five hundredth (3.95%) per cent per annum.

The Mortgagor hereby acknowledges, confirms and agrees that each time the HSBC Bank Canada's prime rate is changed, then the rate of interest used to calculate the interest due and payable hereunder shall be changed accordingly; interest shall be calculated monthly and payable monthly on the first day of each month next following the date of each such change. In addition, the Mortgagor shall deliver to the Mortgagee no later than the first day of each month next following the date of each such change, a cheque for the additional interest payable, over and above the amount of the interest being paid by way of post-dated cheques.

The HSBC Bank Canada's prime rate shall mean the rate of interest per annum established and reported by the HSBC Bank Canada to the Bank of Canada from time to time as a reference rate of interest for the determination of interest rates that the HSBC Bank Canada charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

The whole of the Principal Amount shall become due and payable on the first day of April, 2021, interest at the rate calculated as aforesaid, before and after maturity, default and judgment, on such portion of the principal as remains from time to time unpaid on the first day of each and every month in each year until the principal is fully paid; the first payment of interest to be computed from the first day of December, 2019 upon the Principal Amount, to become due and payable on the first day of January, 2020.

In the event that the aforesaid prime rate of interest shall not be determinable on any interest payment date, then the prime rate of interest for such date shall be based upon the last prime rate of interest which was determinable.

Notwithstanding the reference herein to the interest rate on a per annum basis and notwithstanding any other provision herein contained the parties acknowledge that the mortgagee shall not be deemed to re-invest any monthly or other payments received by it hereunder.

THE GUARANTOR(S) TO THIS CHARGE AND THEIR ADDRESS(ES) FOR SERVICE IS AS SET OUT BELOW:

NAME OF GUARANTOR and **ADDRESS FOR SERVICE**

Niketa Wadia and Hitesh Jhaveri
9 Ridgevale Drive, Markham, Ontario L8B 1A8

THE GUARANTORS UNDERSTAND THEIR REQUIREMENTS AND RESPONSIBILITIES RESPECTING THE SIGNING OF THE CHARGE AND ANCILLARY DOCUMENTS THERETO.

THE GUARANTORS HAVE ACKNOWLEDGED SAME BY EXECUTING AN ACKNOWLEDGMENT AND DIRECTION OF THE CHARGE, A GUARANTORS CONSENT AND AN ACKNOWLEDGMENT OF STANDARD CHARGE TERMS, 201035 AND IN PARTICULAR SECTION 48 "COVENANTOR" WHICH MEANS GUARANTOR, WHICH GOVERNS THE CHARGE AND OUTLINES THE GUARANTORS' OBLIGATIONS AND ACCOUNTABILITY THEREUNDER.

This is **Exhibit "N"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN	26454 - 0553 LT
Description	PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address	AJAX
PIN	26454 - 0554 LT
Description	PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address	AJAX
PIN	26454 - 0555 LT
Description	PT LT 6 CON 1, PT 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address	AJAX
PIN	26454 - 0556 LT
Description	PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address	AJAX
PIN	26454 - 0557 LT
Description	PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address	AJAX
PIN	26454 - 0558 LT
Description	PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address	AJAX

Consideration

Consideration \$2,375,000.00

Applicant(s)

Name FOREMOST MORTGAGE HOLDING CORPORATION

Address for Service 26 Lesmill Road, Suite 1A, Toronto,
Ontario M3B 2T5

Under a notice of security agreement made between Lerrato Inc. 9 Ridgevale Drive, Markham, Ontario L8B 1A8, the debtor and the applicant, the secured party a security interest has been created in See Schedules. The collateral is located or affixed or is to be affixed to the selected PIN

Notice is hereby given that by a security agreement made between Lerrato Inc. as debtor and Foremost Mortgage Holding Corporation as secured party a security interest in the right to payment under DR1850098 registered on 2019/11/26 has been created.

I, Evan Cooperman, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Signed By

Harvey Martin Mandel	55 Queen St East, Suite 203 Toronto M5C 1R6	acting for Applicant(s)	Signed	2019 10 24
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Tel 416-364-7717

Fax 416-364-4813

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

HARVEY MANDEL LAW OFFICE	55 Queen St East, Suite 203 Toronto M5C 1R6	2019 11 26
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Tel 416-364-7717

Fax 416-364-4813

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Fees/Taxes/Payment	
Total Paid	\$65.05

File Number	
Applicant Client File Number :	12121

The list of chattels that may be come fixtures in a property which could be removed without damaging the integrity of the building structure which are being secured by this Notice of Security Interest includes all fixtures, chattels and improvements whether in existence now or in the future which are being purchased through the advancement of funds to the debtor by the creditor as set out in the Notice of Security Interest and are some but not all of the following:

heating furnace, air conditioner, HVAC system, air exchanger, humidifier, solar panels, built in floor heating and any geothermal & solar thermal hybrid or not heating system and air conditioning system and all built in equipment and panels

back up generator systems and all built in equipment and panels

garage door and garage door equipment and all built in equipment and panels

cabinetry of any kind or nature including but limited to kitchen, bathroom, butler pantry or pantry and any built in cabinetry in any room, sitting room, den, recreational room, hallway, closet, locker, cupboard or bedroom

plumbing fixtures of any kind or nature or purpose and the accessories where affixed and the electrical equipment and panels associated with the fixtures

central vacuum system and all affixed parts

electrical fixtures and all built in equipment and panels

lighting fixtures

sound and security systems and all built in equipment and panels

home entertainment systems and al built in equipment and accessories including specialized seating

all audio and video systems and all built in equipment and panels

electric heating and cooling systems and all built in equipment and panels

mirrors of any kind

fire box whether wood, gas or electric and all equipment and accessories and mantel

disposal bins, dishwashers, ovens and any other built in appliance

carpet where laid

banister and railing

exterior railings and posts

non structural columns

doors and windows

recreational equipment and fixtures (sauna, pool, whirlpool and any gym equipment)

built in wine cellar racks, equipment, cabinetry and cooling systems

any cosmetic decor that is removable.

This is **Exhibit "O"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 2010 35 Cote
Filing Date Dec 3rd 2010 Date de Dépôt
Page 1 of 34 Pages
DIRECTOR OF TITLES
DIRECTRICE DES DROITS IMMOBILIERS

LAND REGISTRATION REFORM ACT, R.S.O. 1990, C. L.4
SET OF STANDARD CHARGE TERMS

FILED BY: FOREMOST MORTGAGE HOLDING CORPORATION (the "Chargee")

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STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 201035 Cote

The following set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the said Act:

1. **STATUTORY REFERENCES**

Unless expressly stipulated or otherwise required by the context, all references in the Charge to any Applicable Law or other governmental enactment shall be deemed to be and construed as a reference to the same, as amended from time to time.

2. **EXCLUSION OF STATUTORY COVENANTS**

The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded and replaced by the terms hereof which are covenants by the Chargor, for and on behalf of the Chargor, and for the benefit of the Chargee and its successors and assigns.

3. **SHORT FORM OF MORTGAGES ACT**

If any of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the *Short Form of Mortgages Act* R.S.O. 1980, c.474, and distinguished by a number therein, the Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and the Charge shall be interpreted as if the *Short Form of Mortgages Act* was still in full force and effect.

4. **DEFINED TERMS**

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases shall have the following meanings when used in the Charge:

- (a) "Additional Charge" means any additional charge/mortgage of land granted by the Chargor or any Affiliate thereof in favour of the Chargee or any Affiliate, regardless of whether such additional charge/mortgage of land (i) is registered against lands other than the Lands, (ii) is registered against the Lands in priority, or subsequent to, the Charge, and/or (iii) secures indebtedness other than the indebtedness secured by the Charge;
- (b) "Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning;
- (c) "Applicable Interest Rate" means the interest rate specified in the Commitment plus three (3%) percent per annum;
- (d) "Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person having jurisdiction over it, or charged with its administration or interpretation;
- (e) "Applicable Taxes" means any goods and services tax and the provincial portion of harmonized sales tax imposed by any Governmental Authority;
- (f) "Charge" means the Charge/Mortgage of Land to which these Standard Charge Terms are attached as a schedule or which refers to the filing number of these Standard Charge Terms, as the case may be, and all schedules attached to such Charge/Mortgage of Land, and all amendments thereto and replacements thereof from time to time;

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 201035 Cote

- (g) "Chargee" means all Persons in whose favour the Charge is given and who is or are named in the Charge as Chargee together with its successors and assigns;
- (h) "Chargor" means all Persons who have given the Charge and who have executed the same as Chargor together with such Person's heirs, executors, administrators, successors and assigns;
- (i) "Chattels" means collectively, all piping, plumbing, electrical equipment or systems, aerials, antennas, satellite dishes and similar telecommunication equipment, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing situate on the Lands;
- (j) "Commitment" means each and every letter of commitment, loan approval, term sheet, loan agreement or other similar agreement establishing or pertaining to the loan secured by the Charge or pursuant to which the Charge has been given, and all amendments thereto, restatements thereof and renewals or replacements thereof from time to time;
- (k) "Condominium Corporation" means each corporation created pursuant to the *Condominium Act* (Ontario) and pertaining to all or any part of the Lands which are governed by the said Act;
- (l) "Costs" includes all costs and expenses of every nature and kind whatsoever incurred by the Chargee or paid by the Chargee to any other party in connection with the underwriting of the loan to the Chargor including, but not limited to, legal, environmental, structural, and cost consulting professional fees, including insurance consultants, or for the protection and preservation of the Lands or any other security held by the Chargee, or for the purpose of preserving and maintaining the enforceability and priority of the Charge and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by, or on behalf of, the Chargee, under or pursuant to the Charge, and includes, without limitation, legal costs incurred by the Chargee on a substantial indemnity basis;
- (m) "Covenantor" means any party to the Charge expressly defined as such and any and all Persons who have directly or indirectly, as principal debtor or as surety covenanted to payor guaranteed payment of the whole or any part of the amount or amounts secured by the Charge or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Chargor of its obligations under the Charge or under the Commitment or under any security given in connection therewith;
- (n) "Environmental Laws" means any Law regulating, affecting or with subject matter touching upon, without limitation, animal life, plant life or the physical environment;
- (o) "Environmental Orders" means any order, ruling, judgment, or other decision regulating, affecting or with subject matter touching upon, without limitation, animal life, plant life or the physical environment;
- (p) "Governmental Authority" means any entity that is part of the federal, provincial, municipal or other level of government or agency having jurisdiction with respect to the Lands and "Governmental Authorities" means every applicable Governmental Authority;
- (q) "Hazardous Substance" means any hazardous waste or substance, pollutant, contaminant, waste, material or other substance, 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

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 201035 Cote

environment or to the health or welfare of any living thing, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Governmental Authority, and includes without limiting the generality of the foregoing,

- (i) any such substance as defined or designated under any Applicable Laws for the protection of the environment or any living thing now or in the future in effect, including, without limitation, any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in Environmental Laws;
- (ii) asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and
- (iii) radioactive and toxic substances;
- (r) "Interest Adjustment Date" means the date identified or described as such in the Charge, as may be amended by written agreement;
- (s) "Lands" means the lands, tenements, hereditaments and appurtenances and any estate or interest therein described in the Charge, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in Law) attached thereto or placed, installed or erected thereon or used in connection therewith;
- (t) "Law" means any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law imposed by any applicable Governmental Authority as same may apply to the Lands from time to time;
- (u) "Letters of Credit" means any and all letters of credit, letters of guarantee or similar instruments issued by or on behalf of the Chargee by its bank or other financial institution in favour of a Governmental Authority or any other Person as requested or directed by the Chargor from time to time;
- (v) "Maturity Date" means the date the loan from the Chargee to the Chargor is due and payable as set out in the Commitment;
- (w) "Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, any Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (x) "Receiver" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Chargee pursuant to the provisions of the Charge or by any court of competent jurisdiction;
- (y) "Registry Office" means the appropriate registry of deeds, land titles or other land registration office from time to time established under any Applicable Laws with respect to the registration, filing or similar recording of the Charge; and
- (z) "Taxes" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Authority.

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5. **PROVISO FOR REDEMPTION AND REPAYMENT PROVISIONS**

Provided the Charge to be void upon payment of the principal sum hereby secured, in lawful money of Canada, with interest as herein provided and Taxes and performance of statute labour and performance of all covenants and agreements contained in the Charge.

Interest on the principal amount secured by the Charge shall be computed at the rate provided for therein from the Interest Adjustment Date and shall be paid by the Chargor on the first day of each and every month of the term of the Charge to commence on the first day of the month immediately following the month in which the first advance is made.

The principal amount secured by the Charge shall not be prepaid in whole or in part except as otherwise expressly permitted under the Commitment.

6. **RELEASE**

The Chargor does hereby release to the Chargee all its claims upon the Lands subject to the proviso for redemption herein.

7. **ADVANCE OF FUNDS**

The Chargor agrees that neither the preparation, execution nor registration of the Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of the Charge by the Chargor, and the expenses of the examination of the title and of the Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in the Charge, and in default the remedies herein shall be exercisable.

8. **CHARGOR'S COVENANTS**

The Chargor hereby charges the Lands as security for the payment and satisfaction to the Chargee of principal and interest and all other monies secured by the Charge and/or the Commitment, present and future, and as security for the observance and performance of all other obligations of the Chargor arising pursuant to or in respect of the Charge and/or the Commitment.

The Chargor covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all Taxes and when required by the Chargee, shall transmit the receipts therefor to the Chargee.

The Chargor further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein, pursuant to the provisions of the Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs, interest or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, interest, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all costs incurred by the Chargee, including legal costs on a substantial indemnity basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to, the Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the Lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise in all cases, together with interest at the Applicable Interest Rate.

And that the Chargor has a good title in fee simple to the Lands and has good right, full power and lawful and absolute authority to charge the Lands and to give the Charge to the Chargee upon the covenants contained in the Charge.

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And that the Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever and, will not do, commit, execute or knowingly suffer any act, deed, matter or thing whatsoever, whereby or by means whereof the Lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all encumbrances except as may be permitted by the Chargee.

And that the Chargor will execute such further assurances of the Lands as may be requisite.

And that the Chargor will produce the title deeds and allow copies to be made at the expense of the Chargor.

9. **COMPLIANCE WITH LAWS AND REGULATIONS**

The Chargor shall, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all Applicable Laws, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future Applicable Laws.

10. **CHANGE OF USE**

The Chargor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Chargee.

11. **REPAIR**

The Chargor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost, of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste on the Lands (as determined by the Chargee or its agent in their sole and unfettered discretion) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as to the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest at the Applicable Interest Rate shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to the Charge. If at any time the Chargee in its sole discretion determines there is a breach of this covenant to repair, the Chargee may without notice to the Chargor determine not to advance further monies to the Chargee under the Charge and prior to any further advances (provided no other default has occurred and is continuing under the Charge) either require such repairs as it (or its agent) deems necessary to be completed or require funds estimated by the Chargee to so complete the repairs be deposited in trust with the solicitors for the Chargee for such purpose.

12. **ALTERATIONS OR ADDITIONS**

The Chargor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Chargee, which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

13. **LANDS INCLUDE ALL ADDITIONS**

The Lands shall include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon, whether or not affixed in Law to the Lands including, without limiting the

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generality of the foregoing, the Chattels and that the same shall become fixtures and an accession to the freehold and a part of the realty and shall be a portion of the security for the indebtedness herein charged, unless the Chargee agrees otherwise in writing.

14. **SECURITY INTEREST IN CHATTELS**

The Chargor covenants and agrees to execute and deliver to the Chargee, on demand, a security interest in all Chattels and all other personal property owned now or in the future by the Chargor and situate in or about the Lands, in such form and content acceptable to the Chargee as it may determine in its sole and unfettered discretion. The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of the security interest and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the Applicable Interest Rate, shall be added to the principal sum secured by the Charge if not paid by the Chargor.

15. **INSPECTION**

The Chargee or its agent shall have access to and the right to inspect the Lands at all reasonable times.

16. **TAXES**

With respect to Taxes, the Chargor covenants and agrees with the Chargee that:

- (a) the Chargee may deduct from any advance of the monies secured by the Charge an amount sufficient to pay all Taxes, which have become due and payable during any calendar year;
- (b) the Chargee may at its sole option estimate the amount of the Taxes payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the first day of each and every month during the term of the Charge commencing with the first day of the first full month of the term of the Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in the Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay the Chargee such additional amounts as are required for that purpose;
- (c) in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under the Charge and shall bear interest at the rate as provided for in the Charge until repaid by the Chargor;
- (d) the Chargor shall transmit to the Chargee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;
- (e) the Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future liability for Taxes;

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- (f) in no event shall the Chargee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option, the Chargee may repay such amount to the Chargor without any interest;
- (g) the Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time shall such penalties be the responsibility of the Chargee;
- (h) in the event the Chargee does not collect payments on account of Taxes as aforesaid, the Chargor shall deliver to the Chargee on or before December 31st in each calendar year or otherwise as requested by the Chargee, written evidence from all applicable Governmental Authorities to the effect that all Taxes for the then current calendar year and any preceding calendar years have been paid in full, failing which, at the option of the Chargee, shall be deemed to be an event of default under the Charge. The Chargee shall be entitled to charge a servicing fee for each written inquiry directed to such Governmental Authorities or the Chargor for the purpose of ascertaining the status of the Taxes together with any costs payable to such Governmental Authorities for such information; and
- (i) in the event the Chargee elects to pay any Taxes or any penalties or interest thereon which have not been paid by the Chargor or otherwise provided for in the Charge, such payment of monies shall bear interest at the Applicable Interest Rate and such monies and interest shall be a charge upon the Lands and secured by the Charge.

17. **UTILITIES**

The Chargor covenants that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Chargor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Chargor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands shall constitute a default by the Chargor within the meaning of the Charge and in addition to all other remedies provided for herein, the principal sum of the Charge together with all accrued and unpaid interest and other amounts owing hereunder shall, at the sole option of the Chargee forthwith become due and payable. In the event the Chargee elects to pay fuel and utility charges which have not been paid by the Chargor, such payment of monies shall bear interest at the Applicable Interest Rate and such monies and interest shall be secured by the charges hereunder.

18. **INSURANCE**

The Chargor shall insure and keep insured during the term of the Charge the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The risks against which the Chargor must insure include loss or damage by or from fire with extended perils coverage by and from such additional perils, risks or events as the Chargee (or its consultant(s)) may require. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee (or its consultants) to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All insurance policies to be maintained by the Chargor hereunder must (i) be provided by a company approved by the Chargee (or its consultant(s)) in writing, (ii) contain mortgage clauses approved by the Insurance Bureau of Canada or by the Chargee (or its consultant(s)) confirming

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that loss proceeds are payable firstly to the Chargee, and that the Chargee shall have the first right to receive and to have a lien on the loss proceeds and (iii) cover such perils, be in such amounts and cover such additional clauses and provisions as the Chargee (or its consultant(s)) may require.

An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one (1) year and that all premlums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the Applicable Interest Rate to the Chargor and any amounts so paid by the Chargee and interest thereon shall be payable forthwith to the Chargee and shall also be a charge upon the Lands and secured by the Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by the Chargee, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to the Chargee, together with interest at the Applicable Interest Rate by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the Lands and secured by the Charge.

In the event of any loss or damage, the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or, in the alternative, may require, if permitted by Law, that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured, whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event. The Chargor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal or interest not yet due.

19. **REMITTANCE AND APPLICATION OF PAYMENTS**

All payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at the Chargee's address for service as set out in the Charge or at such other place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by the Charge are forwarded to the Chargee by mail, courier or other delivery means, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

Notwithstanding anything herein to the contrary, the Chargee may apply any payments received in whatever order the Chargee may elect as between principal, interest, fees, Taxes, insurance premiums, repairs, costs and any other advances or payments made by the Chargee hereunder.

20. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. (Eastern Standard Time) on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due on it, to and including the date on which the payment is deemed by this provision to have been received.

21. **NO DEEMED RE-INVESTMENT**

Save and except in instances involving monthly blended payments of principal and interest as provided for in the Commitment, the Chargor and each Covenantor hereby agree that the

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Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

22. INVESTMENT OF FUNDS

The Chargee shall be at liberty to deposit any monies or instruments received or held by it pursuant to the Charge in a non-interest bearing account or invest them, without having to comply with any provisions at Law concerning the investment of the property of others, in any certificate of deposit issued by an institution chosen by the Chargee, for any term which it may choose.

23. POSTDATED CHEQUES AND PRE-AUTHORIZED DEBITS

The Chargor shall, if and when required by the Chargee, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of the Charge, postdated cheques for the payments of principal, interest and, if required by the Chargee, estimated Taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, the Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at Law as it may deem necessary at its option. Any step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

Alternatively (or in addition), the Chargor shall, if and when required by the Chargee, authorize and direct the Chargee to automatically debit any bank account designated by the Chargor for all or a portion of the payments to be made by the Chargor to the Chargee under the Charge, as the Chargor may notify the Chargee in writing. The Chargor shall ensure that any bank account so designated contains sufficient funds to make any payments to be made by the Chargor to the Chargee under the Charge, failing which, the Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at Law as it may deem necessary at its option.

The Chargor hereby further agrees to do, make and execute, or cause to be done, made and executed, all such documents, acts, matters and things as may be reasonably required by the Chargee to give effect to the foregoing, including, without limitation, executing the Chargee's form of pre-authorized debit.

24. DISHONoured CHEQUES OR PRE-AUTHORIZED DEBITS

In the event that any of the Chargor's cheques or pre-authorized debits are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque or unaccepted pre-authorized debit a servicing fee in the amount of Two Hundred and Fifty (\$250.00) Dollars, together with Applicable Taxes thereon, to cover the Chargee's administration costs with respect to same.

25. FINANCIAL AND OPERATING STATEMENTS/BOOKS AND RECORDS/REPORTS

In the event the Lands produce income or cash flow, either through rental or sale proceeds, the Chargor shall deliver monthly operating statements in respect of the Lands setting forth the monthly gross rents or sales, the costs and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Chargee from time to time.

The Chargor covenants that, within ninety (90) days after either the end of each fiscal year of operation of the Lands, or of the relevant party, as the case may be, or within such other of time as may be specified by the Commitment or required by the Chargee, the Chargor shall deliver or cause to be delivered to the Chargee the following:

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- (a) an annual operating statement in respect of the Lands setting forth the gross rents or gross sales and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Chargee for the immediately preceding fiscal period;
- (b) with respect to each Chargor and Covenantor which is a corporation, the annual financial statements of each such corporation including, without limitation, the balance sheet of the corporation as at its immediately preceding completed fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the said 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 Chargee; and
- (c) with respect to each Chargor and Covenantor who is an individual, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Chargee.

All such operating and financial statements shall be prepared at the expense of the Chargor and in accordance with generally accepted accounting principles applied on a consistent basis by a duly qualified chartered accountant or certified public accountant acceptable to the Chargee, and shall be submitted in audited form if so required by the Chargee at its option, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Chargor or Covenantor, as the case may be.

The Chargor hereby covenants to provide from time to time upon the request of the Chargee any and all business records relating to the Lands including, without limitation, operating statements, leases, rent rolls, contracts, management agreements, bank statements and any other documents or reports requested by the Chargee.

26. STATEMENT OF ACCOUNTS AND ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Chargee requests an acknowledgement from the Chargor as to the statement of account with respect to the Charge or the status of the terms and conditions of the Charge, the Chargor shall execute such an acknowledgement in such form as may be required by the Chargee provided that the contents of such form are correct, and the Chargor shall do so forthwith upon request and without cost to the Chargee and shall return such acknowledgement duly executed within forty-eight (48) hours of such request.

27. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

No renewal or extension of the term of the Charge given by the Chargee to the Chargor, or anyone claiming under it, or any other dealing by the Chargee with the owner of the equity of redemption of the Lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other Person liable for the payment of the monies hereby secured, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrances. And it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. Provided that if the Chargor does not pay all amounts due to the Chargee secured by the Charge in full on or before the Maturity Date an extension fee of four (4%) percent per annum, calculated and payable monthly, based on the amount owed pursuant to the Charge as at the first day of each month, applies until the Charge is repaid in full. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor. Provided further that the terms of the Charge may be amended or extended from time to time by mutual written agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of its interest in the Lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to the Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in the Charge or any amendment or extension thereof

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notwithstanding the giving of time for the payment of the charge or the varying of the term of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

The Chargor covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee following the Maturity Date or of any subsequent terms agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

28. **CONSTRUCTION LIENS**

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such amounts as the Chargee, in its sole discretion, considers advisable under the provisions of the *Construction Lien Act* (Ontario) so as to secure its priority over all liens, until the Chargee is fully satisfied that all lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in the Charge shall be construed to make the Chargee an "owner" or "payer" as those terms may be defined under the *Construction Lien Act* (Ontario) nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the "owner" or "payer" pursuant to the construction lien legislation shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the *Construction Lien Act* (Ontario).

29. **EXPROPRIATION**

If the Lands or any part thereof shall be expropriated by any Governmental Authority having the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (i) three (3) months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one (1) months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of the Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of the Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

30. **LETTERS OF CREDIT**

The Chargor and each Covenantor hereby acknowledge and agree that in the event any monies pertaining to the loan secured by the Charge are advanced by the Chargee (at the direction of the Chargor) to any Person as security with respect to any Letters of Credit, such monies shall be deemed to be held in trust for the benefit of the Chargee and secured under the Charge and shall not be released to the Chargor or any other Person until such time as the Chargee confirms in writing that the Chargor's obligations to the Chargee hereunder have been paid in full and/or are otherwise fully satisfied and the Charge has been fully discharged from the Lands. The Chargor and each Covenantor hereby further irrevocably authorize and direct any Person who has issued a Letter of Credit to the Chargor in accordance with the provisions of this Section 30 to repay to the Chargee (or as it may otherwise direct) any portion of the monies so advanced by the Chargee which are no longer required from time to time by such Person to satisfy any amounts called upon for payment pursuant to any Letters of Credit.

31. **SALE OR CHANGE OF CONTROL**

Provided that in the event of a further encumbrance or a sale, assignment, bequest, inheritance, conveyance or transfer of the Lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands, or a change in the Chargor's corporate structure, in whole or in part, having

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the result of changing the identity of the Person(s) who during the term of the Charge exercise the effective voting control of such body corporate, all sums secured hereunder shall, at the Chargee's option, become due and payable forthwith unless the written consent of the Chargee has been first obtained, which consent may be arbitrarily or unreasonably withheld. Provided that the Chargee has granted its consent as aforesaid, the Chargor hereby acknowledges and agrees that the Chargee shall require any such purchaser, grantee, assignee and/or transferee to (i) assume all of the obligations of the Chargor under the Charge, and (ii) execute an assumption agreement in the form required by the Chargee, failing which, all sums secured hereunder shall, at the Chargee's option, become due and payable forthwith. The Chargee shall be entitled to charge a servicing fee to process each application for approval as herein contemplated, which fee shall be payable forthwith upon demand. Notwithstanding anything contained herein to the contrary, nothing contemplated in this Section 31 shall be effective or binding on the Chargee until such time as all of the conditions aforesaid have been satisfied.

The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under the Charge from the Chargor or any Person claiming through or under the Charge and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

Provided further that no permitted sale or other dealing by the Chargor with the Lands or any part thereof shall, in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other Person liable for payment of the monies hereby secured.

32. **HAZARDOUS SUBSTANCES**

The Chargor and each Covenantor jointly and severally represent, warrant, covenant and agree that:

- (a) 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 (i) placed, stored, located or disposed of on, under or at the Lands, (ii) transported to or from the Lands, and/or (iii) used, generated, manufactured, stored or disposed of on, under or at the Lands;
- (b) they and their tenants, invitees and, other occupiers of the Lands 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 Lands have at all times carried out all business and other activities upon the Lands in compliance with all Environmental Laws and from time to time, upon request of the Chargee, provide to the Chargee evidence satisfactory to the Chargee of such compliance;
- (c) 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 Lands or any operations of the Chargor;
- (d) 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 hereunder and thereafter until all amounts secured hereunder are paid in full; and
- (e) the Chargee may delay or refuse to make any advance to the Chargor if the Chargee believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.

The Chargor shall permit the Chargee (or its agents) at any time and from time to time to enter upon the Lands to conduct, at the Chargor's expense, any and all tests, inspections, appraisals and environmental audits of the Lands 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 Lands or the businesses and other activities

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conducted thereon at any time and from time to time. In the event that the Chargee enters upon the Lands as aforesaid, the Chargee shall not be deemed to become or be liable as a mortgagee in possession and shall not give rise to any liability on the part of the Chargee.

If requested by the Chargee from time to time, the Chargor will promptly submit, at its own expense, a report, satisfactory in form and content to the Chargee and prepared by a consultant approved by the Chargee, certifying that the Lands are not then being used nor have they been used in the past for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any Hazardous Substances, or in the event the Lands have been used for any of the aforesaid activities, certifying that the Lands have been sufficiently remediated in accordance with all Environmental Laws.

The Chargor and each Covenantor shall assume any and all environmental liabilities relating to the Lands and shall jointly and severally indemnify and save harmless the Chargee and its directors, officers, employees, agents and shareholders, and any successors to the Chargee's interest in the Lands, and any other Person who acquires the Lands through the exercise of the Chargee's rights and remedies hereunder, and any successors to any such other Person, and all directors, officers, employees, agents and shareholders of all of the aforementioned indemnified parties, from and against any and all actual or potential claims, liabilities, fines, penalties, judgments, awards, losses, damages, costs and expenses of any and every nature and kind whatsoever (including, without limitation, legal fees on a substantial indemnity basis) 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:

- (a) a breach of any of the representations, warranties or covenants herein set out;
- (b) the presence of, use, handling, production, transportation, disposal or storage of any Hazardous Substance in, on or under the Lands whether by the Chargor or any tenant or other Person, including, without limitation, all foreseeable and unforeseeable consequential damages directly or indirectly arising out of the use, general, storage, discharge or disposal of Hazardous Substances by the Chargor, any prior owner or operator of the Lands or any Person on or about the Lands, or arising out of any residual contamination affecting any natural resource or the environment, and the costs of any required or necessary repair, clean-up, remediation or detoxification of the Lands and the preparation of any closure or other required plans; or
- (c) the discharge, emission, spill or disposal of any Hazardous Substance from the Lands 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 release and discharge of the Charge and any other security held by the Chargee and repayment and satisfaction of the loan secured by the Charge. In the event that any Hazardous Substance is caused to be removed from the Lands by the Chargor, the Chargee or any other Person, then such Hazardous Substance will be and remain the property of the Chargor and the Chargor shall assume any and all liability for such removed Hazardous Substance. The Chargor understands that its liability to the aforementioned indemnified parties will arise upon the earlier to occur of the discovery of the Hazardous Substances on, under or about the Lands, or the institution of any violation or potential violation of any Environmental Laws, and not upon the realization of loss or damage and that it will survive the payment and satisfaction of all of the other obligations secured under the Charge. The Chargor shall pay to the Chargee from time to time, immediately upon the Chargee's request, an amount equal to all costs, damages, claims and expenses described or referred to in this paragraph, as determined by the Chargee.

The Chargor shall promptly notify the Chargee if it:

- (a) receives notice from any Governmental Authority of any violation or potential violation of any Environmental Laws, including the release of a Hazardous Substance, which may have occurred or been committed or is about to occur or be committed;
- (b) receives notice that any administrative or judicial complaint of Environmental Order has been issued or filed or is about to be filed or is about to be issued or filed against any of

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the occupants or the Chargor alleging violations of any Environmental Laws or Environmental Orders or requiring the taking of any action in connection with any Hazardous Substance; or

- (c) learns of the enactment of any Environmental Laws or the issuance of any Environmental Order which may have a material adverse effect on the Lands or the operation or the condition, financial or otherwise, of any of the occupants or the Chargor.

The Chargor further covenants and agrees that it shall not object to and will take such actions and do such things within its power as may be reasonable and necessary to enable the Chargee to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Substance directly or indirectly affecting the Lands.

33. EVENTS OF DEFAULT

Without limiting any of the provisions of the Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately be due and payable upon written notice to the Chargor:

- (a) failure by the Chargor or each Covenantor to pay any instalment of principal, interest and/or Taxes (or to produce evidence of payment thereof upon request by the Chargee) under the Charge or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;
- (b) failure by the Chargor or each Covenantor, to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application or Commitment for the loan secured by the Charge, the provisions of the Charge, or any other document giving contractual relationship as between them or any of them or if it is found at any time that any representation to the Chargee with respect to the loan secured by the Charge or in any way related thereto is incorrect or misleading;
- (c) default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over the Charge;
- (d) upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
- (e) in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Chargee within ten (10) days after demand therefor by the Chargee;
- (f) in the event that the Lands are abandoned or there is a failure to develop or construct, or significant delay in developing or constructing the Lands in accordance with the plans, budget and/or schedule approved by the Chargee from time to time or there is any cessation of the business activities or any material part thereof now being conducted upon the Lands by the Chargor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;
- (g) in the event the Chargor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste on the Lands (it being understood that any construction or excavation on the Lands approved by the applicable Governmental Authorities and the Chargee shall not be considered a violation hereof);
- (h) in the case of a corporate Chargor, an order is made or a resolution is passed for the winding up of the Chargor, or if a petition is filed for the winding up of the Chargor;
- (i) the Chargor becomes insolvent or makes an unauthorized assignment or bulk sale of the Chargor's assets or if a bankruptcy petition is filed or presented against the Chargor;

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- (j) in the case of a corporate Chargor, any proceedings with respect to the Chargor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or other debtor relief legislation;
- (k) an execution, sequestration, extent or any other process of any court becomes enforceable against the Chargor or if a distress of analogous process is levied against the Lands or any portion thereof, provided such execution, sequestration, extent, process of court, distress or analogous process is not in good faith being disputed by the Chargor;
- (l) in the case of a corporate Chargor, there is an occurrence of a change of control (within the meaning given to such term in the *Business Corporations Act* (Ontario)), without the prior written consent of the Chargee, which consent may be arbitrarily withheld;
- (m) any activity which violates the *Criminal Code* (Canada) or any other Law is conducted on the Lands;
- (n) default by the Chargor, its successors or assigns, or any of the Covenantors in the observance or performance of any representation, warranty, covenant, proviso, agreement or condition contained in any charge or encumbrance or document securing, evidencing or relating to any indebtedness owing by the Chargor, its successors or assigns, to the Chargee from time to time whether or not related to or affecting the principal secured under the Charge and the Lands or any other loan and property given as security therefore;
- (o) in the event that any insurance policies to be provided by the Chargor shall become cancelled or invalidated or altered for any reason before such policy is replaced with another which complies with the provisions hereof; and
- (p) upon registration of a subsequent mortgage, lien, charge or other encumbrance without the Chargee's prior written consent, which consent may be unreasonably or arbitrarily withheld.

34. **DEFAULT**

Provided that the Chargee may, on default of or in the performance of any covenant in the Charge contained or implied by Law, enter on and lease the Lands or in default of payment or in default in performance of any covenant in the Charge contained or implied by Law for at least fifteen (15) days may, on at least thirty-five (35) days' notice sell the Lands. Such notice shall be given to such Persons and in such manner and forms and within such time as provided under the *Mortgages Act* (Ontario). In the event that the giving of such notice shall not be required by Law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up Person on the Lands, if occupied, or by placing it on the Lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at its last known address, or by publishing it once in a newspaper published in the county or district in which the Lands are situate; such notice shall be sufficient although not addressed to any Person or Persons by name or designation; notwithstanding that any Person to be affected thereby may be unknown, unascertained, or under disability. If there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

Provided further, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two (2) months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the Lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by Law then notice shall be given to such Persons and in such manner and form and within such time as so required by Law.

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And that the Chargee may sell the whole or any part or parts of the Lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Lands or by reason of non-payment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the Lands on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part or the Lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any Person harmed by an unauthorized, improper or irregular exercise of the power shall have its remedy against the Person exercising the power in damages only.

And it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all Taxes which shall from time to time fall due and be unpaid in respect of the Lands, and that such payments together with all costs, charges and legal fees (on a substantial indemnity basis), and expenses which may be incurred in taking, recovering and keeping possession of the Lands, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the Lands or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the Applicable Interest Rate and shall be a charge upon the Lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the Applicable Interest Rate, and in default the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such lien, charge or encumbrance, Taxes or rates, either out of the money advanced on the security of the Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the Person or Persons, company, corporation or Governmental Authority so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

Provided that wherever a power of sale is hereby conferred upon the Chargee, all provisions hercof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the Persons to whom notice of exercising such power shall be given and the manner of giving such notice shall be deemed to have been amended so as to comply with the requirements of Law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of the Charge relating to exercising such power of sale and the requirements of such Law, the provisions of such Law shall govern. Insofar as there is no such conflict, the provisions of the Charge shall remain unchanged.

Provided that the Chargee may lease or sell as aforesaid without entering into possession of the Lands.

Provided that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and arrears of Taxes in the same manner as if the same were arrears of interest.

Provided that in default of the payment of the interest hereby secured the principal hereby secured shall become payable at the option of the Chargee, together with interest thereon.

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Provided that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

Provided that, upon default under the Charge, the Chargee shall be entitled and shall have full power, as agent of the Chargor, to assume control of, manage, operate and carry on the business of the Chargor being conducted at or upon the Lands on the date of the Charge or at any time thereafter. In the event the Chargee enters into possession of the Lands upon default under the Charge, the Chargee or its agent(s) will be entitled to payment of a management fee equal to five (5%) percent of the original principal amount of the Charge, together with Applicable Taxes thereon, which fee the Chargor acknowledges is a reasonable estimate of the fees to be incurred, which amount is deemed not to be a penalty in the event that the Chargee or its agents take possession of the Lands as a result of default under the Charge. This clause is also deemed to be proper notice to any subsequent chargee or lien holder of the above-noted fee in the event of the Chargor's default hereunder.

Provided that until default hereunder the Chargor shall have quiet possession of the Lands.

And that on default the Chargee shall have quiet possession of the Lands.

Provided that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

And it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the Lands or any other security or any surety for the money hereby secured either, with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Lands or any Person from the Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the Lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no Person shall have the right to require the principal secured hereunder to be apportioned; further, the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the Lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other Person liable for payment of the monies hereby secured.

It is further agreed that the Chargee may exercise all remedies provided for in the Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in the Charge.

And without limiting any other provision of the Charge, the Chargor acknowledges and agrees that, upon the occurrence of any default under the Charge and whether or not the monies hereby secured have been fully advanced, the Chargee may, at any time and from time to time as the Chargee shall determine at its sole option and discretion, advance such further sums under the Charge as are necessary to pay any arrears of Taxes, utilities or other charges capable of constituting a lien upon the Lands pari passu with or in priority to the Charge, to pay all amounts due under any encumbrance having priority over the Charge, to pay all amounts required to discharge or vacate any construction lien registered against the Lands whether or not priority is claimed over the Charge, to maintain in good standing any policies of insurance in respect of the Lands, to maintain, repair, operate and/or manage the Lands and any or all improvements thereon, to complete construction or renovation of any improvements on the Lands, to realize upon any security held by the Chargee for the loan secured by the Charge and generally to enforce all of the Chargee's rights, title and interest hereunder and to protect the Lands and to preserve the enforceability and priority of the Charge, and to pay any and all Costs;

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and all amounts advanced by the Chargee for any of the purposes as aforesaid shall bear interest at the Applicable Interest Rate from the date so advanced until repaid in full and shall be secured by the Charge in the same priority as the principal amount hereof.

35. RIGHT OF CHARGEES TO REPAIR

The Chargor covenants and agrees with the Chargee that in the event of default in the payment of any instalment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained or contained in the Commitment, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any Person, enter upon the Lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Lands or for inspecting, taking care of, leasing, collecting the rents of and generally managing the Lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to, allowances for the time and services of any employee of the Chargee or other Person appointed for the purposes set out in Sections 34 and 35 hereof, and shall bear interest at the Applicable Interest Rate until paid.

36. APPOINTMENT OF A RECEIVER

It is declared and agreed that at any time and from time to time when there shall be default under the provisions of the Charge, the Chargee may at such time and from time to time and with or without entering into possession of the Lands appoint in writing a Receiver of the Lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to the Charge, the *Mortgages Act* (Ontario), the *Construction Lien Act* (Ontario), or the *Trustee Act* (Ontario) as the Chargee may at its sole option require. Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Lands or any part thereof and the Chargor hereby consents to a court order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such court order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Lands and/or to complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the Lands, including without limitation, charges and construction lien claims.

Upon the appointment of any such Receiver from time to time either by the Chargee or under court order the following provisions shall apply:

- (a) a Statutory Declaration made by the Chargee or by any authorized representative of the Chargee as to default under the provisions of the Charge shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the Lands, or any part thereof, whether in respect of any tenancies created in priority to the Charge or subsequent thereto with respect to all responsibility and liability for its acts and omissions;
- (c) the Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the Lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (d) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the

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Chargee a chargee in possession in respect of the Lands or any part thereof and shall not give rise to any liability on the part of the Chargee;

- (e) the Receiver shall have the power to rent any portion of the Lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the Lands;
- (f) in all instances, the Receiver shall be acting as the attorney or agent of the Chargor;
- (g) every such Receiver shall have full power to complete any unfinished construction upon the Lands. To fund such completion the Receiver may borrow money from the Chargee at the Applicable Interest Rate;
- (h) such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the Lands or any part thereof;
- (i) the Receiver shall have full power to assume control of, manage, operate and carry on the business of the Chargor being conducted at or upon the Lands on the date of the Charge or at any time thereafter;
- (j) the Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the Lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges, mortgages and other encumbrances which may be registered against the Lands from time to time, whether or not any of the same are prior to the interest of the Chargee in the Lands; sale of the Lands; borrowing money on the security of the Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the *Planning Act* (Ontario), subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the Lands, including grants of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any Governmental Authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the Lands as a condominium; completing any application for first registration pursuant to the provisions of the *Land Titles Act* (Ontario); and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein; and
- (k) such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect of the Lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (i) its remuneration;
 - (ii) all payments made or incurred by it in the exercise of its powers hereunder; and
 - (iii) any payment of interest, principal and other money which may from time to time be or become charged upon the Lands in priority to the monies owing hereunder and all Taxes, insurance premiums and every other expenditure made or incurred by it in respect of the Lands or any part thereof.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or

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its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the Lands in the same manner as if such documentation was duly executed by the Chargor itself.

37. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

Provided and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under the Charge shall be deemed not to be a chargee or mortgagee in possession and shall not give rise to any liability on the part of the Chargee.

38. **ENFORCEMENT OF ADDITIONAL SECURITY**

In the event that, in addition to the Lands charged hereby, the Chargee holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all or any portion of such security in such order and in such manner as it shall in its sole and unfettered discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

The taking of a judgement or judgements on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgement shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgement shall have been fully paid and satisfied.

40. **BANKRUPTCY AND INSOLVENCY ACT**

The Chargor hereby acknowledges and agrees that the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor acquired for or used in relation to any business carried on by the Chargor. The Chargor hereby further acknowledges and agrees that notwithstanding any act of the Chargee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Chargor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Chargee may have with respect thereto shall not constitute the Chargee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada), and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which the Charge has been given or to enforcement of the Charge or any other security held by the Chargee. The Chargor hereby acknowledges and agrees that no action shall lie against the Chargee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) whether or not the Chargee had reasonable grounds to believe that the Chargor was not insolvent.

And the Chargor further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the *Bankruptcy and Insolvency Act* (Canada) shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

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41. **PERMISSIBLE INTEREST RATE**

It is not the intention of the Charge to violate any provisions of the *Interest Act* (Canada), the Criminal Code of Canada or any other statute dealing with permitted rates of interest in the Province of Ontario or in Canada. Notwithstanding any provision of any loan document to the contrary, in no event will the aggregate "interest", as defined in Section 347 of the *Criminal Code* (Canada), payable under the Charge exceed the effective annual rate of interest lawfully permitted under that Section and, if any payment, collection or demand pursuant to the Charge in respect of "interest" (as defined therein) is determined to be contrary to the provisions of that Section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Chargor and the Chargee and the amount of such payment or collection will either be applied to the principal amount secured by the Charge (whether or not due and payable), and not to the payment of "interest" (as defined in Section 347 of the *Criminal Code* (Canada)), or be refunded to the Chargor at the sole option of the Chargee.

42. **ONTARIO NEW HOME WARRANTIES PLAN ACT**

If the *New Home Warranties Plan Act* (Ontario) applies to the Lands, the Chargor agrees to comply with its requirements and to reimburse the Chargee on demand for any costs which the Chargee incurs in complying with such requirements or enforcing the Chargor's rights on its behalf if the Chargor fails to do so and such costs will be added to the principal sum secured under the Charge and will bear interest at the Applicable Interest Rate and shall be secured by the Charge.

43. **FAMILY LAW ACT (ONTARIO)**

The Chargor shall forthwith after any change or happening affecting any of the following, namely, (i) the spousal status of the Chargor, (ii) the qualification of the Lands or any part thereof as a matrimonial home within the meaning of Part II of the *Family Law Act* (Ontario), (iii) the ownership of the equity of redemption in the Lands or any part thereof, and (iv) a shareholder of the Chargor obtaining rights to occupy the Lands or any part thereof by virtue of shareholding within the meaning of Section 18(2) of the *Family Law Act* (Ontario), the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the Lands by virtue of Section 19 of the *Family Law Act* (Ontario). In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of the foregoing as the Chargee may from time to time request.

44. **FARM DEBT MEDIATION ACT**

The Chargor represents and warrants that it is not a "farmer" within the meaning of the *Farm Debt Mediation Act* (Canada) and covenants and agrees with the Chargee that, in the event that any time during the term of the Charge, the Chargor shall become a "farmer" within the meaning of said Act, it shall forthwith provide written notice of this fact to the Chargee.

45. **ILLEGAL SUBSTANCES**

The Chargor represents and warrants that to the best of its knowledge and belief, the Lands have never been used for the purpose of manufacturing or growth of any illegal substances, including, without limitation, the cultivation or processing of marijuana or any other controlled substance. In the event that the Lands have been used for the purpose of manufacturing or growth of any illegal substances, at the Chargee's option, the whole of the principal sum outstanding and all interest accruing thereon shall become due and payable forthwith upon written notice to the Chargor.

46. **DISCHARGE**

The Chargee shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of the Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall,

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together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such Persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

If the Charge, the Commitment or any other document provides for the giving of partial discharges of the Charge, it is agreed that, notwithstanding any other provision to the contrary, the Chargor shall not be entitled to request or receive any such partial discharge if and for so long as the Chargor is in default under the Charge, the Commitment or such other document. The Chargor shall pay a partial discharge fee to the Chargee for each partial discharge provided in an amount equal to the greater of the amount specified in the Commitment or Two Hundred (\$200.00) Dollars, together with Applicable Taxes thereon.

47. **FEES**

All fees as herein provided are intended and agreed to be in an amount sufficient, to compensate the Chargee for the Chargee's administrative costs or, as applicable, to compensate the Chargee for the use of its funds beyond the Maturity Date set out in the Charge and shall not be deemed a penalty. The amount of such fees until paid shall be added to the principal amount secured hereunder, and shall bear interest at the Applicable Interest Rate and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at Law.

48. **COVENANTOR**

The Covenantor, in consideration of the making of the loan secured by the Charge and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby covenants and agrees as follows:

- (a) that the Covenantor with the Chargor, as principal debtor and not as surety, will pay or cause to be paid the indebtedness secured hereunder to the Chargee at the times and in the manner herein provided and appointed for the payment thereof;
- (b) that the Covenantor unconditionally guarantees full performance and discharge by the Chargor of all the obligations of the Chargor under the provisions of the Charge at the times and in the manner provided for therein;
- (c) that the Covenantor will indemnify and save harmless the Chargee against and from all losses, damages, costs and expenses which the Chargee may sustain, incur or be or become liable for by reason of:
 - (i) the failure for any reason whatsoever of the Chargor to pay the indebtedness secured hereunder or to do and perform any other act, matter or thing pursuant to the provisions of the Charge; or
 - (ii) any act, action or proceeding of or by the Chargee for or in connection with the recovery of the indebtedness secured hereunder or the obtaining of performance by the Chargor of any other act, matter or thing pursuant to the provisions of the Charge,

and the foregoing indemnity shall survive the exercise of any rights and remedies of the Chargee hereunder including foreclosure and shall survive repayment of the indebtedness secured hereunder and/or the discharge of the Charge;

- (d) that the Chargee shall not be obliged to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce the obligations of the Covenantor herein set out and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any debt or obligation of the Chargor or the enforcement of any security of any such debt or obligation;
- (e) that the Chargee may grant any extension of time for payment, increase the rate of interest payable under the Charge, renew or extend the term of the Charge, release the

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whole or any part of the Lands or other security from the Charge or otherwise deal with the Chargor, all without in any way releasing the Covenantor from its covenant hereunder;

- (f) that the Chargor has read the Commitment, the Charge and the other loan documents relating thereto and is fully aware of their terms and in particular the terms of this Section 48;
- (g) that the Chargee, as it sees fit, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and all existing securities up to, and abstain from taking securities from or perfecting securities of, and may compromise, compound and accept compositions from, and may otherwise deal with the Chargor without notice to the Covenantor and without chancing or in any way affecting the undertaking of the Covenantor hereunder; and
- (h) that where there is more than one Covenantor, each Covenantor agrees with the Chargee to be jointly and severally responsible with all other Covenantors and the Chargor for all of the indebtedness secured hereunder and the obligations of the Chargor under the Commitment, the Charge and the other loan documents relating thereto.

49. INDEPENDENT LEGAL ADVICE

The Chargor and each Covenantor acknowledge that they have full knowledge of the purpose and essence of the transaction contemplated in the Commitment, and that they have been appropriately and independently legally advised in that regard. The Chargor and each Covenantor further acknowledge that the Charge, all supporting security documents and all electronic documents including, without limitation, the Charge and the effect of the Chargee's solicitors signing any of the electronic documents have been fully explained to the Chargor by its own independent counsel. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

In the alternative, the Chargor and each Covenantor acknowledge that they have been advised of their right to independent legal advice and have declined same, in which event, such parties agree to provide to the Chargee a Waiver of Independent Legal Advice as and when same may be required by the Chargee.

50. CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under the Charge are intended to finance any improvement to the Lands, the parties hereto covenant and agree that the following conditions shall apply:

- (a) all construction on the Lands shall be carried out by reputable contractors having experience which is commensurate to the nature and size of the project to be constructed, which contractors are subject to the prior written approval of the Chargee;
- (b) the renovations to the building and structures located on the Lands having been commenced shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Chargee and to the satisfaction of all applicable Governmental Authorities;
- (c) if construction on the project on the Lands should cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Chargor excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and statutory holidays excepted), then, at the option of the Chargee, the Charge shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the construction of the said project as agent for the Chargor in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge. All costs and

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expenses shall bear interest at the Applicable Interest Rate and shall form part of the principal sum herein and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at Law;

- (d) at all times there shall be sufficient funds unadvanced under the Charge and retained by the Chargee to complete the construction and/or renovation of the project on the Lands and as may be necessary to retain the Chargee's priority with respect to any deficiency in the holdbacks required to be retained by the Chargor under the *Construction Lien Act* (Ontario). The Chargor and each Covenantor agree to pay for all project costs in excess of the funding being provided by the Chargee and to cover any and all cost overruns on demand, as and when identified by the Chargee;
- (e) the Charge will be advanced in stages as construction upon the Lands proceeds or as the conditions as enumerated by the Commitment are complied with;
- (f) all advances which are made from time to time shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Chargee with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Chargor regardless of by whom such Person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all Governmental Authorities pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Lands. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building;
- (g) the Chargor shall pay to the Chargee on each occasion when a progress advance is made a fee equal to the greater of the amount set out in the Commitment or Two Hundred and Fifty (\$250.00) Dollars, together with Applicable Taxes thereon, and the Chargee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Chargee shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at Law; and
- (h) the Chargor covenants and agrees upon completion of the project to be erected on the Lands to deliver as further security for the loan herein secured, a chattel mortgage or general security agreement covering the goods, equipment and chattels to be installed in the said building, such documents to be in a form approved by the solicitor for the Chargee.

51. **CONDOMINIUM PROVISIONS**

In the event that all or any part of the Lands is or becomes a condominium unit pursuant to the provisions of the *Condominium Act* (Ontario), the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in the Charge:

- (a) for the purposes of all parts of the Lands comprising one or more such condominium units, all references in the Charge to the Lands shall include the Chargor's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;
- (b) the Chargor shall at all times comply with the *Condominium Act* (Ontario) and shall forward to the Chargee proof of such compliance as the Chargee may request from time to time including, without limitation, status certificates issued by the Condominium

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Corporation and the declaration, by-laws and rules of the Condominium Corporation, as they exist from time to time; and if the Chargor fails to so comply in any respect, the Chargee may do so at its option and all costs and expenses incurred by the Chargee in connection therewith shall be secured by the Charge and payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon at the Applicable Interest Rate;

- (c) the Chargor shall pay, when due, all monies payable by the Chargor or with respect to the Lands in accordance with the provisions of the *Condominium Act* (Ontario) and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Chargee upon request; and if the Chargor fails to make any such payment, the Chargee may do so at its option and all amounts so paid by the Chargee shall be secured by the Charge and shall be payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon at the Applicable Interest Rate;
- (d) the Chargor hereby irrevocably appoints, authorizes and empowers the Chargee to exercise the rights of the Chargor to vote or to consent as an owner within the meaning of the *Condominium Act* (Ontario) with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:
 - (i) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise such right to vote or to consent, in which case the Chargor may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Chargee; and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;
 - (ii) the Chargee shall not be under any obligation to vote, or to consent, or to protect the interests of the Chargor; and
 - (iii) the exercise by the Chargee of its right to vote or to consent or to abstain from doing so shall not constitute the Chargee as a mortgagee or chargee in possession and shall not give rise to any liability on the part of the Chargee;
- (e) the Chargor shall forward to the Chargee by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Lands or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:
 - (i) fourteen (14) days after receipt of the same by the Chargor;
 - (ii) seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;
 - (iii) seven (7) days prior to the due date of any claim or demand for payment; and
 - (iv) within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;
- (f) the Chargor hereby authorizes and directs the Condominium Corporation to permit the Chargee to inspect the records of the Condominium Corporation at any reasonable time;
- (g) in addition to and notwithstanding any other provisions of the Charge, the outstanding principal amount and all accrued interest and other charges secured by the Charge shall, at the Chargee's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

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- (i) the government of the Condominium Corporation or the government of the Lands by the Condominium Corporation is terminated;
 - (ii) a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Lands, or any part of the same is expropriated;
 - (iii) the Condominium Corporation fails to comply with any provision of the *Condominium Act* (Ontario) or its declaration or any of its by-laws and rules;
 - (iv) the Condominium Corporation fails to insure its assets, including the Lands, in accordance with the *Condominium Act* (Ontario) and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same;
 - (v) the Condominium Corporation fails, in the opinion of the Chargee, to manage its property and assets in a careful way or to maintain its assets in good repair.
- (h) at the request of the Chargee, the Chargor shall obtain and deliver to the Chargee a certificate of insurance issued under the master insurance policy placed by the Condominium Corporation in accordance with the terms of the declaration and by-laws of the Condominium Corporation. In addition to the insurance maintained by the Condominium Corporation, the Chargor will insure all Improvements which have been or at any time are made to the condominium unit charged herein and as well, insure against such additional risks as may be required by the Chargee, will provide the Chargee with certified copies of every such insurance policy and, not less than fifteen (15) days before any policy expires, evidence its renewal. If loss or damage occurs the Chargor will immediately, at its expense, do everything necessary to enable the Chargee to obtain the insurance proceeds. These proceeds may, at the option of the Chargee, be applied in whole or in part to repair the damage, be paid to the Chargor, be applied to reduce any part of the indebtedness secured by the Charge whether or not yet due, in which latter case, to the extent permissible by any Applicable Laws, the prepayment provisions set out in the Charge will apply as if the Chargor has elected to make a prepayment at such time. The obligation to insure the entire structure of which the Lands form part may be performed by the Condominium Corporation and the proceeds of such insurance may be payable in accordance with its declaration and by-laws. Upon the occurrence of loss or damage, the Chargor will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws of the Condominium Corporation.

Nothing done by the Chargee or its agents under this Section 51 will be deemed to make the Chargee a mortgagee in possession and shall not give rise to any liability on the part of the Chargee.

52. ZONING

Prior to the advance of funds, the Chargee shall require evidence that the Lands and their use in all respects comply with Applicable Law, including, without limitation, the current applicable municipal zoning by-laws and regulations at the time of the first advance of any monies secured under the Charge. In addition, the Chargee shall receive evidence in writing from the applicable Governmental Authorities that there are no outstanding work orders, liens, notices and/or encumbrances, of any type or nature whatsoever, save and except those previously approved in writing by the Chargee, and that all other restrictions affecting the Lands have been complied with, including, without limitation, the provisions of Section 50 of the *Planning Act* (Ontario).

53. PRIORITY OVER VENDOR'S LIEN

The Chargor hereby acknowledges that the Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that it has done no act to give priority over the Charge to any vendor's lien, nor is it aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause

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to be executed all documents required to give the Charge priority over any vendor's lien and to give effect to the intent of this clause.

54. PAYMENT OF AMOUNTS OWING TO GOVERNMENTAL AUTHORITIES

During the term of the Charge and any renewal or extension thereof, the Chargor and/or each Covenantor will pay when due all amounts owing to any Governmental Authority which, if unpaid, would give such Governmental Authority recourse for such amounts ranking in priority to the Charge or any other security documents and agreements given by the Chargor and each Covenantor to the Chargee in connection with the advance of funds hereunder. The Chargor and/or each Covenantor hereby acknowledge and agree that failure to pay any such amounts when due will constitute, at the option of the Chargee, a default under the Charge.

55. CONSENT OF CHARGE

Wherever the Chargor is required by the Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in the Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. TITLE INSURANCE

In addition to delivery of a current survey and solicitor's title opinion, the Chargor covenants and agrees to obtain a title insurance policy in respect of the Lands from First Canadian Title Insurance Company (or such other title insurer as may be previously approved in writing by the Chargee or as provided for in the Commitment) naming the Chargee as insured and providing such coverage(s) as may be acceptable to the Chargee. An original of such issued title insurance policy from the insurer demonstrating that all premiums with respect thereto have been paid for in full shall be produced to the Chargee prior to any advance under the Charge.

57. CONSENT TO FUTURE TENANCY AGREEMENT

Save and except as otherwise permitted pursuant to the terms of the Commitment, the Chargor covenants and agrees that the Lands are not subject to any lease and/or tenancy agreement. The Chargor covenants and agrees that it will not rent the Lands nor list the Lands (or any part thereof) for rent or nor execute a lease affecting all or part of the Lands without the express written consent of the Chargee, and the Chargor covenants and agrees to provide the Chargee, at no cost to the Chargee, with all material necessary to consider a prospective tenant and the Chargor shall provide the Chargee with a copy of any lease which has been executed, forthwith upon execution. In the event that the Chargor breaches this covenant, the Charge shall become due and payable forthwith. In the event that the Chargor enters into a tenancy agreement prior to the discharge of the Charge, with the consent of the Chargee, the Chargor covenants and agrees to incorporate into such tenancy agreement an acknowledgment of priority by the lessee of the terms and provisions of the Charge, including, without limitation, an acknowledgment by the lessee that the Chargee's rights to possession will not be bound by or subject to the residential tenancy provisions of the *Residential Tenancies Act* (Ontario).

58. CONSENT TO PERSONAL INFORMATION AS PER PRIVACY POLICY

By signing the Charge, the Chargor and each Covenantor agrees that any information, personal or otherwise, either that the Chargor and each Covenantor has provided or will provide to the Chargee or that the Chargee has on file about the Chargor and each Covenantor shall be retained and may be used as the Chargee deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Chargor and each Covenantor also agree to any credit bureau search being carried out by the Chargee from time to time as the Chargee deems necessary in its sole and unfettered discretion. By signing the Charge, the Chargor and each Covenantor agree that the Chargee shall have the right to seek any information from any Governmental Authority at any time either before or after the registration of the Charge and

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before and after default including to request site inspections or any information on file about the Chargor and each Covenantor and/or the Lands and the Chargee shall have the right to retain such information which may be used as the Chargee deems necessary in its sole and unfettered discretion. The Chargor and each Covenantor also agree that the Chargee may retain all information provided to it in accordance with the provisions of this Section 58 on file for as long as the Chargee deems appropriate.

59. **ADVERTISING**

The Chargee shall be permitted to advertise its financing of the Lands, at the Chargee's cost, as it deems appropriate. Where the Chargee is providing construction financing, the Chargor agrees to post a sign, to be provided by the Chargee, on the Lands, indicating the Chargee's involvement.

60. **LIMITED RESPONSIBILITY OF CHARGE**

Notwithstanding anything contained herein to the contrary, the Chargee shall only be liable to the Chargor and each Covenantor for claims directly arising as a result of the Chargee's wilful misconduct or gross negligence.

61. **RIGHT TO DELEGATE**

The Chargee shall be at liberty to delegate to any other party the exercise of its rights, actions or the performance of any covenant resulting from the Charge or under any Applicable Laws. In such case, the Chargee is hereby authorized to supply such party with any information it holds relating to the Chargor, each Covenantor and/or the Lands.

62. **POWER OF ATTORNEY**

In consideration of the making of the loan secured by the Charge to the Chargor, the Chargor hereby grants to the Chargee, with full power of substitution, an irrevocable power of attorney coupled with an interest to carry out any and all acts and to execute any and all deeds, instruments or other documents which it may deem useful in order to exercise its rights. The Chargor ratifies in advance all actions of the Chargee pursuant to such power of attorney and confirms that the Chargee is not liable for any loss sustained by the Chargor or any other party resulting from any such action or failure to act.

63. **NON-MERGER**

Notwithstanding the registration of the Charge and the advance of funds pursuant hereto, the terms and conditions of the Commitment shall remain binding and effective on the parties hereto, and shall not merge in the Charge nor in any document executed and delivered to the Chargee in connection with the transaction contemplated by the Commitment, and the terms of the Commitment are incorporated herein by reference. In the event of conflict between the terms of the Commitment and the terms hereof, the Chargee shall determine which provisions will apply.

64. **BLANKET MORTGAGE**

The Chargor hereby acknowledges and agrees that the principal sum secured by the Charge shall be secured by all of the Lands described in the Charge. For the purposes of this Section 64, each of the parcels of land forming part of the Lands designated by the Registry Office with an individual PIN shall be referred to herein as a "Parcel" and all of the Parcels shall be collectively referred to as the Lands. The Chargor hereby further acknowledges and agrees as follows:

- (a) the Charge shall be registered against the Lands;
- (b) each of the Parcels shall be charged with the whole of the principal sum secured by the Charge together with all interest and costs payable thereunder;

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- (c) notwithstanding anything contained herein to the contrary, there is no right in the Charge nor shall the Chargor be entitled to require that the principal be apportioned in respect of any of the Parcels or any portion of any Parcel;
- (d) each Parcel shall be the principal security for the entire principal sum secured by the Charge;
- (e) in the event of default, the Chargee shall be free to realize in its sole discretion upon any Parcel(s) in any order without prejudice to realizing upon any other Parcel(s) from time to time; and
- (f) any and all remedies pursued by the Chargee against any one of the Parcels shall not release, diminish, alter or exhaust the Chargee's rights against any of the other Parcels.

65. **CROSS-DEFAULT**

The Chargor covenants and agrees that any and all default under the Charge shall constitute concurrent default under any Additional Charge, and likewise, any and all default under any Additional Charge shall constitute concurrent default under the Charge. In the event of default under either the Charge or the Additional Charge, the Chargee shall be entitled to exercise any and all remedies available to it pursuant to the Charge and the Additional Charge, or either of them, and with respect to any or all of the lands secured by the Charge and/or the Additional Charge.

66. **NOTICES**

All notices or other communications to be given pursuant to or in connection with the Charge shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail or facsimile or other form of electronic transmission to the party or parties intended at its or their respective addresses for service as set out in the Charge. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

67. **INTERPRETATION**

Provided and it is hereby agreed that, in construing the Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where the Chargor, the Chargee and any Covenantor is more than one Person, their respective covenants shall be deemed to be joint and several, and the provisions of the Charge shall be read and construed with all changes of gender and number as required by the context.

68. **HEADINGS**

The headings with respect to the various paragraphs of the Charge are intended to be for identification of the various provisions of the Charge only and the wording of such headings is not intended to have any legal effect.

69. **INVALIDITY**

If any of the covenants or conditions in the Charge inclusive of all schedules forming a part hereof shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

70. **SUCCESSORS AND ASSIGNS**

Some or all of the Chargee's interest in the Charge (or security certificates backed by or representing any interest in the Charge or a pool of loans which includes the Charge) or underlying indebtedness may be assigned to a third party or sold or securitized into the

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secondary market without restriction and without notice to or consent of the Chargor or any Covenantor. The Chargor consents and agrees that any information in the Chargee's possession relating to the Lands or the Charge, including but not limited to information relating to each Covenantor, may be disclosed to any such assignee or potential assignee in the course of any such assignment, sale or securitization. The Chargor may not assign any of its rights, title or interest under the Charge or the underlying indebtedness without the express written consent of the Chargee, which consent may be unreasonably withheld.

71. **COUNTERPARTS**

The Charge may be executed in counterparts, each of which, so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

DATED the 18 day of November, 2010.

FOREMOST MORTGAGE HOLDING CORPORATION

Per: 
Name: **Ivan Stone**
Title: **President**

I have authority to bind the Corporation.

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This is **Exhibit "P"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

GENERAL SECURITY AGREEMENT (ONTARIO)

1. Parties to this Security Agreement

Name of Lender and Address (the "Secured Party"):

Foremost Mortgage Holding Corporation
26 Lesmill Road, Unit 1A, Toronto, Ontario, M3B 2T5

Legal Name of Borrower (the "Debtor"):

Barakaa Developer Inc.

Address of Borrower/Debtor:

9 Ridgevale Drive, Markham, Ontario, L6B 1A8

Location of Collateral (if different from Debtor's address):

19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7

2. Creation of Security Interest

(1) For value received and as a general and continuing collateral security for the payment of Indebtedness as set out in the Mortgage between the parties of the same date on the property located at **19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7**, which was registered in the amount of **\$4,133,000.00** including any ultimate unpaid balance thereof, owed to the Secured Party and to secure the performance of the obligations under this security agreement or any Related Documents, the Debtor hereby grant to the Secured Party a security interest in all the Debtor's personal property as defined in the *Personal Property Security Act*, R.S.O. 1990, c. P.10 (the "PPSA"), in all of the assets of the Debtor and further in addition all assets that relate to the property located at **19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7**, and in the undertaking of the Debtor, which shall constitute Collateral, whether now owned or hereafter acquired directly or indirectly by the Debtor, whether now existing or hereafter arising.

(2) Without limiting the foregoing, but for greater certainty, Collateral includes all of the following as the Collateral relates to the property located at **19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7**:

all Collateral of the Debtor at the location of the Collateral or any other location related to either the **Construction of three homes** being all goods now or hereafter used or intended to be used for the **Construction of three homes** located at **19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7** of the Debtor (the location of the Collateral being the "Property") and which may be inventory, fixtures or chattels and including but not limited to (saunas, hot tubs, fridges, bathroom fixtures, stoves, dishwashers, dryers, cook tops, barbeques, water heaters, furnaces, air conditioners, kitchen cabinetry, washroom cabinetry and all other cabinetry), all appliances or equipment and other tangible personal property used in connection with the dwelling,

all intangibles, accounts, chattel paper, securities, instruments, documents of title, money and proceeds thereof, and all physical and electronic records and documents evidencing such items, all building permits, all architectural drawings and documents and any other documents owned by the Debtor and used in connection with the construction of the building on the Property, which shall constitute Collateral, whether now owned or hereafter acquired directly or indirectly by the Debtor, whether now existing or hereafter arising in connection with the dwelling including but not limited to any deposit given to any person on behalf of the Debtor or to the Debtor such as a deposit for a real estate agreement of purchase and sale;

all rights and remedies including the right to collect all instalments due and the right, either on the Secured Party's own behalf or in the name of the Debtor, to take all such proceedings, legal or otherwise, as the Debtor might have taken.

all debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, including claims against the Crown and claims under insurance policies; also all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages, and all other rights and benefits which now are or may hereafter be vested in the Debtor in respect of or as security for any of the said debts, demands, choses in action and claims; and also all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to any of the said debts, demands, choses in action and claims.

all chattel paper now or hereafter owned by the Debtor; all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor; with respect to the personal property described in subparagraphs above, all books accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;

all goodwill, patents, trade marks, copyrights and other industrial property (including architectural drawings and documentation) and all other intangibles now or hereafter owned by the Debtor including all rights in the architectural drawings and documents and any other designs relating to the construction of the building on the Property; with respect to the personal property described in subparagraphs as above, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and with respect to the personal property described in subparagraphs as above inclusive of personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

with respect to the personal property described in above paragraphs inclusive in this subsection (2), all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and

with respect to the personal property described in above paragraphs inclusive in this subsection (2), personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged

(3) In this paragraph, the words "goods", "inventory", "equipment", "chattel paper", "document of title", "instrument", "securities", "intangible" and "accessions" shall have the same meanings as their defined meanings in the PPSA including all amendments thereto. In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof.

(4) This security interest shall not apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor but upon the enforcement of the security interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term. The Debtor shall have the right to lease other additional equipment in the ordinary course of business to replace existing equipment which is leased or to add new equipment so long as the equipment save for the last day of the term of the lease shall form part of the Collateral.

3. Definitions

(1) All phrases which are defined in the PPSA and not otherwise defined in this security agreement shall have the meaning ascribed by the PPSA, provided always that the term "goods" shall never include "consumer goods" of the Debtor as that term is defined in the PPSA.

(2) "Indebtedness" shall mean all liabilities of every kind and description of the Debtor to the Secured Party, whether now or hereafter owed or any future advance under the Mortgage, whether direct, indirect, contingent, and whether the Debtor be bound alone or with others and whether as principal or guarantor.

(3) "Related Documents" shall mean the promissory notes, loan agreements, account agreements, guaranties, trust deeds, mortgages, other security agreements or any other documents executed in connection with this security agreement or Indebtedness or related to its operation or administration, whether already existing or executed now or later and specifically relating to the mortgage of even date, registered against the property municipally known as **19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7.**

4. Rights and Obligations of Debtor

4.1 Title. The Debtor warrants and covenants that it holds title or has rights in the Collateral sufficient for a security interest to attach to the Collateral and that there are no existing encumbrances on this Collateral.

4.2 Possession and use of Collateral. Subject to paragraph 6.2, until default or unless otherwise agreed with the Secured Party, the Debtor may deal with Collateral in the ordinary course of the Debtor's business in any manner consistent with the provisions of this security agreement. Except for inventory sold or accounts collected in the ordinary course of the Debtor's business the Debtor shall not sell or otherwise transfer the Collateral. All proceeds of the Collateral, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Secured Party and will be immediately paid to the Secured Party pursuant to the fiduciary obligation as trustee. The Debtor shall not encumber or permit the Collateral to be encumbered without the prior written consent of the Secured Party, other than by this security agreement.

4.3 Removal of Collateral. The Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) is located at the address shown above. Except in the ordinary course of the Debtor's business, the Debtor shall not remove the Collateral from its location without the prior written consent of the Secured Party, which shall not be unreasonably withheld.

4.4 Securities as Collateral. Where Collateral includes securities, the Secured Party may require the Debtor to transfer such securities into the Secured Party's name so that the Secured Party may appear of record as the sole owner of the securities. Until default, the Debtor may retain by way of proxy the voting and dividend rights attached to any such securities and the Secured Party will facilitate exercise of those dividend and voting rights.

4.5 Preservation of rights and Collateral. The Debtor shall defend its own and the Secured Party's rights in the Collateral against the claims and demands of all persons. The Debtor shall maintain the Collateral in a condition and state of repair that preserves the value of the Collateral, reasonable wear and tear excluded. The Debtor will not commit or permit damage to or destruction of the Collateral and will effect repair if it occurs. The Debtor shall procure and maintain policies of fire and other casualty insurance covering the Collateral on the basis and in at least the amount described above on terms satisfactory to the Secured Party and with loss payable to the Secured Party and Debtor jointly.

4.6 Material changes in information. The Debtor shall notify the Secured Party promptly of:

- (a) any material change in the information contained in this agreement (including the schedules hereto) relating to the Debtor, the Debtor's business or Collateral, including any address change or establishment of an additional place of business;
- (b) the details of any change in name of the Debtor;
- (c) the details of any significant acquisition of Collateral;
- (d) the details of any claims or litigation affecting the Debtor or Collateral;
- (e) any loss of or damage to Collateral;
- (f) any default by any account Debtor in its obligations with respect to Collateral.

4.7 Debtors' conduct. The Debtor will conduct its business and affairs in a proper and efficient manner, in accordance with applicable law and keep records in accordance with generally accepted accounting procedures. The Debtor shall pay all charges, such as taxes, assessments, claims, liens and encumbrances relating to the Collateral or the Debtor business and affairs when the same become due. The Debtor will deliver to the Secured Party promptly such information concerning Collateral, the Debtor and the Debtor business and affairs as the Secured Party may reasonably request.

4.8 Protest. The Debtor waive protest of any instrument constituting Collateral at any time held by the Secured Party on which the Debtor are in any way liable and, subject to the notice requirements of the PPSA, notice of any other action taken by the Secured Party.

4.9 Joint and several liability. If more than one Debtor executes this security

agreement the obligations of such Debtor hereunder shall be joint and several.

5. Events of Default

The Debtor shall be in default under this security agreement or Related Documents upon occurrence of any of the following:

- (a) Non-payment when due, whether by acceleration or otherwise, of Indebtedness.
- (b) Failure to comply within seven days after written notice from the Secured Party demanding compliance with any provision contained in this security agreement or Related Documents and if compliance is not practically possible, failure to take steps that will produce compliance as soon as is reasonably practical.
- (c) Any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Debtor prove in any material respect to have been false when made or furnished.
- (d) Bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver, trustee, monitor, or liquidator for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any type of insolvency proceeding or creditor rearrangement.
- (e) Death or declaration of incompetency of the Debtor (if the Debtor is an individual) or cessation of the Debtor viability as a going business concern (if the Debtor are not an individual), which includes the cessation or threat by the Debtor to cease to carry on in the normal course of the Debtor business or any material part thereof.
- (f) On the occurrence of such other events where the Secured Party considers in good faith and on commercially reasonable grounds that the Collateral is in jeopardy or that the Secured Party's position is insecure.

6. Secured Party Rights and Obligations

6.1 General rights. In addition to the rights granted herein, the Secured Party may enforce any other rights and remedies it may have at law or in equity, and specifically shall have all rights and remedies of a Secured Party under the PPSA. All rights and remedies of the Secured Party are cumulative and one or more of these rights may be exercised independently or in combination from time to time, including marshalling.

6.2 Collection of debts forming part of Collateral. The Secured Party may direct account debtor of the Debtor to make all payments owing to the Debtor on Collateral subject to the security interest directly to the Secured Party, by notifying such account debtor of the Secured Party's interest, either before or after default.

6.3 Inspection of Collateral and right of access. The Secured Party shall have the right at any time to confirm the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agree to furnish all assistance as the Secured Party may reasonably request in connection therewith. The Debtor grants to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor for the purposes of inspection or obtaining possession.

6.4 Receivers and others. The Secured Party may appoint by instrument executed by the Secured Party and removal or replacement from time to time of any such receiver or by application to a court of competent jurisdiction a receiver or other person to act on its behalf before or after default or in any insolvency or like proceeding (receiver includes a receiver-manager). The appointee has all the powers of the Secured Party under this security agreement. In addition, on instructions from the Secured Party, the receiver shall be entitled to carry on the business of the Debtor with all the powers that the Debtor would have to operate its business for such time as the receiver determines it advisable and in the best interest of the Secured Party including the right to sale the business and to complete the **Construction of three homes** located at **19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7**. Any receiver appointed by instrument in writing shall have power to:

- (a) take possession of, collect and get in all or any part of the Premises at **19**

Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and the business and the Collateral and, for that purpose, to take proceedings in the name of the Debtor or otherwise and to make any arrangement or compromise;

- (b) carry on or concur in carrying on all or any part of the business of the Debtor;
- (c) borrow or raise money on all or any part of the Property or the Collateral in priority to the Charges registered as cross collateral and this Security Agreement or otherwise for such purposes as may be approved by the Secured Party; and
- (d) sell or concur in selling all or any part of the Property or the business or the Collaterals with the appropriate notice and in such manner as may seem advisable to the receiver, and to effect such sale by conveying in the name and on behalf of the Debtor or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto. The receiver shall, insofar as responsibility for its acts is concerned, be deemed to be the agent of the Debtor and not of the Secured Party, and the Debtor shall be solely responsible for his acts or defaults and for his remuneration. The Secured Party is not liable for any act or omission by a receiver whether appointed by the Secured Party or selected by a court.

6.5 Acceleration. The Secured Party may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable on the occurrence of any default.

6.6 Possession and disposition of Collateral. The Secured Party may take possession or constructive possession of, collect, demand, sue on, enforce, recover and receive Collateral and give binding receipts and discharges therefor. The Secured Party in possession may use Collateral as it sees fit, subject to the duty of reasonable care contained in the PPSA providing that any income from Collateral is applied to the Debtor account. Upon default, the Secured Party may also sell, lease or otherwise dispose of Collateral in any commercially reasonable manner.

6.7 Costs. The Debtor agree to pay all charges, including solicitors', auditors', receivers' or like persons' costs and remuneration or other expenses reasonably incurred by the Secured Party or other party appointed by the Secured Party in operating the Debtor accounts and in preparing or enforcing this security agreement. Such sums shall constitute a future advance increasing the Indebtedness hereunder.

6.8 Deficiencies. The failure of the Secured Party to receive full payment or satisfaction of Indebtedness through its rights and remedies herein provided shall not in any way release the Debtor from the obligation to satisfy any deficiency, including any costs of realization.

6.9 Waivers.

(1) No variation, amendment (except for any schedules which may be added hereto pursuant to the provisions of this agreement) or waiver of any provision of this security agreement shall be effective unless made by written agreement executed by the parties to this security agreement.

(2) No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver of that right or remedy and no single or partial exercise of any right or remedy shall preclude any other exercise of cumulative rights and remedies.

(3) The Secured Party may remedy any default or perform any duty of the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor.

6.10 Notice of Intention to Realise. Prior to realisation, there is an obligation on the Secured Party to deliver a notice of intention to realise to the Debtor under s.244 of the *Bankruptcy and Insolvency Act*. Any events which trigger default, including those within paragraph 5(d), shall be deferred as required by that legislation. Valid service of this notice will occur upon sending of the notice to the address herein or as changed by the Debtor through paragraph 4.6. Pursuant to the PPSA where applicable, the Secured Party shall also give notice in writing in the appropriate time period to (a) the Debtor; (b) every person who is known by the Secured Party, before the date

that the notice is served on the Debtor, to be the owner of the collateral or an obligator who may owe payment or performance of the obligation secured; (c) every person who has a security interest who has a security interest in the collateral and whose interest (i) was perfected by possession, the continuance of which was prevented by the Secured Party who has taken possession of the collateral, or (ii) is perfected by registration before the date the notice is served on the Debtor; and (d) every person with an interest in the collateral who has delivered a written notice to the Secured Party of the interest in the collateral before the date that the notice is served on the Debtor.

This notice shall include the content stipulated by s. 63(5) of the PPSA.

7. Subordination

No action by the Secured Party shall constitute a subordination of its security interest to any other interest in the Collateral unless such subordination is effected by an agreement in writing, titled "Subordination Agreement", signed by the Secured Party.

8. Successor Interests

This security agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs, executors, administrators, successors and assigns.

9. Applicable Law

This security agreement and Related Documents shall be governed by the laws of the Province of Ontario.

10. Termination

This security agreement shall remain in full force and effect until the Indebtedness has been paid and written notice of discharge by the Secured Party is received by the Debtor.

11. Acknowledgments of Debtor

The Debtor hereby acknowledges receipt of a copy of this security agreement.

IN WITNESS WHEREOF the Debtor have executed this security agreement this ²¹ day of May, 2022.

WITNESS

Barakaa Developer Inc.



Hitesh Unaveri -ASO



Niketa Wadia - ASO

We have the authority to bind the corporation

GENERAL SECURITY AGREEMENT (ONTARIO)

1. Parties to this Security Agreement

Name of Lender and Address (the "Secured Party"):

Foremost Mortgage Holding Corporation
26 Lesmill Road, Unit 1A, Toronto, Ontario, M3B 2T5

Legal Name of Borrower (the "Debtor"):

Lerrato Inc.

Address of Borrower/Debtor:

9 Ridgevale Drive, Markham, Ontario, L6B 1A8

Location of Collateral (if different from Debtor's address):

367 Porte Road, Ajax, Ontario, L1S 7S8

2. Creation of Security Interest

(1) For value received and as a general and continuing collateral security for the payment of Indebtedness as set out in the Mortgage between the parties of the same date on the property located at **367 Porte Road, Ajax, Ontario, L1S 7S8**, which was registered in the amount of **\$3,155,000.00** including any ultimate unpaid balance thereof, owed to the Secured Party and to secure the performance of the obligations under this security agreement or any Related Documents, the Debtor hereby grant to the Secured Party a security interest in all the Debtor's personal property as defined in the *Personal Property Security Act*, R.S.O. 1990, c. P.10 (the "PPSA"), in all of the assets of the Debtor and further in addition all assets that relate to the property located at **367 Porte Road, Ajax, Ontario, L1S 7S8**, and in the undertaking of the Debtor, which shall constitute Collateral, whether now owned or hereafter acquired directly or indirectly by the Debtor, whether now existing or hereafter arising.

(2) Without limiting the foregoing, but for greater certainty, Collateral includes all of the following as the Collateral relates to the property located at **367 Porte Road, Ajax, Ontario, L1S 7S8**:

all Collateral of the Debtor at the location of the Collateral or any other location related to either the **Construction of five freehold townhomes totalling 9,999 sq. ft.** being all goods now or hereafter used or intended to be used for the **Construction of five freehold townhomes totalling 9,999 sq. ft.** located at **367 Porte Road, Ajax, Ontario, L1S 7S8** of the Debtor (the location of the Collateral being the "Property") and which may be inventory, fixtures or chattels and including but not limited to (saunas, hot tubs, fridges, bathroom fixtures, stoves, dishwashers, dryers, cook tops, barbeques, water heaters, furnaces, air conditioners, kitchen cabinetry, washroom cabinetry and all other cabinetry), all appliances or equipment and other tangible personal property used in connection with the dwelling,

all intangibles, accounts, chattel paper, securities, instruments, documents of title, money and proceeds thereof, and all physical and electronic records and documents evidencing such items, all building permits, all architectural drawings and documents and any other documents owned by the Debtor and used in connection with the construction of the building on the Property, which shall constitute Collateral, whether now owned or hereafter acquired directly or indirectly by the Debtor, whether now existing or hereafter arising in connection with the dwelling including but not limited to any deposit given to any person on behalf of the Debtor or to the Debtor such as a deposit for a real estate agreement of purchase and sale;

all rights and remedies including the right to collect all instalments due and the right, either on the Secured Party's own behalf or in the name of the Debtor, to take all such proceedings, legal or otherwise, as the Debtor might have taken.

all debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, including claims against the Crown and claims under insurance policies; also all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages, and all other rights and benefits which now are or

may hereafter be vested in the Debtor in respect of or as security for any of the said debts, demands, choses in action and claims; and also all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to any of the said debts, demands, choses in action and claims.

all chattel paper now or hereafter owned by the Debtor; all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor; with respect to the personal property described in subparagraphs above, all books accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;

all goodwill, patents, trade marks, copyrights and other industrial property (including architectural drawings and documentation) and all other intangibles now or hereafter owned by the Debtor including all rights in the architectural drawings and documents and any other designs relating to the construction of the building on the Property; with respect to the personal property described in subparagraphs as above, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and with respect to the personal property described in subparagraphs as above inclusive of personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

with respect to the personal property described in above paragraphs inclusive in this subsection (2), all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and

with respect to the personal property described in above paragraphs inclusive in this subsection (2), personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged

(3) In this paragraph, the words "goods", "inventory", "equipment", "chattel paper", "document of title", "instrument", "securities", "intangible" and "accessions" shall have the same meanings as their defined meanings in the PPSA including all amendments thereto. In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof.

(4) This security interest shall not apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor but upon the enforcement of the security interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term. The Debtor shall have the right to lease other additional equipment in the ordinary course of business to replace existing equipment which is leased or to add new equipment so long as the equipment save for the last day of the term of the lease shall form part of the Collateral.

3. Definitions

(1) All phrases which are defined in the PPSA and not otherwise defined in this security agreement shall have the meaning ascribed by the PPSA, provided always that the term "goods" shall never include "consumer goods" of the Debtor as that term is defined in the PPSA.

(2) "Indebtedness" shall mean all liabilities of every kind and description of the Debtor to the Secured Party, whether now or hereafter owed or any future advance under the Mortgage, whether direct, indirect, contingent, and whether the Debtor be bound alone or with others and whether as principal or guarantor.

(3) "Related Documents" shall mean the promissory notes, loan agreements, account agreements, guaranties, trust deeds, mortgages, other security agreements or any other documents executed in connection with this security agreement or Indebtedness or related to its operation or administration, whether already existing or executed now or later and specifically relating to the mortgage of even date, registered against the property municipally known as **367 Porte Road, Ajax, Ontario, L1S 7S8.**

4. Rights and Obligations of Debtor

4.1 Title. The Debtor warrants and covenants that it holds title or has rights in the Collateral sufficient for a security interest to attach to the Collateral and that there are no existing encumbrances on this Collateral.

4.2 Possession and use of Collateral. Subject to paragraph 6.2, until default or unless otherwise agreed with the Secured Party, the Debtor may deal with Collateral in the ordinary course of the Debtor's business in any manner consistent with the provisions of this security agreement. Except for inventory sold or accounts collected in the ordinary course of the Debtor's business the Debtor shall not sell or otherwise transfer the Collateral. All proceeds of the Collateral, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Secured Party and will be immediately paid to the Secured Party pursuant to the fiduciary obligation as trustee. The Debtor shall not encumber or permit the Collateral to be encumbered without the prior written consent of the Secured Party, other than by this security agreement.

4.3 Removal of Collateral. The Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) is located at the address shown above. Except in the ordinary course of the Debtor's business, the Debtor shall not remove the Collateral from its location without the prior written consent of the Secured Party, which shall not be unreasonably withheld.

4.4 Securities as Collateral. Where Collateral includes securities, the Secured Party may require the Debtor to transfer such securities into the Secured Party's name so that the Secured Party may appear of record as the sole owner of the securities. Until default, the Debtor may retain by way of proxy the voting and dividend rights attached to any such securities and the Secured Party will facilitate exercise of those dividend and voting rights.

4.5 Preservation of rights and Collateral. The Debtor shall defend its own and the Secured Party's rights in the Collateral against the claims and demands of all persons. The Debtor shall maintain the Collateral in a condition and state of repair that preserves the value of the Collateral, reasonable wear and tear excluded. The Debtor will not commit or permit damage to or destruction of the Collateral and will effect repair if it occurs. The Debtor shall procure and maintain policies of fire and other casualty insurance covering the Collateral on the basis and in at least the amount described above on terms satisfactory to the Secured Party and with loss payable to the Secured Party and Debtor jointly.

4.6 Material changes in information. The Debtor shall notify the Secured Party promptly of:

- (a) any material change in the information contained in this agreement (including the schedules hereto) relating to the Debtor, the Debtor's business or Collateral, including any address change or establishment of an additional place of business;
- (b) the details of any change in name of the Debtor;
- (c) the details of any significant acquisition of Collateral;
- (d) the details of any claims or litigation affecting the Debtor or Collateral;
- (e) any loss of or damage to Collateral;
- (f) any default by any account Debtor in its obligations with respect to Collateral.

4.7 Debtors' conduct. The Debtor will conduct its business and affairs in a proper and efficient manner, in accordance with applicable law and keep records in accordance with generally accepted accounting procedures. The Debtor shall pay all charges, such as taxes, assessments, claims, liens and encumbrances relating to the Collateral or the Debtor business and affairs when the same become due. The Debtor will deliver to the Secured Party promptly such information concerning Collateral, the Debtor and the Debtor business and affairs as the Secured Party may reasonably request.

4.8 Protest. The Debtor waive protest of any instrument constituting Collateral at any time held by the Secured Party on which the Debtor are in any way liable and, subject to the notice requirements of the PPSA, notice of any other action taken by the Secured Party.

4.9 Joint and several liability. If more than one Debtor executes this security agreement the obligations of such Debtor hereunder shall be joint and several.

5. Events of Default

The Debtor shall be in default under this security agreement or Related Documents upon occurrence of any of the following:

- (a) Non-payment when due, whether by acceleration or otherwise, of Indebtedness.
- (b) Failure to comply within seven days after written notice from the Secured Party demanding compliance with any provision contained in this security agreement or Related Documents and if compliance is not practically possible, failure to take steps that will produce compliance as soon as is reasonably practical.
- (c) Any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Debtor prove in any material respect to have been false when made or furnished.
- (d) Bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver, trustee, monitor, or liquidator for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any type of insolvency proceeding or creditor rearrangement.
- (e) Death or declaration of incompetency of the Debtor (if the Debtor is an individual) or cessation of the Debtor viability as a going business concern (if the Debtor are not an individual), which includes the cessation or threat by the Debtor to cease to carry on in the normal course of the Debtor business or any material part thereof.
- (f) On the occurrence of such other events where the Secured Party considers in good faith and on commercially reasonable grounds that the Collateral is in jeopardy or that the Secured Party's position is insecure.

6. Secured Party Rights and Obligations

6.1 General rights. In addition to the rights granted herein, the Secured Party may enforce any other rights and remedies it may have at law or in equity, and specifically shall have all rights and remedies of a Secured Party under the PPSA. All rights and remedies of the Secured Party are cumulative and one or more of these rights may be exercised independently or in combination from time to time, including marshalling.

6.2 Collection of debts forming part of Collateral. The Secured Party may direct account debtor of the Debtor to make all payments owing to the Debtor on Collateral subject to the security interest directly to the Secured Party, by notifying such account debtor of the Secured Party's interest, either before or after default.

6.3 Inspection of Collateral and right of access. The Secured Party shall have the right at any time to confirm the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agree to furnish all assistance as the Secured Party may reasonably request in connection therewith. The Debtor grants to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor for the purposes of inspection or obtaining possession.

6.4 Receivers and others. The Secured Party may appoint by instrument executed by the Secured Party and removal or replacement from time to time of any such receiver or by application to a court of competent jurisdiction a receiver or other person to act on its behalf before or after default or in any insolvency or like proceeding (receiver includes a receiver-manager). The appointee has all the powers of the Secured Party under this security agreement. In addition, on instructions from the Secured Party, the receiver shall be entitled to carry on the business of the Debtor with all the powers that the Debtor would have to operate its business for such time as the receiver determines it advisable and in the best interest of the Secured Party including the right to sale the business and to complete the **Construction of five freehold townhomes totalling 9,999 sq. ft. located at 367 Porte Road, Ajax, Ontario, L1S 7S8**. Any receiver appointed by instrument in writing shall have power to:

- (a) take possession of, collect and get in all or any part of the Premises at **367 Porte Road, Ajax, Ontario, L1S 7S8** and the business and the Collateral and, for that purpose, to take proceedings in the name of the Debtor or otherwise and to make any arrangement or compromise;
- (b) carry on or concur in carrying on all or any part of the business of the Debtor;
- (c) borrow or raise money on all or any part of the Property or the Collateral in priority to the Charges registered as cross collateral and this Security Agreement

or otherwise for such purposes as may be approved by the Secured Party; and

- (d) sell or concur in selling all or any part of the Property or the business or the Collaterals with the appropriate notice and in such manner as may seem advisable to the receiver, and to effect such sale by conveying in the name and on behalf of the Debtor or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto. The receiver shall, insofar as responsibility for its acts is concerned, be deemed to be the agent of the Debtor and not of the Secured Party, and the Debtor shall be solely responsible for his acts or defaults and for his remuneration. The Secured Party is not liable for any act or omission by a receiver whether appointed by the Secured Party or selected by a court.

6.5 Acceleration. The Secured Party may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable on the occurrence of any default.

6.6 Possession and disposition of Collateral. The Secured Party may take possession or constructive possession of, collect, demand, sue on, enforce, recover and receive Collateral and give binding receipts and discharges therefor. The Secured Party in possession may use Collateral as it sees fit, subject to the duty of reasonable care contained in the PPSA providing that any income from Collateral is applied to the Debtor account. Upon default, the Secured Party may also sell, lease or otherwise dispose of Collateral in any commercially reasonable manner.

6.7 Costs. The Debtor agree to pay all charges, including solicitors', auditors', receivers' or like persons' costs and remuneration or other expenses reasonably incurred by the Secured Party or other party appointed by the Secured Party in operating the Debtor accounts and in preparing or enforcing this security agreement. Such sums shall constitute a future advance increasing the Indebtedness hereunder.

6.8 Deficiencies. The failure of the Secured Party to receive full payment or satisfaction of Indebtedness through its rights and remedies herein provided shall not in any way release the Debtor from the obligation to satisfy any deficiency, including any costs of realization.

6.9 Waivers.

(1) No variation, amendment (except for any schedules which may be added hereto pursuant to the provisions of this agreement) or waiver of any provision of this security agreement shall be effective unless made by written agreement executed by the parties to this security agreement.

(2) No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver of that right or remedy and no single or partial exercise of any right or remedy shall preclude any other exercise of cumulative rights and remedies.

(3) The Secured Party may remedy any default or perform any duty of the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor.

6.10 Notice of Intention to Realise. Prior to realisation, there is an obligation on the Secured Party to deliver a notice of intention to realise to the Debtor under s.244 of the *Bankruptcy and Insolvency Act*. Any events which trigger default, including those within paragraph 5(d), shall be deferred as required by that legislation. Valid service of this notice will occur upon sending of the notice to the address herein or as changed by the Debtor through paragraph 4.6. Pursuant to the PPSA where applicable, the Secured Party shall also give notice in writing in the appropriate time period to (a) the Debtor; (b) every person who is known by the Secured Party, before the date that the notice is served on the Debtor, to be the owner of the collateral or an obligor who may owe payment or performance of the obligation secured; (c) every person who has a security interest who has a security interest in the collateral and whose interest (i) was perfected by possession, the continuance of which was prevented by the Secured Party who has taken possession of the collateral, or (ii) is perfected by registration before the date the notice is served on the Debtor; and (d) every person with an interest in the collateral who has delivered a written notice to the Secured Party of the interest in the collateral before the date that the notice is served on the Debtor.

This notice shall include the content stipulated by s. 63(5) of the PPSA.

7. Subordination

No action by the Secured Party shall constitute a subordination of its security interest to any other interest in the Collateral unless such subordination is effected by an agreement in writing, titled "Subordination Agreement", signed by the Secured Party.

8. Successor Interests

This security agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs, executors, administrators, successors and assigns.

9. Applicable Law

This security agreement and Related Documents shall be governed by the laws of the Province of Ontario.

10. Termination


This security agreement shall remain in full force and effect until the Indebtedness has been paid and written notice of discharge by the Secured Party is received by the Debtor.

11. Acknowledgments of Debtor

The Debtor hereby acknowledges receipt of a copy of this security agreement.


IN WITNESS WHEREOF the Debtor have executed this security agreement this ~~17~~¹⁸ day of June, 2022.

WITNESS



Lerrato Inc.



Hitesh Jhaveri - ASO

Niketa Jhaveri - ASO

We have the authority to bind the corporation

This is **Exhibit "Q"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

GUARANTEE

THIS GUARANTEE dated day of May, 2022.

GUARANTOR: OSMI Homes Inc., Hitesh Jhaveri and Niketa Wadia
9 Ridgevale Drive, Markham, Ontario, L6B 1A8
collectively the "Guarantor"

CREDITOR: Foremost Mortgage Holding Corporation
26 Lesmill Road
Unit 1A
Toronto, Ontario
M3B 2T5
the "Lender"

DEBTOR: Barakaa Developer Inc.
9 Ridgevale Drive, Markham, Ontario, L6B 1A8
collectively the "Borrower"

DEBT: \$4,133,000.00; the "Principal Sum"

PROPERTY: 19 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7, 23 Madison
Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue,
Richmond Hill, Ontario, L4E 2Z7

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

In consideration of the Lender agreeing to make a loan to the Borrower of the Principal Sum as set out in the Mortgage between the Borrower as payor and the Lender as Payee of same date as herein, the Guarantor covenants with the Lender as follows:

1. DEBT AND SECURITY

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

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to the Lender all legal fees and disbursements, on a solicitor and client basis, incurred by the Lender in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee may exceed the Limited Amount plus legal expenses plus interest in arrears on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly as well as all expenses and fees owing to the Lender.

This Guarantee is given in addition to the guarantee as set out in the Standard Charge Terms which form part of the Loan Security package. The terms and conditions on this Guarantee supersede any terms and conditions on the Standard Charge Terms form and in the event of any conflict between the terms and conditions on this Guarantee and in the Standard Charge Terms the terms and conditions on the Standard Charge Terms form shall be void and deleted from the Loan Security package as applicable.

3. LIABILITY AS PRINCIPAL DEBTOR

As between the Lender and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of the Lender which might otherwise operate as a partial or

absolute discharge of the Guarantor if the Guarantor were only a surety.

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

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

(a) the Lender may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;

(b) the Lender may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;

(c) the Lender may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;

(d) the Lender may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to the Lender or the value of the Loan Security or the value of anything mortgaged by it;

(e) the Lender need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

(f) the Lender bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by the Lender or by anyone on behalf of the Lender;

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

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

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

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

(k) The Guarantor confirms and agrees if after such determination any payment from the Borrower must be returned to the Borrower, or any successor or representative of the Borrower, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Borrower), then this guarantee shall continue after the determination as if such payment had not been made;

(l) The Guarantor confirms and agrees that each Guarantor waives diligence, demand, protest, notice of protest, presentment for payment, notice of non-payment, dishonour, notice of dishonour and extension of this Guarantee.

(m) The Guarantor and each of them (if more than one) hereby renounces the benefits of discussion and division. The Guarantor and each of them (if more than one) renounces to claim against, or set off against, the Lender for any right which the Guarantor or each of them (if more than one) may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Lender.

5. SUBROGATION AND POSTPONEMENT

The Guarantor shall be subrogated in any manner to any right of the Lender until all money due to the Lender under the Loan Security is paid.

All debts and liabilities present and future of the Borrower to the Guarantor and each of them are hereby postponed to the debts and liabilities of the Borrower to the Lender and all moneys received by any of the Guarantor or their or his assigns thereon shall be received as Trustees for the Lender and shall be paid over to the Lender.

Negative Pledge: The Borrower and Guarantor pledge to not repay any shareholder loans, redeem shares, pay out dividends nor otherwise compensate the Guarantors or other non-arms-length parties directly or indirectly related to the Borrower or Property until such time as the Loan 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.

6. RELEASE

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

7. PAYMENT AND REMEDYING DEFAULTS

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

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

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

9. CHANGES MUST BE IN WRITING

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

10. JOINT AND SEVERAL LIABILITY

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

11. NOTICE

The address for service by mail to Guarantor shall be the address set out above. In the event that Guarantor changes his/her/their address, the Guarantor shall advise the Lender in writing by mail to the address for the Lender set out above any notice in writing shall be deemed given on the date of mailing as confirmed by an affidavit sworn by the sender.

12. JURISDICTION

The laws of the province of Ontario shall govern this transaction.

13. ASSIGNS

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

14. LEGAL ADVICE

The Guarantor each represent and acknowledge that he:

- (a) the Guarantors acknowledge that **Muhammad Atique Malik** is the lawyer for them;
- (b) has read the agreement in its entirety and has full knowledge of the contents;
- (c) understands their or his respective obligations under this agreement, the nature of this agreement and the consequences of this agreement;
- (d) is subject to no coercion or undue influence;
- (e) is signing this agreement voluntarily;

IN WITNESS WHEREOF the Guarantor has hereunto set his hand and seal on the day and year first above written.

OSMI Homes Inc. - Guarantor

Hitesh Jhaveri - ASO

Niketa Wadia - ASO

We have the authority to bind the corporation

Hitesh Jhaveri - Guarantor

Niketa Wadia - Guarantor

SOLICITOR'S CERTIFICATE

I certify that the persons whose signature appears as guarantors herein has read and understood this guarantee and I have ascertained that the persons has received independent legal advice where necessary.

Muhammad Atique Malik

21/5/2022

This is **Exhibit "R"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

GUARANTEE

THIS GUARANTEE dated day of June, 2022.

GUARANTOR: Hitesh Jhaveri and Niketa Jhaveri
 9 Ridgevale Drive, Markham, Ontario, L6B 1A8
 collectively the "Guarantor"

CREDITOR: Foremost Mortgage Holding Corporation
 26 Lesmill Road
 Unit 1B
 Toronto, Ontario
 M3B 2T5
 the "Lender"

DEBTOR: Lerrato Inc.
 9 Ridgevale Drive, Markham, Ontario, L6B 1A8
 collectively the "Borrower"

DEBT: \$3,155,000.00; the "Principal Sum"

PROPERTY: 367 Porte Road, Ajax, Ontario, L1S 7S8

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

In consideration of the Lender agreeing to make a loan to the Borrower of the Principal Sum as set out in the Mortgage between the Borrower as payor and the Lender as Payee of same date as herein, the Guarantor covenants with the Lender as follows:

1. DEBT AND SECURITY

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

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to the Lender all legal fees and disbursements, on a solicitor and client basis, incurred by the Lender in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee may exceed the Limited Amount by the Limited Amount plus legal expenses plus interest in arrears on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly as well as all expenses and fees owing to the Lender.

This Guarantee is given in addition to the guarantee as set out in the Standard Charge Terms which form part of the Loan Security package. The terms and conditions on this Guarantee supersede any terms and conditions on the Standard Charge Terms form and in the event of any conflict between the terms and conditions on this Guarantee and in the Standard Charge Terms the terms and conditions on the Standard Charge Terms form shall be void and deleted from the Loan Security package as applicable.

3. LIABILITY AS PRINCIPAL DEBTOR

As between the Lender and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act

or omission of the Borrower or of the Lender which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

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

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

(a) the Lender may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;

(b) the Lender may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;

(c) the Lender may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;

(d) the Lender may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to the Lender or the value of the Loan Security or the value of anything mortgaged by it;

(e) the Lender need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

(f) the Lender bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by the Lender or by anyone on behalf of the Lender;

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

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

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

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

(k) The Guarantor confirms and agrees if after such determination any payment from the Borrower must be returned to the Borrower, or any successor or representative of the Borrower, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Borrower), then this guarantee shall continue after the determination as if such payment had not been made;

(l) The Guarantor confirms and agrees that each Guarantor waives diligence, demand, protest, notice of protest, presentment for payment, notice of non-payment, dishonour, notice of dishonour and extension of this Guarantee.

(m) The Guarantor and each of them (if more than one) hereby renounces the benefits of discussion and division. The Guarantor and each of them (if more than one) renounces to claim against, or set off against, the Lender for any right which the Guarantor or each of them (if more than one) may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Lender.

5. SUBROGATION AND POSTPONEMENT

The Guarantor's rights shall be subrogated in any manner to any right of the Lender until all money due to the Lender under the Loan Security is paid.

All debts and liabilities present and future of the Borrower to the Guarantor and each of them are hereby postponed to the debts and liabilities of the Borrower to the Lender and all moneys received by any of the Guarantor or their or his assigns thereon shall be received as Trustees for the Lender and shall be paid over to the Lender.

Negative Pledge: The Borrower and Guarantor pledge to not repay any shareholder loans, redeem shares, pay out dividends nor otherwise compensate the Guarantors or other non-arms-length parties directly or indirectly related to the Borrower or Property until such time as the Loan 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.

6. RELEASE

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

7. PAYMENT AND REMEDYING DEFAULTS

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

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

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

9. CHANGES MUST BE IN WRITING

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

10. JOINT AND SEVERAL LIABILITY

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

11. NOTICE

The address for service by mail to Guarantor shall be the address set out above. In the event that Guarantor changes his/her/their address, the Guarantor shall advise the Lender in writing by mail to the address for the Lender set out above any notice in writing shall be deemed given on the date of mailing as confirmed by an affidavit sworn by the sender.

12. JURISDICTION

The laws of the province of Ontario shall govern this transaction.

13. ASSIGNS

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

14. LEGAL ADVICE

The Guarantor each represent and acknowledge that he:

- (a) the Guarantors acknowledge that Muhammad Atique Malik is the lawyer for them;
- (b) has read the agreement in its entirety and has full knowledge of the contents;
- (c) understands their or his respective obligations under this agreement, the nature of this agreement and the consequences of this agreement;
- (d) is subject to no coercion or undue influence;
- (e) is signing this agreement voluntarily;

IN WITNESS WHEREOF the Guarantor has hereunto set his hand and seal on the day and year first above written.




Hitesh Jhaveri - Guarantor



Niketa Jhaveri - Guarantor

SOLICITOR'S CERTIFICATE

I certify that the persons whose signature appears as guarantors herein has read and understood this guarantee and I have ascertained that the persons has received independent legal advice where necessary.



Muhammad Atique Malik

This is **Exhibit "S"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN	03206 - 4244	LT	Interest/Estate	Fee Simple
Description	LOT 739 AND PART LOT 140, PLAN 133, PART 3, PLAN 65R38228			
Address	19 MADISON AVENUE RICHMOND HILL			
PIN	03206 - 4245	LT	Interest/Estate	Fee Simple
Description	LOT 741 AND PART LOTS 740 AND 742, PLAN 133, PART 2, PLAN 65R38228			
Address	23 MADISON AVENUE RICHMOND HILL			
PIN	03206 - 4246	LT	Interest/Estate	Fee Simple
Description	LOT 743 AND PART LOT 742, PLAN 133, PART 1, PLAN 65R38228			
Address	25 MADISON AVENUE RICHMOND HILL			

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name

BARAKAA DEVELOPER INC.

Address for Service

19, 23, 25 Madison Avenue
Richmond Hill, Ontario
L4E 2Z7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name

1417199 ONTARIO LIMITED

Address for Service

208 Northwood Drive
Toronto, Ontario
M2M 2K4

Statements

Schedule: See Schedules

Kelwin Kwan, has consented to the registration of this document, subject to the continuance of registration number YR2921415 registered on 2019/01/21

In accordance with registration YR2921415 registered on 2019/01/21, the consent of Kelwin Kwan has been obtained for the registration of this document.

Provisions

Principal	\$750,000.00	Currency	CDN
Calculation Period	Monthly, Not in advance		
Balance Due Date	2024/06/02		
Interest Rate	12%		
Payments			
Interest Adjustment Date	2023 06 02		
Payment Date	See Schedule		
First Payment Date			
Last Payment Date	2024 06 02		
Standard Charge Terms	200033		
Insurance Amount	See standard charge terms		
Guarantor	Hitesh Jhaveri and Nikita Jhaveri		

Signed By

Chayanika Dutta

2224 Kingston Road
Toronto
M1M 3T9

acting for
Chargor(s)

Signed

2023 06 09

Tel

416-406-4529

Fax

416-778-4528

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

NAGPAL DUTTA PROFESSIONAL CORPORATION 2224 Kingston Road 2023 06 13

Toronto

M1M 3T9

Tel 416-406-4529

Fax 416-778-4528

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

RESIDENTIAL MORTGAGE SCHEDULE

INTERPRETATION In the event of any inconsistency or conflict between any provisions of this Schedule, the Mortgage, the Commitment Letter, the Standard Charge/Mortgage Terms, the provisions of these documents shall apply in the following order of precedence to resolve such inconsistency or conflict: (i) the Commitment Letter; (ii) this Schedule; (iii) the Mortgage; and (iv) the Standard Charge/Mortgage Terms.

LENDER FEE: Mortgagor hereby agree that lender fee of 5.00 percent shall be applicable if mortgage is not paid in six months.

POST-DATED CHEQUES TO BE PROVIDED TO THE Lender directly and directed by the Lender.

PREPAYMENT The principal under the charge/mortgage may be paid off in full or in part under the terms below:

- X Open Mortgage: The borrower can pay this mortgage either in full or part with no additional penalties.
- or
- O Open Mortgage: The borrower can pay this mortgage either in full or part with no interest penalties. .
- or
- O Close mortgage: The borrower can pay this mortgage either in full or part with remaining month's interest as additional penalty.
- or
- O Interest in advance: The borrower can pay this mortgage either in full or part at any time without refund of the interest paid in advance.

CHARGES THAT MAY APPLY: Following charges may apply, in addition to the monthly interests:

Event	Amount	Comment
Cheque(s) dishonored:	\$250.00	+HST
Late payment:	\$250.00	
Demand letter	\$250.00	+HST
The preparation of a mortgage statement	\$400.00	
Discharge Fees	\$350.00	
Default proceeding	\$1,500.00	+ HST
Renewal of mortgage	See below	
Assumption of possession, for default	\$500.00	+HST
for administering maintenance and security of the property in the lender's possession	\$1000.00	+HST per day.
Legal Fees for discharge	\$750.00	+ HST plus disbursements

All fees payable in relation to the administration, processing and servicing of the Mortgage by Mortgagee as set out in this Schedule "A", are subject to change by Mortgagee without notice to the Mortgagors. These fees are a reasonable estimate of the costs and expenses Mortgagee will incur for actions taken or for disbursements or charges incurred by Mortgagee as a result of a request by Mortgagors, a failure by Mortgagors to perform their Obligations under the Mortgage, or as a result of a default by Mortgagors. The payment of a fee shall not be deemed to be a consent, waiver or release from any terms of this Mortgage (including any breach thereof by Mortgagors) and Mortgagee reserves all of its rights to enforce the original terms of the Mortgage, including any and all of the rights of the Mortgagee on the default by the Mortgagors.

HARMONIZED SALES TAXES All applicable taxes which relate to any charges stated herein shall be paid by the Chargor(s) when due.

RECEIPT OF PAYMENTS Any payment received after the banking hour shall be deemed to have been made on the next Bank Business Day following receipt. For purposes of this paragraph, Saturday, Sunday Provincial and Federal Holidays shall be deemed to be non-business Bank Days,

SALE CLAUSE PROVIDED that if the Mortgagor, at any time, shall sell, transfer, convey or otherwise dispose of the herein described lands and building(s), or if the Chargor(s) is a Corporation and a change in control of the Chargor(s) occur, or a change in the beneficial ownership of the mortgaged property occur, without the prior written consent of the Mortgagee, at the mortgagee's option, the within mortgage shall immediately become due and payable in full including interest to the maturity date of the mortgage herein set forth.

BY-LAW CONFORMITY AND OCCUPANCY PROVIDED that if at any time the said property, and or the building(s) located on the said property, do not comply with the zoning by-laws, municipal by-laws, or the by-laws of any other level of government and/or the building becomes unoccupied, then in either of these events the balance of the principal monies hereby secured, together with interest as herein provided shall forthwith become due and payable upon demand.

INSURANCE PROVIDED that the Mortgagor shall arrange a comprehensive Insurance Policy covering the use of the property, including rental interruption insurance (if applicable), which insurance must be satisfactory to the Mortgagee.

INSPECTION The Chargor(s) agrees to permit the Chargee(s) the right to inspect the Property as the Chargee(s) deems necessary.

MATRIMONIAL HOME PROVIDED that in the event that any part of the properties herein becomes the matrimonial home of either of the Mortgagors herein, then the monies secured hereby shall become due and payable unless the spouse of such party consents to the mortgage and releases to the Mortgagee his/her interest herein.

EXPROPRIATION PROVIDED that if the said lands shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the amount of the principal hereby remaining unpaid shall forthwith become due and payable together with interest at the said rate to the date of payment and together with a bonus equal to the sum of two months interest at the said rate calculated on the remaining principal from the said day of payment to the date the principal sum or balance thereof remaining unpaid would otherwise under the provisions of this mortgage become due and payable.

UREA FORMALDEHYDE POAM INSULATION (UFFI) The Chargor(s) covenants that the within property has never had "UREA FORMALDEHYDE FOAM" insulation installed,

, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the property.

PROVIDED that there are any environmental problems relating to the mortgaged properties, and if any occur, they will be attended to by the mortgagor, or the mortgage may be called, at the mortgagees' option.

ILLEGAL SUBSTANCES PROVIDED that the property and buildings being mortgage have never been used for the purposes of manufacturing or growth of any illegal substances. In the event that the property and buildings have been used for the purpose of manufacturing or growth of any illegal substances the mortgage, at the Lender's option, may become due and payable forthwith.

THE CONSTRUCTION LIEN ACT The Mortgagor(s) for himself, his heirs, executors, administrators, successors and assigns hereby covenant(s) and agree(s) that any amount of monies claimed as a priority over this charge pursuant to the Construction Lien Act, 1983, Statutes of Ontario, may be added to the principal amount outstanding under this Charge in the event that the Chargee(s) herein, his/their heirs, executors, administrators, successors and assigns are obliged to pay any amounts owing under the said Construction Lien Act.

CREDIT REPORT and CONSENT TO USE PERSONAL INFORMATION The Chargor and Guarantor, if any, agree and consent that credit inquiries may be made by the Chargee(s) at any time in connection with the mortgage loan herein.

By signing this charge/mortgage with respect to the mortgaged/charged property, the mortgagor/chargor(s) and all guarantor(s), if any, agree that the mortgagee/chargee shall have the right to seek any information from any government agency, authority or office whether municipal, provincial or federal, Tarion, Electric Safety Agency or Technical Safety Standards Agency at any time either before or after the registration of this mortgage/charge and before and after default including to request site inspections or only information on file at the entity about the said mortgagor/chargor(s) and all guarantor(s) and/or the property and the chargee/mortgagee shall have the right to retain such information which may be used as the mortgagee/chargee deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The mortgagor/chargor(s) and the guarantor(s) also agree that the mortgagee/chargee may retain this information on file for as long as the mortgagee/chargee deems appropriate. The mortgagor/chargor(s) and all guarantor(s), if any, also agree to any and all searches being carried out by the mortgagee/chargee from time to time as the mortgagee/chargee deems necessary in its sole discretion.

ADDITIONAL PROVISIONS In addition to the standard charge terms adopted hereunder, the Mortgagor and the Mortgagee agree that the following shall apply:

Upon default in payment of the principal or interest under this Charge or performance of any of the terms and conditions hereof, the Charges may enter into and take possession of the land hereby charged free from all manner of former conveyances, mortgages, charges, or encumbrances, suit hindrance, interruption or denial of the Chargor or any other person whatsoever.

PROVIDED FURTHER that, upon payment of all principal, interest and any other sums that may be payable pursuant to the terms of this mortgage, the Chargor(s) shall be entitled to a discharge of this mortgage which shall be prepared by the Chargee's solicitors at Chargor(s) sole expense, payable prior to release of discharge documents.

SUBSEQUENT FINANCING No financing subsequent to the Chargee(s) mortgage shall be permitted without the prior written consent of the Chargee(s).

SURVIVAL OF THE TERMS OF THE COMMITMENT Notwithstanding the registration of the mortgage and the advances made pursuant to same, the terms and conditions of the commitment executed in relation to this charge shall remain binding and effective on the parties hereto.

NOTICE Any notice required or permitted to be given hereunder will be sufficiently given if sent by prepaid registered mail and addressed, in the case of the Chargor(s), at the address indicated in this mortgage and in chargee case, at the address shown on the face of this mortgage provided that either of us shall be entitled to designate another address by giving written notice thereof to the other. Any notice so mailed shall remain binding and effective on the parties hereto.

RECEIVER In the event that the Chargee(s) has to complete the construction of the project on the herein described lands, due to the default of the Chargor, then the Chargee(s) in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to complete the building and to do all things necessary as an owner would be entitled to do. The terms and conditions of the receiver are to be further elaborated in the Charge as required by the Chargee(s)'s lawyers. The Chargor agrees that it shall not oppose any such appointments.

ASSIGNMENT OF RENT As additional security the borrower will assign to the lender all rental income from the property. The lender will not exercise any rights under the assignment unless there is a default under the mortgage. The borrower agrees not to enter into any lease agreement without the written permission of the lender and to inform the lender of any and all tenants. The borrower(s) cannot deny the right of the lender to rent whether or not the instrument regarding the assignment of rent is registered on title.

NON-TENANCY The Chargor/Mortgagor confirms that the premises charged/mortgaged hereunder is a single family home not subject to a tenancy agreement at the date of execution hereof. The Chargor/Mortgagor further

covenants not to enter into a tenancy agreement prior to the repayment in full of the indebtedness hereunder, and that any tenancy created shall be deemed a default under the herein charge/mortgage loan.

AUTOMATIC RENEWAL Provided that should the mortgage loan not be repaid in full on the maturity date, then and at the sole option of the Chargee/Mortgagee, the Chargor/Mortgagor and Guarantor if any, shall be deemed to have accepted and the mortgage may be extended or renewed at the sole discretion of the Lender and at their new terms.

DISCHARGE PROVIDED that when a discharge of the Charge/Mortgage is required for the within Charge/Mortgage, then the Chargee's/Mortgagee's Solicitor will prepare the discharge documentation for the execution by the Chargee/Mortgagee, which costs shall be at the Chargor/Mortgagor expense.

DEFAULT Each and every of the following events shall constitute default under the Charge/Mortgage;

- (1) default in the payment of the Principal Amount, interest or any other amount secured by this Charge/Mortgage, when payment of such amount becomes due under the terms of this Charge;
- (2) if the Chargor/Mortgagor sells, transfers or otherwise disposes of the property or any interest in the Property, to a purchaser not approved by the Chargee/Mortgagee in writing;
- (3) if the Chargor/Mortgagor is a Corporation and there is a change of control to a person or persons not approved by the Chargee/Mortgagee in writing;
- (4) if a petition in bankruptcy is filed against the Chargor/Mortgagor, if the Chargor/Mortgagor makes a proposal to creditors under the Bankruptcy and Insolvency Act, or makes a general assignment for the benefit of its creditors, if a receiver, interim receiver, monitor or similar person is placed or is threatened, to be placed in control of or for overview of the Chargor's/Mortgagor's affairs or Property, or in the opinion of the Chargee/Mortgagee, the Chargor/Mortgagor becomes insolvent;
- (5) default under terms or covenants contained herein or under any terms or covenants contained in any encumbrance registered in priority or subsequent to this Charge/Mortgage, or in payment of the realty taxes or, condominium common expenses for the said property, shall constitute default under this Charge/Mortgage.

The Chargor/Mortgagor agrees that should the mortgage not be renewed or discharged on the maturity date, that the Chargee/Mortgagee, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest, which amount shall be added to the principal amount outstanding hereunder on the maturity date.

The Chargor/Mortgagor agrees that should the Chargee/Mortgagee commence action due to default under the Charge/Mortgage, that the Chargee/Mortgagee at his option shall be entitled to charge an additional fee equivalent to three (3) months interest.

INDEMNIFICATION OF CHARGE In the event the Chargee shall be made a party to any litigation commenced by or against the Chargor, the Chargor shall indemnify and hold the Chargee harmless there from and shall pay all costs, expenses and solicitor's fees on a full indemnity basis. Such costs shall be a charge on the property and may be added to the principal amount secured hereby.

SERVICING FEE In the event that the Chargee is called upon to pay any payment in order to protect its security position including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$500.00 for making such payment or payments.

GUARANTOR CLAUSE Following rules shall apply for the guarantor(s), if any:

IN consideration of the premises and of the Mortgagee advancing the said money to the Mortgagor, the Guarantor doth hereby absolutely and unconditionally guarantee to the Mortgage and its successors and assigns, the due and punctual payment by the Mortgagor of all principal moneys, interest and other moneys owing on the security of this mortgage, and the Guarantor for himself, his heirs, executors and administrators, covenants with the Mortgagee that

if the Mortgagor shall at any time make default in the punctual payment of any moneys payable hereunder, he will pay all such moneys to the Mortgagee without any demand being required to be made.

AND it is hereby expressly declared that although as between the Guarantor and the Mortgagor, the Guarantor is only surety for the payment by the Mortgagor of the moneys hereby guaranteed, yet as between the Guarantor and the Mortgagee the Guarantor shall be considered as primarily liable therefore and that no releases of any portion or portions of the mortgaged premises, and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor or any successor which may arise under this mortgage, and that no extension or extensions granted by the Mortgagee to the Mortgagor or any successor for payment of the mortgage moneys hereby secured or for the doing, observing or performing of any covenants, agreement, matter or thing herein contained, to be done, observed or performed by the Mortgagor or any successor nor any variation in or departure from the provisions of this mortgage nor any other dealings between the Mortgagor or any successor and Mortgagee nor any release of the Mortgagor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Mortgagee or affect the liability of the Guarantor in any way under this covenants, which shall continue and be binding on the Guarantor, and as well after as before default and after as before maturity of this mortgage, until the said mortgage moneys are full paid and satisfied. And it is hereby further expressly declared that the Mortgage shall not be bound to exhaust its recourse against the Mortgagor or the mortgaged premises before being entitled to payment from the Guarantor of the amount hereby guaranteed by the Guarantor.

ANY payment by the Guarantor or any moneys under his said guarantee shall not in any event be taken to affect the liability of the Mortgagor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Mortgagor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies subrogated as against the Mortgagor to all the rights, privileged and powers to which the Mortgagee was entitled prior to payment by such Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the mortgaged premises in competition with the Mortgagee and shall not unless and until the whole of the principal, interest and other moneys owing on the security of this mortgage shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Mortgagee.

AND it is further hereby expressly declared that the release of any of the Guarantor from liability hereunder shall not affect the liability of the remaining Guarantor or Guarantors which shall remain unimpaired and still in full force and effect as if the Guarantor or Guarantors so released had not been a party or parties to this Agreement.

ALL covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor or Guarantors shall be equally binding upon his heirs, executors, administrators and assigns, or successors and assigns as the case may be, and all such covenants and liabilities and obligations shall be joint and several.

THE Mortgagee may vary any agreement or arrangement with the Guarantor and grant extensions of time to or otherwise deal with him, his executors or administrators, without any consent on the part of the Mortgagor.

DATED at Toronto, this day of June, 2022.

BARAKAA DEVELOPER INC.

Hitesh R. Jhaveri
Director/Guarantor

Niketa Jhaveri
Director/Guarantor

The undersigned, hereby agrees to fund the following transaction, subject to the Terms & Conditions hereunder and Schedule "A" attached.

Lender:	1417199 ONTARIO LIMITED		
Insured Address:	19, 23, 25 Madison Avenue, Richmond Hill ON L4E 2Z7		
Name of the Borrower:	Barakaa Developer Inc.		
Contact #	Cell: 416-887-7635	O- 647-347-0079	Cell: 647-855-2525
Mortgage Position:	Third Mortgage		
Mortgage Type:	OPEN MORTGAGE		
Term:	One Year		
Amortization:	n/a		
Mortgage Amount:	\$750,000.00 (Seven Hundred Fifty Thousand dollars) To be paid in installments directly to the Borrower.		
Interest Rate:	12%		
Payment Frequency:	Monthly		
Interest Payment:	As per Draws and to be paid directly to the Lender.		
Lender's Fee:	5% lender fees to be deducted per draw.		
Broker's Fee:	\$0.00		
Prepayment:	Can be paid in full with no interest penalty		
Closing Date:	JUNE 1st, 2023		
Dated at Toronto:	May 31st, 2023		

DocuSigned by:

HANS DHINGRA

470C098E7617411...

1417199 Ontario Limited (Hans Dhingra)

I have the authority to bind the corporation.

208 Northwood Drive, North York, Ontario, M2M 2K4

416-804-0216

Acknowledgement:

The undersigned acknowledges receipt of a signed copy of this commitment letter, a signed Statement of Mortgage and accepts the terms as outlined above and on Schedule "A".

5/30/2023 | 7:55 PM EDT

Dated at: _____ on _____ day of _____ 2023.

Witness

Witness

DocuSigned by:

Hitesh Jhaveri

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5/30/2023 | 4:54 PM PDT

DocuSigned by:

Nikita Wadia Jhaveri

047BE61B181048E

Nikita Wadia Jhaveri

5/30/2023 | 7:55 PM EDT

Schedule "A"

Forms Part of the Commitment

Terms & Conditions of the Mortgage:

1. There will be a charge of \$500.00 for each dishonoured payment / NSF Cheque as well as missed and late instalment payments.
2. There will be a charge of \$350.00 for the mortgage statement.
3. There will be a charge of \$350.00 of mortgage discharge fee applicable for discharging the mortgage.
4. All legal fees and disbursements associated with this mortgage /or discharge will be paid by the mortgagor(s).
5. This mortgage can be paid in full any time with no interest penalty during the mortgage period.
6. This mortgage is assignable by the Lender without prior notice to the Borrowers.
7. Mortgagor(s) cannot renew / replace / increase the existing 1st Mortgage of approx \$4.2 Million and Second mortgage of \$500,000 without prior consent of the mortgagee and further any increase in the principal outstanding balance of the said 1st and 2nd Mortgages to be paid and applied in reduction of the within 3rd Mortgage, subject to prepayment penalties wherever applicable.
8. Property Tax to be paid in full and be up to date. Failure to pay property tax on time constitutes a default on the mortgage. Solicitor to provide confirmation they are uptodate for 2022.
9. The Borrower(s) will provide a copy of the insurance policy naming the Lender as a loss payee.
10. The Borrower(s) shall execute all other legal documents and Standard Charge Terms No.200033.
11. The Borrower(s) will deliver post-dated cheques to the Lender directly and as directed.
12. The Mortgage may only be renewed at the sole discretion of the Lender and at their new terms.
13. All Directors shall sign as Guarantors and provide personal undertaking to pay back on maturity.
14. Title Insurance is waived.
15. The Mortgagor confirms the appraisal value as of date is over 7 Million and Hans Dhingra of Re Max will be the Selling agent for all the three properties.

5/30/2023 | 7:55 PM EDT

Dated at: _____ on _____ day of _____ 2023.

Witness

Witness

DocuSigned by:

Hitesh Jhaveri

C4FC3BEFF937425...

Hitesh Jhaveri

5/30/2023 | 4:54 PM PDT

DocuSigned by:

Nikita Jhaveri

047BE61B181642E...

Nikita Wadia Jhaveri

5/30/2023 | 7:55 PM EDT

Promissory Note

PRINCIPAL REGISTERED AMOUNT: \$750,000.00 (Seven hundred fifty thousand dollars)

SECURITY: 19, 23, 25 Madison Avenue, Richmond Hill ON L4E 2Z7

FOR VALUE RECEIVED, Barakaa Developer Inc. (the “Borrower(s)”) and Hitesh Jhaveri and Nikita Wadia Jhaveri (the Guarantor(s)), hereby acknowledges indebted and promises to pay to the order of 1417199 ONTARIO LIMITED, (the “Holder”) the principal sum of \$750,000.00 (the “Principal”) in lawful money of Canada, upon the terms and conditions set out hereunder:

- 1. The Principal shall bear 12 % interest;
- 2. The term of this Promissory Note is 12 Months, or at any time the Borrower(s) should attempt to liquidate, transfer or assign the collateral security hereby assigned to the Holder, at which time the unpaid balance shall become due and payable.
- 3. The Borrower(s) agrees to pay all reasonable costs and expenses, including legal expenses, paid or incurred in collecting unpaid balance of said interest accrued on this Promissory Note.
- 4. The Borrower(s) waive presentation for payment, demand, notice of non-payment, notice of dishonour, protest, notice of protest and diligence in collection or bringing suit, and consents to all extensions of time, renewals, waivers or modification that may be granted by the Holder with respect to the payment or any other provisions of this Promissory Note.
- 5. The Borrower(s) acknowledges the Borrower(s)’s obligations hereunder are not subject to any counterclaim or right of set off at law or in equity in respect of any claim, demand, liability, cause of action, debt, account or amount owing or alleged to be owing or accruing due to, or in favour of, the Borrower(s).
- 6. This Promissory Note will be registered as security against the property stated above and this will be sufficient authority from the Borrower (s) to consent the same.
- 7. The Promissory Note and the rights, obligations and relations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Ontario.

Signed, sealed and delivered in the presence of:

5/30/2023 | 7:55 PM EDT

Dated at: _____ on _____ day of _____ 2023.

Witness

Witness

DocuSigned by:
Hitesh Jhaveri 5/30/2023 | 4:54 PM PDT
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Hitesh Jhaveri

DocuSigned by:
Nikita Jhaveri 5/30/2023 | 7:55 PM EDT
047BE81B181642E...

Nikita Wadia Jhaveri

This is **Exhibit "T"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties				
PIN	03206 - 4244	LT	Interest/Estate	Fee Simple
Description	LOT 739 AND PART LOT 140, PLAN 133, PART 3, PLAN 65R38228			
Address	19 MADISON AVENUE RICHMOND HILL			
PIN	03206 - 4245	LT	Interest/Estate	Fee Simple
Description	LOT 741 AND PART LOTS 740 AND 742, PLAN 133, PART 2, PLAN 65R38228			
Address	23 MADISON AVENUE RICHMOND HILL			
PIN	03206 - 4246	LT	Interest/Estate	Fee Simple
Description	LOT 743 AND PART LOT 742, PLAN 133, PART 1, PLAN 65R38228			
Address	25 MADISON AVENUE RICHMOND HILL			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	BARAKAA DEVELOPER INC.
Address for Service	9 Ridgevale Dr Markham, ON L6B 1A8
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)	Capacity	Share
Name	BIP MANAGEMENT CORPORATION	
Address for Service	290 Upper Post Rd Maple, ON L6A 4K3	

Statements
Schedule: See Schedules
I Kelvin Kwan, Commissioner of Planning and Building Services of The City of Richmond Hill hereby consent to the charge/mortgage of the above described lands, subject to the continuance of registration number YR2921415., has consented to the registration of this document, subject to the continuance of registration number YR2921415 registered on 2019/01/21
In accordance with registration YR2921415 registered on 2019/01/21, the consent of Kelvin Kwan has been obtained for the registration of this document.

Provisions			
Principal	\$1,500,000.00	Currency	CDN
Calculation Period	Monthly, not in advance, interest only		
Balance Due Date	2024/08/23		
Interest Rate	15.2%		
Payments	\$19,000.00		
Interest Adjustment Date	2023 08 23		
Payment Date	23rd day of each and ever month		
First Payment Date	2023 09 23		
Last Payment Date	2024 08 23		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Hitesh Jhaveri & Niketa Wadia		

Signed By				
David Howard Lyle Rosen		2200-4950 Yonge St. Toronto M2N 6K1	acting for Chargor(s)	Signed 2023 09 12
Tel	416-238-7048			
Fax	416-238-7086			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By

DAVID ROSEN2200-4950 Yonge St.2023 09 12
Toronto
M2N 6K1

Tel 416-238-7048

Fax 416-238-7086

Fees/Taxes/Payment

Statutory Registration Fee\$69.00

Total Paid\$69.00

File Number

Chargee Client File Number :23-6220

SCHEDULE “A”

ADDITIONAL PROVISIONS

ADMINISTRATION FEE

The Chargee/Mortgagee shall charge an administration fee listed below for each occurrence of any of the following events:

\$350.00	Late Payment
\$300.00	Cheque Dishonoured for any reason
\$500.00	Failure to pay realty taxes when same fall due
\$350.00	Failure to provide proof of payment of realty taxes if asked
\$750.00	Failure to obtain and/or maintain insurance coverage, with mortgagee endorsement in favour of the herein Chargee/Mortgagee or its assigns
\$350.00	Failure to provide proof of insurance coverage on an annual basis
\$500.00	Failure to provide post-dated cheques
\$1500.00	Default under the herein charge or under the condominium or co-ownership declaration and by-laws
\$1500.00	Failure to notify Chargee/Mortgagee of registration of a Lien by the Condominium Corporation or Co-Ownership Corporation, for common maintenance arrears or other default
\$1500.00	Default under the prior mortgage, charge or encumbrance
\$250.00	Request for Mortgage/ Discharge Statement
\$500.00	Servicing fee for Payment of realty taxes, insurance premiums, condominium common expenses, principal, interest or costs under a prior mortgage.
\$250.00	Servicing fee of \$250.00 per day towards property management in case of a default
\$300.00	Inspection Fee to view the property in case of a default
\$200.00 +	Correspondence, per letter sent plus the applicable legal fees
\$1500.00	Administration fee in case of a bankruptcy or insolvency
\$300.00	Lender’s Discharge Administration fee plus the applicable legal fees

If no immediate payment of fees is made, such administration fee shall be automatically added to the principal amount outstanding upon the happening of each such occurrence.

DISPOSITION OF THE MORTGAGED LAND


Provided that if the Chargor(s)/Mortgagor(s), sells, transfers, conveys or otherwise disposes of the lands and premises all amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses, shall, at the sole option of the Chargee/Mortgagee, be immediately due and payable and shall bear interest at the rate of interest in accordance with the terms of this Charge/Mortgage from the payment date next preceding the date of such sale, transfer, conveyance or disposition to the date of payment.

CONSTRUCTION LIEN ACT


No portion of the proceeds of this Mortgage is to be used to finance any construction, alterations, renovations or improvements to the subject property within the meaning of the Construction Lien Act (Ontario) or to repay a Mortgage which was taken out for this purpose, failing which all amounts, whether principal, interest or otherwise that may be owing hereunder, including Administration Fees and bonuses, shall be immediately due and payable at the sole option of the Mortgagee. If any amount of money is claimed in priority over this Mortgage pursuant to the Construction Lien Act (Ontario and if the Mortgagee is obligated to pay any amounts owing under the said Act, same shall be added to the principal amount outstanding under the Mortgage.

COSTS


In the event of default under the herein Charge/Mortgage, notwithstanding anything contained to the contrary hereinbefore or hereinafter, all costs, charges and expenses including all legal costs on a solicitor and client basis, which may be incurred in endeavoring to collect any monies overdue under this charge, and/or rectifying all other monetary or non-monetary default under the terms of this charge and including but not limited to obtaining legal counsel and advice and to the taking, recovering


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
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and keeping possession of the said lands and of negotiating this loan, investigating title, and registering the Charge/Mortgage and other necessary deeds, and generally in any other acts, actions and/or proceedings taken, in connection with or to realize this security, shall be, with interest at a rate as set out herein, a charge upon the said lands in favour of the Chargee/Mortgagee.

PAYMENT METHOD

The Chargor(s)/Mortgagor(s) shall provide the Chargee/Mortgagee with a series of post-dated cheques on or before the closing date of the Charge/Mortgage and a further series of post-dated cheques on or before each anniversary date of the within Charge/Mortgage. Failure to provide such cheques shall at the Chargee's/Mortgagee's option constitute default under the Charge/Mortgage. In the event that there is more than one Chargee, the Chargor shall provide separate payments to each Chargee. In the event that the Charge/Mortgage is assigned, then the Chargor shall forthwith provide a replacement series of post-dated cheques to the new Chargee/Mortgagee or as the new Chargee/Mortgagee may so direct.

In the event that the Chargee is or becomes a financial institution as Trustee for the RRSP or RRIF of an individual or individuals, the Chargor shall forthwith provide a replacement series of post dated cheques to the planholder or planholders or as the planholder or planholders directs.

ASSUMPTION OF CHARGE CLAUSE

NOTWITHSTANDING anything to the contrary hereinbefore or hereinafter contained, the Chargor/Mortgagor expressly covenants, undertakes and agrees that the prior written approval of the Chargee/Mortgagee (which approval may at its sole discretion be withheld by the Chargee/Mortgagee) shall be obtained to any proposed sale or transfer of title to the said lands and premises or any part thereof; in the event of failure by the Chargor/Mortgagor to obtain such prior approval, the within Charge/Mortgage shall at the sole option of the Chargee/Mortgagee become due and payable. Following approval by the Chargee/Mortgagee to any sale or transfer of title as aforesaid, the Chargor/Mortgagor shall obtain from the Purchaser an agreement in writing assuming the within Charge/Mortgage and all monies then owing thereunder and in default of the execution and delivery to the Chargee/Mortgagee of such assumption agreement, the monies then owing hereunder shall be accelerated and become legally due and payable; it being understood and agreed, however, that the Chargor/Mortgagor shall also remain liable to the Chargee/Mortgagee in respect to any deficiency upon a sale of the said lands and premises by the Chargee/Mortgagee under the Power of Sale provisions contained in the within Charge/Mortgage, or upon sale of the said lands and premises by a prior Charge/Mortgage or other prior encumbrancer..


ASSIGNMENT OF RENTALS

The Chargor(s)/Mortgagor(s) will assign to the Chargee/Mortgagee all rents payable from time to time under leases of the land or any part thereof whether presently existing or arising in the future, together with the benefit of all covenants contained in the said leases in favour of the Chargor(s)/Mortgagor(s) and for the purpose of enabling the Chargee/Mortgagee to enforce payment of the said rents, the Chargor(s)/Mortgagor(s) covenants and agrees that it will forthwith after making any lease of the land or any part thereof grant and assign to the Chargee/Mortgagee the reversion of such lease; provided that nothing herein contained shall be deemed to make the Chargee/Mortgagee responsible for the collection of such rents or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease, and that the Chargee/Mortgagee shall not by virtue of these presents be deemed a Chargee/Mortgagee in possession of the land; and provided further that the Chargee/Mortgagee shall be liable to account for only such monies as may actually come into its hands by virtue of these presents less proper collection charges and that such monies when so received by the Chargee/Mortgagee shall be applied on account of the debt secured by the Charge/Mortgage; and provided further that the Chargee/Mortgagee will not cause the tenants under the said leases or any of them to pay rent to the Chargee/Mortgagee unless and until default has occurred in performance of any covenant contained in this Charge/Mortgage; and the Chargor(s)/Mortgagor(s) will perform all of the Landlord's covenants and obligations contained in the said leases or any of them. The Chargor(s)/Mortgagor(s) will execute such further documents as the Chargee/Mortgagee may from time to time deem requisite for the purpose of giving full effect to the Assignment of Rents hereinbefore contained and of enabling the Chargee/Mortgagee to enforce payment of such rents.


SALE ON TERMS

In the event power of sale proceedings are taken, the Chargee as vendor may sell the property on terms and if the result is that a charge/mortgage or charges/mortgages by the Chargee are taken back as part consideration of the sale, then the Chargee shall be entitled to sell those mortgages at a discount, without recourse by the Chargor/Mortgagor and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.


In the case of a sale on credit the Chargee/Mortgagee shall be bound to apply on account only such monies as have been actually received from the purchasers from time to time. After the satisfaction of all Chargee's/Mortgagee's claims, the




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Chargee will not be bound to pay any amount to the Chargor/Mortgagor or any other person claiming entitlement thereto until all such agreements and assurances as the Chargee/Mortgagee considers fit have been executed and delivered.

The Chargee/Mortgagee may buy in or rescind or vary and contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby.

Any person, including the Chargee/Mortgagee herein, may bid on, tender for or purchase the Property at the sale.

RECEIVERSHIP CLAUSE

The Chargor/Mortgagor agrees that if and whenever the Chargee/Mortgagee becomes entitled hereunder to enter into possession of the mortgaged premises, it may in its sole discretion, by writing, appoint a Receiver of the mortgaged premises or any part thereof and of the rents and profits hereof and from time to time remove any receiver and appoint another in his stead and that in making any such appointment or appointments the Chargee/Mortgagee shall be deemed to be acting as the attorney for the Chargor/Mortgagor.

And that the following provisions shall apply upon the appointment of any such receiver: that such appointment may be made either before or after the Chargee/Mortgagee shall have entered into or taken possession of the mortgaged premises or any part thereof; that every such receiver may, at the sole discretion of the Chargee/Mortgagee, be vested with all or any of the powers and discretions of the Chargee/Mortgagee; that the Chargee/Mortgagee may from time to time fix the remuneration of every such receiver and direct the payment thereof of the mortgaged premises or the proceeds thereof; that every such receiver shall so far as concerns the responsibility for his acts or omissions be deemed the agent of the Chargor/Mortgagor and in no event the agent of the Chargee/Mortgagee, and the Chargee/Mortgagee in making or consenting to such appointment shall not incur any liability to the receiver for his remuneration or otherwise howsoever; that all monies from time to time received by such receiver shall be paid by him firstly, in discharge of all rents, taxes, insurance premiums and outgoings affecting the mortgaged premises, secondly, in payment of his commission as receiver and the cost of executing the necessary or proper repairs; thirdly, in keeping in good standing all charges on the mortgaged premises prior to this Charge/Mortgage; fourthly, in payment of the interest accruing due under this mortgage; and the residue of any money so received by him shall be applied on the principal sum from time to time owing under this Charge/Mortgage.

NON-TENANCY

The Chargor(s)/Mortgagor(s) confirm that the premises charged/mortgaged hereunder is a single family home not subject to a tenancy agreement at the date of execution hereof. The Chargor(s)/Mortgagor(s) further covenant not to enter into a tenancy agreement prior to the repayment in full of the indebtedness hereunder, and that any tenancy created shall be deemed a default under the herein charge/mortgage loan.

RENOVATION

The Chargor(s)/Mortgagor(s) agree not to renovate or rent any part of the subject premises without written approval of the Chargee(s)/Mortgagee(s).

MORTGAGE RENEWAL

Notwithstanding any other terms or conditions in this schedule or the Charge, if this mortgage is not paid in full on or by the Balance Due Date, this mortgage, at the sole option of the lender, upon notice, will renew for an additional Six Months at a cost of 2.00% of the outstanding Principal and Interest on the Balance Due Date on the same terms and conditions as stated in the original mortgage commitment. This renewal fee shall be secured by this Mortgage.


DISCHARGE


PROVIDED that when a discharge of the Charge/Mortgage is required for the within Charge/Mortgage, then the Chargee's/Mortgagee's Solicitor will prepare the discharge documentation for execution by the Chargee/Mortgagee, which costs shall be at the Chargor's/ Mortgagor's expense.


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
Each and every of the following events shall constitute default under this Charge/Mortgage:

- (1) default in the payment of the Principal Amount, interest or any other amount secured by this Charge/Mortgage, when payment of such amount becomes due under the terms of this Charge;


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- (2) if the Chargor/Mortgagor sells, transfers or otherwise disposes of the Property or any interest in the Property, to a purchaser not approved by the Chargee/Mortgagee in writing;
- (3) if the Chargor/Mortgagor is a Corporation and there is a change of control to a person or persons not approved by the Chargee/Mortgagee in writing;
- (4) if a petition in bankruptcy is filed against the Chargor/Mortgagor, if the Chargor/Mortgagor makes a proposal to creditors under the Bankruptcy and Insolvency Act, or makes a general assignment for the benefit of its creditors, if a receiver, interim receiver, monitor or similar person is placed or is threatened to be placed in control of or for overview of the Chargor's/Mortgagor's affairs or Property, or in the opinion of the Chargee/Mortgagee, the Chargor/Mortgagor becomes insolvent;
- (5) default under any terms or covenants contained herein or under any terms or covenants contained in any encumbrance registered in priority or subsequent to this Charge/Mortgage, or in payment of the realty taxes or condominium common expenses for the said property, shall constitute default under this Charge/Mortgage.

ANY PAYMENT that is made after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

The Chargor/Mortgagor agrees that should the mortgage not be renewed or discharged on the maturity date, that the Chargee/Mortgagee, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest, which amount shall be added to the principal amount outstanding hereunder on the maturity date.

The Chargor/Mortgagor agrees that should the Chargor/Mortgagor default under any terms of the herein Charge or should the Chargee/Mortgagee commence action due to a default under the Charge/Mortgage, that the Chargee/Mortgagee at its option shall be entitled to charge an additional fee equivalent to three (3) months interest.

PREPAYMENT PRIVILEGE

Chargor/Mortgagor, when not in default hereunder, shall have the privilege of prepaying the whole or any part(s) of the principal sum herein secured, on any payment date, providing 15 days prior written notice of the proposed date of prepayment.

ACKNOWLEDGMENT ON ASSIGNMENT

In the event that the Chargee assigns transfers or otherwise conveys its interest hereunder, and upon the delivery of notice of same to the Chargor, the Chargor, if so requested, shall without cost, at any time and from time to time, execute an acknowledgment with respect to the terms and conditions of the Charge and the amount outstanding there under. Failure to execute the acknowledgment and deliver the acknowledgment to the Chargee within 5 days of its receipt by the Chargor to the Chargee shall be deemed to be default by the Chargor under the Charge.

FURTHER ENCUMBRANCES


The Chargor shall not grant or permit any further mortgages, charges or encumbrances of any nature to be registered against the Property without the prior written consent of the Chargee, and in the event of breach of this covenant, the Chargee shall be entitled to commence default proceedings and at the option of the Chargee, all money secured by this Charge/Mortgage together with an amount equal to three (3) months interest on the principal amount at the rate applicable to the principal amount shall become due and payable immediately.

CAPITALIZATION OF ANY PAYMENTS ON PRIOR ENCUMBRANCES


If the Chargor makes any agreement with any prior encumbrancers, mortgagee's to satisfy any arrears of mortgage, property taxes, insurance or any other payments respecting the Property by way of an increase in the principal balance of the mortgage account or any other increase in the mortgage account, without the prior written consent of the Chargee, such act shall be a default under this Charge/Mortgage.

ACCRUAL OF INTEREST


In the event the terms of this Mortgage specifically provide for the accrual of interest for a specified period of time, the Chargor/Mortgagor confirms, represents and warrants that the provision for the accrual of interest has been requested by the




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Chargor/Mortgagor and the Chargor/Mortgagor represents, warrants and undertakes to use the monies that would otherwise be paid to the herein Chargee/Mortgagee but for the accrual, towards payment of outstanding realty taxes or to subsequent Chargees/Mortgagees and other subsequent encumbrancers/mortgagee's.

INDEMNIFICATION OF CHARGE

In the event the Chargee shall be made a party to any litigation commenced by or against the Chargor, the Chargor shall indemnify and hold the Chargee/Mortgagee harmless there from and shall pay all costs, expenses and solicitor's fees on a substantial indemnity basis. Such costs shall be a charge on the property and may be added to the principal amount secured hereby.

SERVICING FEE

In the event that the Chargee is called upon to pay any payment in order to protect its security position including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at Eighteen_(18%) percent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$400.00 for making each such payment or payments.

BANKRUPTCY & INSOLVENCY ACT

The Chargor/Guarantor represents and warrants that she/he is not an "Undischarged bankrupt" as defined in the Bankruptcy and Insolvency Act. In the event that the Chargor/Guarantor is an "Undercharged bankrupt", then all amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses together with a three (3) month interest payment thereon shall be immediately due and payable at the sole option of the Chargee.

COVENANT TO PAY BROKER FEE/REFERRAL FEE/LENDER/LEGAL FEE/COSTS

The Chargor acknowledges that in the event the loan hereby secured was arranged by one or more mortgage brokers or real estate brokers or by others and that broker/referral fees and legal costs were incurred by the Chargee, on behalf of the Chargor, in connection herein. Part of the consideration received by the Chargee in agreeing to advance the funds secured hereby is the payment of the mortgage brokers fees stipulated in Form 2 as required under the Mortgage Brokers Act, R.S.O., 1990 or the payment of the real estate brokers fees or referral fees, as the case may be, and legal costs incurred by the Chargee on behalf of the Chargor herein. Upon registration of this Charge, and where the Chargor is unable to or unwilling to receive the monies secured hereby, the Chargor shall not be entitled to a discharge of this charge until the mortgage brokers fees or real estate brokers fees or referral fees, as the case may be, the lenders fees, and the legal costs incurred by the Chargee, on behalf of the Chargor herein are paid in full.

PRIORITY PAYMENT OF ACCOMMODATION AND/OR AMENDMENT FEE/BROKER FEE/REFERRAL FEE/LENDER FEE/LEGAL COSTS


In the event the terms of this mortgage or any amendment and/or accommodation agreement made with respect thereto specifically provide for the capitalization or deferment of any accommodation and/or amendment fee, broker fee, referral fee, lender fee and/or legal costs, the Chargor/Mortgagor and Guarantor hereby acknowledge and agree and warrant and represent that all payments made are intended to and shall be first applied as payment against accommodation and/or amendment fees, referral fees, broker fees, lender fees and legal costs so capitalized or deferred, until such fees and costs are paid in full.

SEVERABILITY OF ANY INVALID PROVISIONS


If in the event that any covenant, term or provision contained in this Charge is held to be invalid, illegal or unenforceable in whole or in part, then the validity, legality and enforceability of the remaining covenants, provisions and terms shall not be affected or impaired thereby, and all such remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.

GUARANTOR CLAUSE


IN consideration of the premises and of the Mortgagee advancing the said money to the Mortgagor, the Guarantor doth hereby absolutely and unconditionally guarantee to the Mortgagee and its successors and assigns, the due and punctual payment by the




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Mortgagor of all principal moneys, interest and other moneys owing on the security of this mortgage, and the Guarantor for himself, his heirs, executors and administrators, covenants with the Mortgagee that if the Mortgagor shall at any time make default in the punctual payment of any moneys payable hereunder, he or they will pay all such moneys to the Mortgagee without any demand being required to be made.


AND it is hereby expressly declared that although as between the Guarantor and the Mortgagor, the Guarantor is only surety for the payment by the Mortgagor of the moneys hereby guaranteed, yet as between the Guarantor and the Mortgagee the Guarantor shall be considered as primarily liable therefore and that no release or releases of any portion or portions of the mortgaged premises, and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor or any successor which may arise under this mortgage, and that no extension or extensions granted by the Mortgagee to the Mortgagor or any successor for payment of the mortgage moneys hereby secured or for the doing, observing or performing of any covenant, agreement, matter or thing herein contained, to be done, observed or performed by the Mortgagor or any successor nor any variation in or departure from the provisions of this mortgage nor any other dealings between the Mortgagor or any successor and Mortgagee nor any release of the Mortgagor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Mortgagee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before default and after as before maturity of this mortgage, until the said mortgage moneys are fully paid and satisfied. And it is hereby further expressly declared that the Mortgagee shall not be bound to exhaust its recourse against the Mortgagor or the mortgaged premises before being entitled to payment from the Guarantor of the amount hereby guaranteed by the Guarantor.


ANY payment by the Guarantor or any moneys under his said guarantee shall not in any event be taken to affect the liability of the Mortgagor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Mortgagor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies subrogated as against the Mortgagor to all the rights, privileges and powers to which the Mortgagee was entitled prior to payment by such Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the mortgaged premises in competition with the Mortgagee and shall not unless and until the whole of the principal, interest and other moneys owing on the security of this mortgage shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Mortgagee.


AND it is further hereby expressly declared that the release of any of the Guarantors from his or their liability hereunder shall not affect the liability of the remaining Guarantor or Guarantors which shall remain unimpaired and still in full force and effect as if the Guarantor or Guarantors so released had not been a party or parties to this Agreement.


ALL covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor or Guarantors shall be equally binding upon his, or their heirs, executors, administrators and assigns, or successors and assigns as the case may be, and all such covenants and liabilities and obligations shall be joint and several.

THE Mortgagee may vary any agreement or arrangement with the Guarantor and grant extensions of time to or otherwise deal with him, his executors or administrators, without any consent on the part of the Mortgagor.


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This is **Exhibit "U"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties				
PIN	03206 - 4245	LT	Interest/Estate	Fee Simple
Description	LOT 741 AND PART LOTS 740 AND 742, PLAN 133, PART 2, PLAN 65R38228			
Address	23 MADISON AVENUE RICHMOND HILL			
PIN	03206 - 4246	LT	Interest/Estate	Fee Simple
Description	LOT 743 AND PART LOT 742, PLAN 133, PART 1, PLAN 65R38228			
Address	25 MADISON AVENUE RICHMOND HILL			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	BARAKAA DEVELOPER INC.
Address for Service	9 Ridgevale Drive Markham, Ontario L6B 1A8
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	JOSHI, SANJIVE	Joint Tenants	
Address for Service	4030 Sheppard Avenue East, 2nd Floor Scarborough, Ontario, M1S 1S6		
Name	XPERT CREDIT CONTROL SOLUTIONS INC.	Joint Tenants	
Address for Service	4030 Sheppard Avenue East, 2nd Floor Scarborough, Ontario, M1S 1S6		
Name	XPERT LAW INC.	Joint Tenants	
Address for Service	4030 Sheppard Avenue East, 2nd Floor Scarborough, Ontario, M1S 1S6		

Provisions			
Principal	\$5,000,000.00	Currency	CDN
Calculation Period			
Balance Due Date			
Interest Rate	18.99% per annum		
Payments			
Interest Adjustment Date			
Payment Date	On Demand		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200433		
Insurance Amount	See standard charge terms		
Guarantor			

Signed By				
Sanjive Joshi	4030 Sheppard Avenue East Toronto M1S 1S6	acting for Chargor(s)	Signed	2023 10 19
Tel	416-298-3400			
Fax	416-298-3402			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By		
XPERT LAW INC.	4030 Sheppard Avenue East Toronto M1S 1S6	2023 10 19

Submitted By

Tel 416-298-3400

Fax 416-298-3402

Fees/Taxes/Payment

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

This is **Exhibit "V"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties

PIN	26454 - 0553	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0554	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0555	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0556	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			
PIN	26454 - 0557	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	AJAX			

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

NameLERRATO INC.

Address for Service9 Ridgevale Dr
Markham, ON L6B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Chargee(s)CapacityShare

NameBIP MANAGEMENT CORPORATION

Address for Service290 Upper Post Rd
Vaughan, ON L6A 4K3

Statements

Schedule: See Schedules

Provisions

Principal	\$700,000.00	Currency	CDN
Calculation Period	Monthly, not in advance, interest only		
Balance Due Date	2024/08/09		
Interest Rate	15%		
Payments	\$8,750.00		
Interest Adjustment Date	2023 08 09		
Payment Date	9th day of each and every month		
First Payment Date	2023 09 09		
Last Payment Date	2024 08 09		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Hitesh Jhaveri & Niketa Hitesh Jhaveri		

Additional Provisions

This Charge is being registered as Collateral Security for a Charge/Mortgage to be registered on the properties municipally known as 369-377 Porte Road, Ajax, ON; (PIN 26454-0553 LT & PIN 26454-0554 LT & PIN 26454-0555 LT & PIN 26454-0556 LT & PIN 26454-0557 LT) respectively, with the same terms and provisions therein as this Charge.

Additional Provisions

Notwithstanding anything else contained in these Charge terms, the following are the provisions for the partial discharges of this Charge:

- 369 Porte Rd, Ajax, ON - by paying \$230,000.00;
- 371 Porte Rd, Ajax, ON - by paying \$80,000.00;
- 373 Porte Rd, Ajax, ON - by paying \$80,000.00;
- 375 Porte Rd, Ajax, ON - by paying \$80,000.00;
- 377 Porte Rd, Ajax, ON - by paying \$230,000.00;

See Schedule attached

Signed By

David Howard Lyle Rosen	2200-4950 Yonge St. Toronto M2N 6K1	acting for Chargor(s)	Signed	2023 08 10
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Tel 416-238-7048

Fax 416-238-7086

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

DAVID ROSEN	2200-4950 Yonge St. Toronto M2N 6K1	2023 08 10
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Tel 416-238-7048

Fax 416-238-7086

Fees/Taxes/Payment

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

File Number

Chargor Client File Number : 23-6219

SCHEDULE “A”

ADDITIONAL PROVISIONS

ADMINISTRATION FEE

The Chargee/Mortgagee shall charge an administration fee listed below for each occurrence of any of the following events:

\$350.00	Late Payment
\$300.00	Cheque Dishonoured for any reason
\$500.00	Failure to pay realty taxes when same fall due
\$350.00	Failure to provide proof of payment of realty taxes if asked
\$750.00	Failure to obtain and/or maintain insurance coverage, with mortgagee endorsement in favour of the herein Chargee/Mortgagee or its assigns
\$350.00	Failure to provide proof of insurance coverage on an annual basis
\$500.00	Failure to provide post-dated cheques
\$1500.00	Default under the herein charge or under the condominium or co-ownership declaration and by-laws
\$1500.00	Failure to notify Chargee/Mortgagee of registration of a Lien by the Condominium Corporation or Co-Ownership Corporation, for common maintenance arrears or other default
\$1500.00	Default under the prior mortgage, charge or encumbrance
\$250.00	Request for Mortgage/ Discharge Statement
\$500.00	Servicing fee for Payment of realty taxes, insurance premiums, condominium common expenses, principal, interest or costs under a prior mortgage.
\$250.00	Servicing fee of \$250.00 per day towards property management in case of a default
\$300.00	Inspection Fee to view the property in case of a default
\$200.00 +	Correspondence, per letter sent plus the applicable legal fees
\$1500.00	Administration fee in case of a bankruptcy or insolvency
\$300.00	Lender’s Discharge Administration fee plus the applicable legal fees

If no immediate payment of fees is made, such administration fee shall be automatically added to the principal amount outstanding upon the happening of each such occurrence.

DISPOSITION OF THE MORTGAGED LAND


Provided that if the Chargor(s)/Mortgagor(s), sells, transfers, conveys or otherwise disposes of the lands and premises all amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses, shall, at the sole option of the Chargee/Mortgagee, be immediately due and payable and shall bear interest at the rate of interest in accordance with the terms of this Charge/Mortgage from the payment date next preceding the date of such sale, transfer, conveyance or disposition to the date of payment.


CONSTRUCTION LIEN ACT


No portion of the proceeds of this Mortgage is to be used to finance any construction, alterations, renovations or improvements to the subject property within the meaning of the Construction Lien Act (Ontario) or to repay a Mortgage which was taken out for this purpose, failing which all amounts, whether principal, interest or otherwise that may be owing hereunder, including Administration Fees and bonuses, shall be immediately due and payable at the sole option of the Mortgagee. If any amount of money is claimed in priority over this Mortgage pursuant to the Construction Lien Act (Ontario and if the Mortgagee is obligated to pay any amounts owing under the said Act, same shall be added to the principal amount outstanding under the Mortgage.


COSTS

In the event of default under the herein Charge/Mortgage, notwithstanding anything contained to the contrary hereinbefore or hereinafter, all costs, charges and expenses including all legal costs on a solicitor and client basis, which may be incurred in endeavoring to collect any monies overdue under this charge, and/or rectifying all other monetary or non-monetary default under the terms of this charge and including but not limited to obtaining legal counsel and advice and to the taking, recovering


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and keeping possession of the said lands and of negotiating this loan, investigating title, and registering the Charge/Mortgage and other necessary deeds, and generally in any other acts, actions and/or proceedings taken, in connection with or to realize this security, shall be, with interest at a rate as set out herein, a charge upon the said lands in favour of the Chargee/Mortgagee.

PAYMENT METHOD

The Chargor(s)/Mortgagor(s) shall provide the Chargee/Mortgagee with a series of post-dated cheques on or before the closing date of the Charge/Mortgage and a further series of post-dated cheques on or before each anniversary date of the within Charge/Mortgage. Failure to provide such cheques shall at the Chargee's/Mortgagee's option constitute default under the Charge/Mortgage. In the event that there is more than one Chargee, the Chargor shall provide separate payments to each Chargee. In the event that the Charge/Mortgage is assigned, then the Chargor shall forthwith provide a replacement series of post-dated cheques to the new Chargee/Mortgagee or as the new Chargee/Mortgagee may so direct.

In the event that the Chargee is or becomes a financial institution as Trustee for the RRSP or RRIF of an individual or individuals, the Chargor shall forthwith provide a replacement series of post dated cheques to the planholder or planholders or as the planholder or planholders directs.

ASSUMPTION OF CHARGE CLAUSE

NOTWITHSTANDING anything to the contrary hereinbefore or hereinafter contained, the Chargor/Mortgagor expressly covenants, undertakes and agrees that the prior written approval of the Chargee/Mortgagee (which approval may at its sole discretion be withheld by the Chargee/Mortgagee) shall be obtained to any proposed sale or transfer of title to the said lands and premises or any part thereof; in the event of failure by the Chargor/Mortgagor to obtain such prior approval, the within Charge/Mortgage shall at the sole option of the Chargee/Mortgagee become due and payable. Following approval by the Chargee/Mortgagee to any sale or transfer of title as aforesaid, the Chargor/Mortgagor shall obtain from the Purchaser an agreement in writing assuming the within Charge/Mortgage and all monies then owing thereunder and in default of the execution and delivery to the Chargee/Mortgagee of such assumption agreement, the monies then owing hereunder shall be accelerated and become legally due and payable; it being understood and agreed, however, that the Chargor/Mortgagor shall also remain liable to the Chargee/Mortgagee in respect to any deficiency upon a sale of the said lands and premises by the Chargee/Mortgagee under the Power of Sale provisions contained in the within Charge/Mortgage, or upon sale of the said lands and premises by a prior Charge/Mortgage or other prior encumbrancer..


ASSIGNMENT OF RENTALS

The Chargor(s)/Mortgagor(s) will assign to the Chargee/Mortgagee all rents payable from time to time under leases of the land or any part thereof whether presently existing or arising in the future, together with the benefit of all covenants contained in the said leases in favour of the Chargor(s)/Mortgagor(s) and for the purpose of enabling the Chargee/Mortgagee to enforce payment of the said rents, the Chargor(s)/Mortgagor(s) covenants and agrees that it will forthwith after making any lease of the land or any part thereof grant and assign to the Chargee/Mortgagee the reversion of such lease; provided that nothing herein contained shall be deemed to make the Chargee/Mortgagee responsible for the collection of such rents or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease, and that the Chargee/Mortgagee shall not by virtue of these presents be deemed a Chargee/Mortgagee in possession of the land; and provided further that the Chargee/Mortgagee shall be liable to account for only such monies as may actually come into its hands by virtue of these presents less proper collection charges and that such monies when so received by the Chargee/Mortgagee shall be applied on account of the debt secured by the Charge/Mortgage; and provided further that the Chargee/Mortgagee will not cause the tenants under the said leases or any of them to pay rent to the Chargee/Mortgagee unless and until default has occurred in performance of any covenant contained in this Charge/Mortgage; and the Chargor(s)/Mortgagor(s) will perform all of the Landlord's covenants and obligations contained in the said leases or any of them. The Chargor(s)/Mortgagor(s) will execute such further documents as the Chargee/Mortgagee may from time to time deem requisite for the purpose of giving full effect to the Assignment of Rents hereinbefore contained and of enabling the Chargee/Mortgagee to enforce payment of such rents.


SALE ON TERMS

In the event power of sale proceedings are taken, the Chargee as vendor may sell the property on terms and if the result is that a charge/mortgage or charges/mortgages by the Chargee are taken back as part consideration of the sale, then the Chargee shall be entitled to sell those mortgages at a discount, without recourse by the Chargor/Mortgagor and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.


In the case of a sale on credit the Chargee/Mortgagee shall be bound to apply on account only such monies as have been actually received from the purchasers from time to time. After the satisfaction of all Chargee's/Mortgagee's claims, the




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Chargee will not be bound to pay any amount to the Chargor/Mortgagor or any other person claiming entitlement thereto until all such agreements and assurances as the Chargee/Mortgagee considers fit have been executed and delivered.

The Chargee/Mortgagee may buy in or rescind or vary and contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby.

Any person, including the Chargee/Mortgagee herein, may bid on, tender for or purchase the Property at the sale.

RECEIVERSHIP CLAUSE

The Chargor/Mortgagor agrees that if and whenever the Chargee/Mortgagee becomes entitled hereunder to enter into possession of the mortgaged premises, it may in its sole discretion, by writing, appoint a Receiver of the mortgaged premises or any part thereof and of the rents and profits hereof and from time to time remove any receiver and appoint another in his stead and that in making any such appointment or appointments the Chargee/Mortgagee shall be deemed to be acting as the attorney for the Chargor/Mortgagor.

And that the following provisions shall apply upon the appointment of any such receiver: that such appointment may be made either before or after the Chargee/Mortgagee shall have entered into or taken possession of the mortgaged premises or any part thereof; that every such receiver may, at the sole discretion of the Chargee/Mortgagee, be vested with all or any of the powers and discretions of the Chargee/Mortgagee; that the Chargee/Mortgagee may from time to time fix the remuneration of every such receiver and direct the payment thereof of the mortgaged premises or the proceeds thereof; that every such receiver shall so far as concerns the responsibility for his acts or omissions be deemed the agent of the Chargor/Mortgagor and in no event the agent of the Chargee/Mortgagee, and the Chargee/Mortgagee in making or consenting to such appointment shall not incur any liability to the receiver for his remuneration or otherwise howsoever; that all monies from time to time received by such receiver shall be paid by him firstly, in discharge of all rents, taxes, insurance premiums and outgoings affecting the mortgaged premises, secondly, in payment of his commission as receiver and the cost of executing the necessary or proper repairs; thirdly, in keeping in good standing all charges on the mortgaged premises prior to this Charge/Mortgage; fourthly, in payment of the interest accruing due under this mortgage; and the residue of any money so received by him shall be applied on the principal sum from time to time owing under this Charge/Mortgage.

NON-TENANCY

The Chargor(s)/Mortgagor(s) confirm that the premises charged/mortgaged hereunder is a single family home not subject to a tenancy agreement at the date of execution hereof. The Chargor(s)/Mortgagor(s) further covenant not to enter into a tenancy agreement prior to the repayment in full of the indebtedness hereunder, and that any tenancy created shall be deemed a default under the herein charge/mortgage loan.

RENOVATION

The Chargor(s)/Mortgagor(s) agree not to renovate or rent any part of the subject premises without written approval of the Chargee(s)/Mortgagee(s).

MORTGAGE RENEWAL

Notwithstanding any other terms or conditions in this schedule or the Charge, if this mortgage is not paid in full on or by the Balance Due Date, this mortgage, at the sole option of the lender, upon notice, will renew for an additional Six Months at a cost of 2.00% of the outstanding Principal and Interest on the Balance Due Date on the same terms and conditions as stated in the original mortgage commitment. This renewal fee shall be secured by this Mortgage.


DISCHARGE


PROVIDED that when a discharge of the Charge/Mortgage is required for the within Charge/Mortgage, then the Chargee's/Mortgagee's Solicitor will prepare the discharge documentation for execution by the Chargee/Mortgagee, which costs shall be at the Chargor's/ Mortgagor's expense.


PARTIAL DISCHARGE


Notwithstanding anything else contained in these Charge terms, the following are the provisions for the partial discharges of this Charge:

- 369 Porte Rd, Ajax, ON - by paying \$230,000.00;


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mortgagor/guarantor


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mortgagor/guarantor


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mortgagor/guarantor


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mortgagor/guarantor

- 371 Porte Rd, Ajax, ON - by paying \$80,000.00;
- 373 Porte Rd, Ajax, ON - by paying \$80,000.00;
- 375 Porte Rd, Ajax, ON - by paying \$80,000.00;
- 377 Porte Rd, Ajax, ON - by paying \$230,000.00;

DEFAULT

Each and every of the following events shall constitute default under this Charge/Mortgage:

- (1) default in the payment of the Principal Amount, interest or any other amount secured by this Charge/Mortgage, when payment of such amount becomes due under the terms of this Charge;
- (2) if the Chargor/Mortgagor sells, transfers or otherwise disposes of the Property or any interest in the Property, to a purchaser not approved by the Chargee/Mortgagee in writing;
- (3) if the Chargor/Mortgagor is a Corporation and there is a change of control to a person or persons not approved by the Chargee/Mortgagee in writing;
- (4) if a petition in bankruptcy is filed against the Chargor/Mortgagor, if the Chargor/Mortgagor makes a proposal to creditors under the Bankruptcy and Insolvency Act, or makes a general assignment for the benefit of its creditors, if a receiver, interim receiver, monitor or similar person is placed or is threatened to be placed in control of or for overview of the Chargor’s/Mortgagor’s affairs or Property, or in the opinion of the Chargee/Mortgagee, the Chargor/Mortgagor becomes insolvent;
- (5) default under any terms or covenants contained herein or under any terms or covenants contained in any encumbrance registered in priority or subsequent to this Charge/Mortgage, or in payment of the realty taxes or condominium common expenses for the said property, shall constitute default under this Charge/Mortgage.

ANY PAYMENT that is made after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

The Chargor/Mortgagor agrees that should the mortgage not be renewed or discharged on the maturity date, that the Chargee/Mortgagee, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest, which amount shall be added to the principal amount outstanding hereunder on the maturity date.

The Chargor/Mortgagor agrees that should the Chargor/Mortgagor default under any terms of the herein Charge or should the Chargee/Mortgagee commence action due to a default under the Charge/Mortgage, that the Chargee/Mortgagee at its option shall be entitled to charge an additional fee equivalent to three (3) months interest.

PREPAYMENT PRIVILEGE

Chargor/Mortgagor, when not in default hereunder, shall have the privilege of prepaying the whole or any part(s) of the principal sum herein secured, on any payment date, providing 15 days prior written notice of the proposed date of prepayment.

ACKNOWLEDGMENT ON ASSIGNMENT

In the event that the Chargee assigns transfers or otherwise conveys its interest hereunder, and upon the delivery of notice of same to the Chargor, the Chargor, if so requested, shall without cost, at any time and from time to time, execute an acknowledgment with respect to the terms and conditions of the Charge and the amount outstanding there under. Failure to execute the acknowledgment and deliver the acknowledgment to the Chargee within 5 days of its receipt by the Chargor to the Chargee shall be deemed to be default by the Chargor under the Charge.

FURTHER ENCUMBRANCES

The Chargor shall not grant or permit any further mortgages, charges or encumbrances of any nature to be registered against the Property without the prior written consent of the Chargee, and in the event of breach of this covenant, the Chargee shall be entitled to commence default proceedings and at the option of the Chargee, all money secured by this Charge/Mortgage together with an amount equal to three (3) months interest on the principal amount at the rate applicable to the principal amount shall become due and payable immediately.

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CAPITALIZATION OF ANY PAYMENTS ON PRIOR ENCUMBRANCES

If the Chargor makes any agreement with any prior encumbrancers,mortgagee’s to satisfy any arrears of mortgage, property taxes, insurance or any other payments respecting the Property by way of an increase in the principal balance of the mortgage account or any other increase in the mortgage account, without the prior written consent of the Chargee, such act shall be a default under this Charge/Mortgage.

ACCRUAL OF INTEREST

In the event the terms of this Mortgage specifically provide for the accrual of interest for a specified period of time, the Chargor/Mortgagor confirms, represents and warrants that the provision for the accrual of interest has been requested by the Chargor/Mortgagor and the Chargor/Mortgagor represents, warrants and undertakes to use the monies that would otherwise be paid to the herein Chargee/Mortgagee but for the accrual, towards payment of outstanding realty taxes or to subsequent Chargees/Mortgagees and other subsequent encumbrancers/mortgagee’s.

INDEMNIFICATION OF CHARGE

In the event the Chargee shall be made a party to any litigation commenced by or against the Chargor, the Chargor shall indemnify and hold the Chargee/Mortgagee harmless there from and shall pay all costs, expenses and solicitor’s fees on a substantial indemnity basis. Such costs shall be a charge on the property and may be added to the principal amount secured hereby.

SERVICING FEE

In the event that the Chargee is called upon to pay any payment in order to protect its security position including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at Eighteen_(18%) percent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$400.00 for making each such payment or payments.

BANKRUPTCY & INSOLVENCY ACT

The Chargor/Guarantor represents and warrants that she/he is not an “Undischarged bankrupt” as defined in the Bankruptcy and Insolvency Act. In the event that the Chargor/Guarantor is an “Undercharged bankrupt”, then all amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses together with a three (3) month interest payment thereon shall be immediately due and payable at the sole option of the Chargee.


COVENANT TO PAY BROKER FEE/REFERRAL FEE/LENDER/LEGAL FEE/COSTS

The Chargor acknowledges that in the event the loan hereby secured was arranged by one or more mortgage brokers or real estate brokers or by others and that broker/referral fees and legal costs were incurred by the Chargee, on behalf of the Chargor, in connection herein. Part of the consideration received by the Chargee in agreeing to advance the funds secured hereby is the payment of the mortgage brokers fees stipulated in Form 2 as required under the Mortgage Brokers Act, R.S.O., 1990 or the payment of the real estate brokers fees or referral fees, as the case may be, and legal costs incurred by the Chargee on behalf of the Chargor herein. Upon registration of this Charge, and where the Chargor is unable to or unwilling to receive the monies secured hereby, the Chargor shall not be entitled to a discharge of this charge until the mortgage brokers fees or real estate brokers fees or referral fees, as the case may be, the lenders fees, and the legal costs incurred by the Chargee, on behalf of the Chargor herein are paid in full.


PRIORITY PAYMENT OF ACCOMMODATION AND/OR AMENDMENT FEE/BROKER FEE/REFERRAL FEE/LENDER FEE/LEGAL COSTS

In the event the terms of this mortgage or any amendment and/or accommodation agreement made with respect thereto specifically provide for the capitalization or deferment of any accommodation and/or amendment fee, broker fee, referral fee, lender fee and/or legal costs, the Chargor/Mortgagor and Guarantor hereby acknowledge and agree and warrant and represent that all payments made are intended to and shall be first applied as payment against accommodation and/or amendment fees, referral fees, broker fees, lender fees and legal costs so capitalized or deferred, until such fees and costs are paid in full.


SEVERABILITY OF ANY INVALID PROVISIONS




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If in the event that any covenant, term or provision contained in this Charge is held to be invalid, illegal or unenforceable in whole or in part, then the validity, legality and enforceability of the remaining covenants, provisions and terms shall not be affected or impaired thereby, and all such remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.

GUARANTOR CLAUSE

IN consideration of the premises and of the Mortgagee advancing the said money to the Mortgagor, the Guarantor doth hereby absolutely and unconditionally guarantee to the Mortgagee and its successors and assigns, the due and punctual payment by the Mortgagor of all principal moneys, interest and other moneys owing on the security of this mortgage, and the Guarantor for himself, his heirs, executors and administrators, covenants with the Mortgagee that if the Mortgagor shall at any time make default in the punctual payment of any moneys payable hereunder, he or they will pay all such moneys to the Mortgagee without any demand being required to be made.


AND it is hereby expressly declared that although as between the Guarantor and the Mortgagor, the Guarantor is only surety for the payment by the Mortgagor of the moneys hereby guaranteed, yet as between the Guarantor and the Mortgagee the Guarantor shall be considered as primarily liable therefore and that no release or releases of any portion or portions of the mortgaged premises, and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor or any successor which may arise under this mortgage, and that no extension or extensions granted by the Mortgagee to the Mortgagor or any successor for payment of the mortgage moneys hereby secured or for the doing, observing or performing of any covenant, agreement, matter or thing herein contained, to be done, observed or performed by the Mortgagor or any successor nor any variation in or departure from the provisions of this mortgage nor any other dealings between the Mortgagor or any successor and Mortgagee nor any release of the Mortgagor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Mortgagee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before default and after as before maturity of this mortgage, until the said mortgage moneys are fully paid and satisfied. And it is hereby further expressly declared that the Mortgagee shall not be bound to exhaust its recourse against the Mortgagor or the mortgaged premises before being entitled to payment from the Guarantor of the amount hereby guaranteed by the Guarantor.


ANY payment by the Guarantor or any moneys under his said guarantee shall not in any event be taken to affect the liability of the Mortgagor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Mortgagor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies subrogated as against the Mortgagor to all the rights, privileges and powers to which the Mortgagee was entitled prior to payment by such Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the mortgaged premises in competition with the Mortgagee and shall not unless and until the whole of the principal, interest and other moneys owing on the security of this mortgage shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Mortgagee.


AND it is further hereby expressly declared that the release of any of the Guarantors from his or their liability hereunder shall not affect the liability of the remaining Guarantor or Guarantors which shall remain unimpaired and still in full force and effect as if the Guarantor or Guarantors so released had not been a party or parties to this Agreement.


ALL covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor or Guarantors shall be equally binding upon his, or their heirs, executors, administrators and assigns, or successors and assigns as the case may be, and all such covenants and liabilities and obligations shall be joint and several.

THE Mortgagee may vary any agreement or arrangement with the Guarantor and grant extensions of time to or otherwise deal with him, his executors or administrators, without any consent on the part of the Mortgagor.


to be initialed by
mortgagor/guarantor


to be initialed by
mortgagor/guarantor


to be initialed by
mortgagor/guarantor


to be initialed by
mortgagor/guarantor

This is **Exhibit "W"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Properties				
PIN	26454 - 0557	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	367 PORTE ROAD AJAX			
PIN	26454 - 0558	LT	Interest/Estate	Fee Simple
Description	PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX			
Address	367 PORTE ROAD AJAX			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	LERRATO INC.
Address for Service	9 Ridgevale Drive Markham, Ontario L6B 1A8
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	JOSHI, SANJIVE	Joint Tenants	
Address for Service	4030 Sheppard Avenue East, 2nd Floor Scarborough, Ontario, M1S 1S6		
Name	XPERT CREDIT CONTROL SOLUTIONS INC.	Joint Tenants	
Address for Service	4030 Sheppard Avenue East, 2nd Floor Scarborough, Ontario, M1S 1S6		
Name	XPERT LAW INC.	Joint Tenants	
Address for Service	4030 Sheppard Avenue East, 2nd Floor Scarborough, Ontario, M1S 1S6		

Provisions			
Principal	\$5,000,000.00	Currency	CDN
Calculation Period			
Balance Due Date			
Interest Rate	18.99% per annum		
Payments			
Interest Adjustment Date			
Payment Date	On Demand		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200433		
Insurance Amount	See standard charge terms		
Guarantor			

Signed By				
Sanjive Joshi		4030 Sheppard Avenue East Toronto M1S 1S6	acting for Chargor(s)	Signed 2023 10 19
Tel	416-298-3400			
Fax	416-298-3402			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By

XPERT LAW INC.

4030 Sheppard Avenue East

2023 10 19

Toronto

M1S 1S6

Tel 416-298-3400

Fax 416-298-3402

Fees/Taxes/Payment

Statutory Registration Fee

\$69.00

Total Paid

\$69.00

This is **Exhibit "X"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SANJIVE JOSHI and XPERT CREDIT CONTROL SOLUTIONS INC.

Plaintiffs

- and -

OSMI HOMES INC., HITESH RAJENDRA JHAVERI, LERRATO INC.,
OSMI9 LTD., BARAKAA DEVELOPER INC., INUKA DEVELOPER INC.,
2145499 ONTARIO INC. and NIKETA JHAVERI

Defendants

A N D B E T W E E N:

OSMI HOMES INC., HITESH RAJENDRA JHAVERI, LERRATO INC.,
OSMI9 LTD., BARAKAA DEVELOPER INC., INUKA DEVELOPER INC. and
NIKETA JHAVERI

Plaintiffs by Counterclaim

- and -

SANJIVE JOSHI, XPERT CREDIT CONTROL SOLUTIONS INC. and XPERT
LAW INC.

Defendants to the Counterclaim

AFFIDAVIT

I, Hitesh Rajendra Jhaveri, of the City of Markham, in the Regional Municipality of Durham,

MAKE OATH AND SAY:

The Overview

1. I am one of the defendants in this proceeding. As such, I have knowledge of the matters contained in this affidavit. Where I do not have personal knowledge, I have indicated my source of information and believe such information to be true. Where correspondence is adopted as an Exhibit, I believe it was sent and received on the date indicated.

2. On November 24, 2023, Sanjive Joshi ("**Joshi**") and Xpert Credit Control Solutions Inc. ("**Xpert Credit**") commenced an action¹ against Osmi Homes Inc. ("**Osmi**"), Lerrato Inc. ("**Lerrato**"), Osmi9 Ltd. ("**Osmi9**"), Barakaa Developer Inc. ("**Barakaa**"), Inuka Developer Inc. ("**Inuka**"), Niketa Jhaveri ("**Niketa**"), and me. The claim was subsequently amended to add 2145499 Ontario Inc. ("**2145**") as a defendant.
3. Osmi, Lerrato, Osmi9, Barakaa, Inuka, Niketa, 2145, and I are collectively referred to as the "**Defendants**".
4. The action is to recover indebtedness alleged owed under various loans (the "**Loans**") that are described in the statement of claim (the "**SOC**").
5. On December 15, 2023, Osmi, Lerrato, Osmi9, Barakaa, Inuka, Niketa, and I delivered a statement of defence and counterclaim (the "**Defence and Counterclaim**")² against Joshi, Xpert Credit, and Xpert Law Inc. ("**Xpert Law**"). 2145 is now a party in the proceedings and the Defence and Counterclaim will be amended to include 2145 as a plaintiff by counterclaim.
6. The facts and allegations in the Defence and Counterclaim are true. I incorporate them by reference into my affidavit.
7. For reasons set out in the Defence and Counterclaim, the Defendants do not owe any money (the "**Debt**") under the Loans. Reasons for this include: some Loans have been paid, some Loans were interest free loans, interest at the rate of 18% is contested, and the other Loans are statute barred.
8. However, if there is a Debt, which is denied, then the Defendants wish to set off against the Debt the following claims:
 - a) the damages that the Defendants have sustained from (i) the Mortgages, as defined below (ii) the extortion and coercion, and (iii) the death threats;
 - b) money that Joshi and Lakhanpal owe to Osmi regarding their purchase of the property municipally known as 137 Twyn Rivers Drive, Pickering, Ontario (the "**Twyn Rivers**"). This set off claim exceeds the sum of \$2,000,000; and,

¹ Motion Record, Tab 5, The Amended Amended Statement of Claim, not yet amended

² Motion Record, Tab 6, The Statement of Defence and Counterclaim dated December 15, 2023, not yet issued

- c) money that Joshi owes to Niketa for the financial assistance she provided to Joshi for his lease of the Porsche. This claim exceeds the sum of \$70,000.
9. After exercising our set off rights, there is no Debt.
10. In the counterclaim, the Defendants ask for a declaration that nine mortgages (the "**Mortgages**") totalling the sum of \$45,000,000 registered against eleven different properties (the "**Properties**") are fraudulent mortgages.
11. Particulars of the Mortgages are:
- a) A \$5,000,000 mortgage (the "**Ridgevale Mortgage**") registered as Instrument No. YR3587324 on August 17, 2023 against the property municipally known as 9 Ridgevale Drive, Markham, Ontario, L6B 1A8 (the "**Ridgevale Property**");³
 - b) A \$5,000,000 mortgage (the "**Finley Mortgage**") registered as Instrument No. DR2255794 on August 17, 2023 against the property municipally known as 837 Finley Avenue, Ajax, Ontario (the "**Finley Property**");⁴
 - c) A \$5,000,000 mortgage (the "**Porte Mortgage**") registered as Instrument No. DR2272795 on October 19, 2023 against the property municipally known as 367 Porte Road, Part 5 ("**Porte Part 5**"), Ajax, Ontario, and 367 Porte Road, Part 6, ("**Porte Part 6**") Ajax, Ontario. (collectively referred to as the "**Porte Properties**");⁵
 - d) A \$5,000,000 mortgage (the "**Brock Mortgage**") registered as Instrument No. DR2255795 on August 17, 2023 against the property municipally known as 1717 Brock Street South, Whitby, Ontario (the "**Brock Property**");⁶
 - e) A \$5,000,000 mortgage (the "**Franks Mortgage**") registered as Instrument No. SC2001926 on August 17, 2023 against the property municipally known as 133 Franks Way, Barrie, Ontario (the "**Franks Property**");⁷

³ See Exhibit A, Tab 1, The Ridgevale Mortgage

⁴ See Exhibit A, Tab 2, The Finley Mortgage

⁵ See Exhibit A, Tab 3, The Porte Mortgage

⁶ See Exhibit A, Tab 4, The Brock Mortgage

⁷ See Exhibit A, Tab 5, The Franks Mortgage

- f) A \$5,000,000 mortgage (the "**Bagot Mortgage**") registered as Instrument No. DR2272796 on October 19, 2023 against the property municipally known as 82 Bagot Street, Whitby, Ontario (the "**Bagot Property**");⁸
 - g) A \$5,000,000 mortgage (the "**Madison Mortgage**") registered as Instrument No. YR3610007 on October 19, 2023 against the property municipally known as 23 Madison Avenue, ("**23 Madison**"), Richmond Hill, Ontario, and 25 Madison Avenue ("**25 Madison**"), Richmond Hill, Ontario. (collectively referred to as the "**Madison Properties**");⁹
 - h) A \$5,000,000 mortgage (the "**Ferguson Mortgage**") registered as Instrument No. DR2255793 on August 17, 2023 against the property municipally known as 1 Ferguson Avenue, Whitby, Ontario (the "**Ferguson Property**");¹⁰ and,
 - i) A \$5,000,000 mortgage (the "**Doric Mortgage**") registered as Instrument No. DR2255792 on August 17, 2023 against the property municipally known as 10 Doric Street, Ajax, Ontario (the "**Doric Property**").¹¹
12. Joshi did not retain a lawyer to register the Mortgages. Instead, he registered the Mortgages himself. Ian Latimer ("**Latimer**"), a lawyer with Speigel Nichols Fox LLP ("**SNF**"), informs me and I believe that Joshi could do that because Xpert Law is an authorized user of the Teranet land registration system. As an authorized user, Xpert Law prepared the Mortgages and submitted them for registration.
13. The Mortgages were registered without prior notice to the Defendants.
14. No monies were advanced to the Defendants before or after the Mortgages were registered.
15. The Mortgages are fraudulent and should be deleted from title to the Properties because Joshi, Xpert Credit, and Xpert Law registered the Mortgages without obtaining the Defendants' signed written authorization or consent. In addition, the Mortgages were registered to:
- a) to intentionally inflict emotional pain and suffering upon Niketa and me and cause us and the other Defendants significant financial hardship; and,

⁸ See Exhibit A, Tab 6, The Bagot Mortgage

⁹ See Exhibit A, Tab 7, The Madison Mortgage

¹⁰ See Exhibit A, Tab 8, The Ferguson Mortgage

¹¹ See Exhibit A, Tab 9, The Doric Mortgage

- b) to pressure and coerce Niketa and me into surrendering to Joshi's demands; and,
- c) to extort money from the Defendants.

This is an Urgent Motion

- 16. On December 14, 2023, the Registered Owners appeared before Justice Dow to schedule this motion.
- 17. The motion was urgent because Barakaa had sold 23 Madison¹² and the sale was scheduled to be completed on January 25, 2024. In addition, the Mortgages were crippling our business. The Mortgages stopped regularly scheduled construction draws on the Franks Property and they are preventing us from selling or refinancing the Properties. The Mortgages have made the existing lenders very nervous. Some lenders may demand payment of the mortgage debt, but we will not be able to refinance a property to pay out an existing lender.
- 18. Niketa and I attended the assignment court. Justice Dow agreed with Latimer's submissions that the motion was urgent. After that, I recall Joshi's lawyer asking Justice Dow for permission to bring a motion to obtain certificates of pending litigation against the Properties. After hearing submissions from Latimer, Justice Dow refused this request. He did not tell Joshi's lawyer that the motion was redundant because Joshi already held mortgages against the Properties.
- 19. Unfortunately, January 29, 2024 was the first and only date that the trial co-ordinator was able to provide. We took the date that was offered because we needed to get the Mortgages removed from title as soon as possible to unfreeze our assets.
- 20. The cost to service the mortgages on the Properties is \$371,022.98 per month. Before the Mortgages were registered, we were not in default. After the Mortgages were registered, we have been unable to fully service all of the mortgage debt on the Properties. We need to get equity from the Properties either by way of a refinancing or from the sale of the Properties to put the mortgages that are in default back into good standing.
- 21. We could lose some of the Properties if the Mortgages are not removed as soon as possible.

The Parties

- 22. Niketa and I are married to each other. We are the registered owners of the Ridgevale Property, which is our matrimonial home.

¹² Details of this sale are at paragraphs 91 to 95.

23. Niketa and I are land developers. I am also a home builder. Niketa and I carry on business through our various corporations. Niketa and I are the sole officers, directors, and shareholders of Osmi9, Barakaa, Inuka, Lerrato, and 2145.
24. Osmi9 is the registered owner of the Brock Property.
25. Barakaa is the registered owner of the Franks Property, the Madison Properties, and the Bagot Property.
26. Inuka is the registered owner of the Ferguson Property.
27. Lerrato is the registered owner of the Finley Property and the Porte Properties.
28. 2145 is the registered owner of the Doric Property.
29. I have included a section in my affidavit that deals with the history for the purchase and development of the Properties.¹³
30. Joshi is a mortgage broker. Joshi is married to Meenakshi Lakhanpal ("**Lakhanpal** ") who is a lawyer. Joshi is the office manager for Lakhanpal Law Professional Corporation.
31. Xpert Credit and Xpert Law are corporations that Joshi owns and controls.

How The Parties Met

32. I met Joshi and Lakhanpal on or about July 18, 2019, when Joshi and Lakhanpal came to Osmi's office with their real estate agent to present an offer to Osmi to purchase Twyn Rivers. Niketa met them shortly thereafter.
33. I have included a section in this affidavit that deals with Joshi and Lakhanpal's purchase of Twyn Rivers.¹⁴
34. Niketa and I quickly became close friends with Joshi and Lakhanpal. After a while, we even considered them to be family.
35. Unfortunately, although we did not know it at the time, Joshi and Lakhanpal set out to exploit our friendship for their personal benefit and to the detriment of Niketa and me.
36. Several months into the relationship, Joshi and Lakhanpal asked Niketa if Niketa and I could give them some business. Joshi wanted to lend some money to me because he thought that I would give his portfolio credibility. Lakhanpal wanted Niketa and I to use her legal services when we bought and sold properties.

¹³ See paragraphs 98 to 151

¹⁴ See paragraphs 152 to 157

37. Niketa and I already had an established network of lenders in place and we had a real estate lawyer so there was no reason to agree to their requests. However, because Joshi and Lakhanpal were family, we agreed to their requests.

The Loans

38. During the period November 13, 2019 to June 8, 2023, Joshi and Xpert Credit made a number of short-term loans to Lerrato, Osmi, and Hitesh. All but one of the Loans were made more than two years before the action was commenced.
39. To be clear, 2145, Inuka, and Niketa did not receive any money from Joshi or Xpert Credit.
40. Further, the Madison Properties, the Finley Property, the Bagot Property, the Porte Properties, and the Doric Properties were all purchased several years before I had even met Joshi.
41. Joshi and I agreed on the terms for each of the Loans. Niketa was not a party to the loan agreements.
42. I did not tell Joshi the intended purpose for the Loans and Joshi did not ask. There were no conditions or restrictions imposed on how I could use the proceeds from the Loans.
43. The Loans were all unsecured loans.
44. Contrary to what is alleged in paragraphs 18, 20, 27, 29, 36, and 46 of the SOC, in exchange for the Loans, Niketa and I never agreed to:
- a) repay the principal and interest at an annual rate of 18%; or,
 - b) allow Joshi and Xpert Credit to register mortgages on the title to any property Niketa and I had an interest in, whether personally, or through our various corporations.
45. Further, with respect to the Osmi⁹ Loan, and the Barakaa Loan,¹⁵ Niketa and I never agreed, orally or in writing, to:
- a) share 50% of the profits from the sale of the Wingarden Properties, the Franks Property, the Madison Properties, and the Ferguson Properties; or,

¹⁵ Motion Record, Tab 5, Statement of Claim, Para 46

- b) provide a full and detailed accounting including source documents of the costs incurred in purchasing and developing/constructing these properties, as well as a profit/loss statement upon their sale.
46. Joshi's bald allegation that I agreed to give him 50% of the profits from the sale of the Wingarden Properties, the Franks Property, the Madison Properties, and the Ferguson Properties is absurd because Joshi and Xpert Credit never contributed any time or money to the development of and construction costs of these properties.
47. Further to the above, Niketa and I are the guarantors under the mortgages against the Franks Property, the Madison Properties, and the Ferguson Properties. We are therefore at risk if the projects fail or do not make a profit.
48. It should be noted that Lakhanpal, Joshi's wife, acted for Osmi9 on the purchase and sale of 901 Wingarden and 903 Wingarden (the "**Wingarden Properties**") and she acted for Barakaa on the purchase of the Franks Property. However, Lakhanpal's reporting letters on these transactions did not mention any agreement to share the profits. The reporting letters I refer to are:
- a) Letter dated April 12, 2021 from Lakhanpal to Barakaa for the purchase of the Franks Property;¹⁶ and
 - b) Letter dated November 9, 2020 from Lakhanpal to Osmi9 for the purchase of the Wingarden Properties.¹⁷

The Discovery of the Mortgages

49. On August 30, 2023, David Rosen ("**Rosen**") telephoned me to advise that he could not register a \$1,500,000.00 mortgage (the "**BIP Mortgage**") that Barakaa had secured from BIP Management Corporation ("**BIP**") against title to the Madison Properties, because, on August 18, 2023, Joshi had registered a \$5,000,000 mortgage (the "**Madison Charge**") against the Madison Properties.
50. Barakaa had obtained the mortgage commitment from BIP on or about August 9, 2023.¹⁸
51. Later that day, I asked Rosen to search title to other properties. Rosen called me back and told me about the Ridgevale Mortgage, the Finley Mortgage, the Brock Mortgage, the

¹⁶ See Exhibit A, Tab 10, Reporting letter dated April 12, 2021

¹⁷ See Exhibit A, Tab 11, Reporting letter dated November 9, 2020

¹⁸ See Exhibit A, Tab 12, The BIP Mortgage Commitment

Franks Mortgage, the Ferguson Mortgage and the Doric Mortgage that Joshi had registered on August 17, 2023.

52. I was surprised and shocked when Rosen told me about the Mortgages. I did not understand how Joshi had registered the Mortgages because Niketa and I had not signed a written authorization and direction to permit Joshi to register the Mortgages. In addition, I did not know why Joshi had registered the Mortgages and failed to give me prior or subsequent notice of what he had done.
53. I have obtained many mortgages as a land developer. Based on my experience, the lawyer registering the mortgage to secure the mortgage loan sends me an authorization and direction to which is attached a copy of the draft mortgage that is to be registered. The mortgage is registered after I sign and return the authorization and then the lawyer advances the money under the mortgage.
54. For example, with respect to the BIP Mortgage that Rosen was trying to register, Muhammad Malik ("**Malik**"), Barakaa's lawyer, sent me an acknowledgment and direction to sign and return to allow him to register to the BIP Mortgage. A draft copy of the BIP Mortgage was attached to the acknowledgment and direction. I signed the acknowledgment and direction and sent it to Malik on August 15, 2023.¹⁹
55. After I received Rosen's first telephone call, I called Niketa who was visiting with Joshi and Lakhanpal at Twyn Rivers and I told her about the Madison Charge.
56. Niketa informs me and I believe that she confronted Joshi about the Madison Charge. She further informs me and I believe that Joshi and Lakhanpal told Niketa:
 - a) not to get stressed about the Madison Charge because Joshi would quickly remove them after CRA had completed its audit; and,
 - b) that Niketa and I were not supposed to know about the Madison Charge.
57. Joshi did not quickly remove the Mortgages. This caused Niketa and I great stress because the Madison Charge and the Mortgages that were registered on August 17, 2023 completely blocked our business and effectively froze our assets.
58. On September 10, 2023, Niketa and I went to Twyn Rivers to speak with Joshi and Lakhanpal. Niketa personally begged Joshi and asked him why as a brother he would do

¹⁹ See Exhibit A, Tab 24, The Acknowledgment and Direction

such a thing and what is it that he wanted from us? Joshi's attitude was high and mighty. He boasted that he has the power to charge anybody's property because he is a mortgage broker and his license is never questioned. Joshi further advised that once he puts on the charge nobody on earth can remove it. Joshi told Niketa and me that he is the ultimate power. He told us that if we go to court, it will take 5 to 7 years of litigation and we will be finished. Joshi also advised that we would have to deposit the total money in court if we wanted to free the properties. Finally, Joshi told us that he loved litigation and it gives him power when he litigates.

59. Niketa and I tried to convince him that the registration of the Mortgages and the Madison Charge was illegal and we asked what it is that Joshi and Lakhanpal wanted to resolve this. Niketa and I also pleaded with him to give us our money which was due from the sale of Twyn Rivers. Joshi told us that the only way out is if we accept his demands. Joshi blatantly told us that he doesn't have money to settle his account with us, so the only way to settle the accounts was if we immediately transferred Twyn Rivers to Joshi and Lakhanpal then they would use the equity in Twyn Rivers to borrow money and pay us what they owed.
60. While Niketa and I could no longer trust Joshi and Lakhanpal, our situation was desperate because the Mortgages had brought us to our knees; the Mortgages effectively froze our assets and prevented us from selling and mortgaging the Madison Properties, the Ridgevale Property, the Finley Property, the Doric Property, the Franks Property, the Brock Property, and the Ferguson Property. In the circumstances we had no choice but to surrender to his demands so we told Joshi that we would transfer Twyn Rivers so he could pay us only if he discharged all of the Mortgages that had been registered on August 17 and 18, 2023.
61. On September 11, 2023, Joshi registered a discharge of the Madison Charge but he did not discharge the other Mortgages.
62. On or about November 10, 2023, I discovered that on October 19, 2023, Joshi had registered the Bagot Mortgage and the Porte Mortgage and re-registered a \$5,000,000 mortgage against the Madison Properties. I have previously defined the re-registered mortgage as the Madison Mortgage.

The Authorizations to Register the Mortgages

63. Latimer informs me and I believe that on December 9, 2023, he sent Joshi's lawyer a demand (the "**Demand**") for particulars and request for documentation referred to in the SOC.²⁰.
64. Latimer informs me and I believe on December 12 2023, Joshi's lawyer provided a response (the "**Response**") to the demand for particulars.²¹
65. Latimer has provided me with the response, which I have reviewed.
66. In the Demand, Latimer asked for production of the written authorizations to permit Joshi and Xpert Credit to register the Mortgages. In the response, the lawyers for Joshi and Xpert Credit advised "The authorizations for registering the \$5,000,000 mortgages against the various properties is attached as Exhibit E".
67. In Exhibit E²², there are six written Loan Acknowledgment & Promissory Notes (the "**Acknowledgments**"). Particulars of the Acknowledgments are set out below:

No.	Date	Payee	Loan Amount
1.	June 11, 2020	Lerrato	\$400,000
2.	July 31, 2020	Osmi	\$400,000
3.	August 25, 2020	Osmi	\$300,000
4.	August 4, 2021	Osmi	\$400,000
5.	September 13, 2021	Osmi	\$1,000,000
6.	June 8, 2023	Lerrato	\$100,000
TOTAL			\$2,500,000.00

68. All of the Acknowledgments appear to have been signed by me. However, I did not sign Acknowledgment Nos. 4 and 5.
69. We have retained a handwriting expert to analyse the signature on Acknowledgment Nos. 4 and 5. In that regard, I gave the handwriting expert copies of Acknowledgment Nos. 4 and 5 and copies of documents that I had signed so the expert could compare signatures on the documents that I signed to the signatures on Acknowledgment Nos. 4 and 5.
70. Joshi prepared the Acknowledgments.

²⁰ Motion Record, Tab 7, Demand for Particulars dated December 9, 2023

²¹ Motion Record, Tab 8, Response to the Demand for Particulars, dated December 12, 2023

²² Motion Record, Tab 8, Response to the Demand for Particulars, Exhibit E

71. The Acknowledgments do not accurately reflect the terms of the loan agreements that I made with Joshi because all of the Loans were unsecured.
72. To be clear, Niketa and I never agreed to:
 - a) secure any of the Loans with a mortgage against the Ridgevale Property or against any of the Brock Property, the Finley Property, the Madison Properties, the Franks Property, the Doric Property, the Ferguson Property, or the Porte Properties;
 - b) authorize Joshi and Xpert Credit to register a mortgage on the Ridgevale Property or any of the Brock Property, the Finley Property, the Madison Properties, the Franks Property, the Doric Property, the Ferguson Property, or the Porte Properties.
73. If Acknowledgment Nos. 1, 2, 3, and 6 give Joshi and Xpert Credit the legal authority to register the Mortgages, which is denied and not admitted, then because of the circumstances under which Joshi duped me into signing these Acknowledgments, I take the position that Joshi and Xpert Credit cannot rely on the Acknowledgments. They should be set aside.
74. I signed Acknowledgment Nos. 1, 2, 3, and 6 because Joshi represented to me that these Acknowledgments accurately reflected the terms for the loans that Joshi and I had agreed upon.
75. I signed Acknowledgment No. 1 on June 11, 2020 at Joshi's home. As we were drinking tea, Joshi presented me with Acknowledgment No. 1 and asked me to sign it because he needed it for his internal records.
76. I asked Joshi if I should have my lawyer review it, to which Joshi advised that my lawyer did not need to review it because the document was just a formality and that it simply reflected our agreement (i.e., that the Loans were unsecured).
77. I trusted Joshi and relied on his representation so I signed Acknowledgment No. 1.
78. I signed Acknowledgment Nos. 2, 3, and 6 in a similar manner.
79. I did not read Acknowledgment Nos. 1, 2, 3, and 6 until this action had been commenced.

There is No Money Owed Under the Acknowledgments

80. For reasons set out in the Defence and Counterclaim. I deny that there is any money owed under the Acknowledgments.
81. On or about June 8, 2023, Joshi gave Lerrato a bank draft in the amount of \$100,000. The loan was a short-term loan for one week. Acknowledgment No. 6 relates to this loan.

82. When the loan was advanced, in accordance with Joshi's request, Lerrato gave Joshi a cheque dated June 13, 2023 in the amount of \$100,000 (the "**Post-Dated Cheque**").²³
83. On June 8, 2023, the sale of the Twyn Rivers Property was scheduled to be completed on June 27, 2023.
84. Joshi did not negotiate the Post-Dated Cheque, presumably because he was waiting for the sale to close at which time, he would be given a credit of \$100,000 against the purchase price.
85. The completion date was extended to August 30, 2023, but for whatever reason, Joshi never cashed the Post-Dated Cheque. Had he negotiated the Post-Dated Cheque, Loan No. 2 would have been paid.
86. After receiving the Defence and Counterclaim, Joshi tried to negotiate the Post-Dated Cheque but it was stale dated.

Altered Cheques

87. I note from my review of the Response that Joshi has altered some of the cheques (the "**Cheques**")²⁴ that are referred to in the statement of claim.
88. The Cheques were altered after they were negotiated.
89. Joshi altered the Cheques to add notes to state that interest was 18% per year. He also forged some signatures.
90. To be clear, the alterations were not on the Cheques when I received the Cheques from Joshi.

The Sale of 23 Madison

91. On or about October 29, 2023, Barakaa entered into an agreement (the "**APS**") to sell 23 Madison for a sale price of \$2,588,000.
92. I signed the APS for Barakaa. When I signed the APS, I did not know about the Madison Mortgage.
93. The APS was conditional on the buyer arranging satisfactory financing and home insurance.
94. A redacted copy of the APS and the amendment is included in Exhibit A.²⁵

²³ See Exhibit A, Tab 25, The Post-Dated Cheque

²⁴ See Exhibit A, Tab 13, The Cheques

²⁵ See Exhibit A, Tab 14, The APS and the Amendment

95. As of today, I do not have discharge statements from the mortgagees, so I cannot calculate what the net sale proceeds will be.

The Properties

96. Latimer informs me and I believe that on November 10, 2023, SNF obtained parcel registers (the "**Parcel Registers**") for the Properties. The Parcel Registers, the original transfers, and the outstanding mortgages for each of the Properties is included in Exhibit "A".

97. Title to the each of the Properties as they currently stand is set out below.

A. The Ridgevale Property²⁶

98. Pursuant to a transfer registered on December 28, 2011 as Instrument No. YR1764638, Niketa and I purchased this property for the sum of \$1,000,000. We hold title as joint tenants. This is our matrimonial home.
99. Foremost Mortgage Holding Corporation ("**Foremost**") had a mortgage against this property for the sum of \$1,650,000. This mortgage was registered on April 27, 2018 as Instrument No. YR2821003. This mortgage was paid in full and should have been discharged.
100. The Bank of Nova Scotia holds a first mortgage against this property for the sum of \$2,000,000. This mortgage was registered on September 22, 2020 Instrument No. YR3143275.
101. Amarpreet Dhody holds a second mortgage against this property for the sum of \$250,000. This mortgage was registered on September 30, 2020 as Instrument No. YR3147180.
102. The Ridgevale Mortgage was registered on August 17, 2023 as Instrument No. YR3587324.
103. The Ridgevale Mortgage that Joshi has registered is delaying the plans that Niketa and I had to renovate our home and we cannot access the equity in this property until the Ridgevale Mortgage is deleted from title.

²⁶ See Exhibit A, Tab 15, Ridgevale Property Documents

B. The Finley Property²⁷

104. Pursuant to a transfer registered on September 29, 2017 as Instrument No. DR1642512 Lerrato purchased this property for the sum of \$850,000.
105. Elle Mortgage Corporation holds a first mortgage against this property for the sum of \$1,100,000. This mortgage was registered on September 22, 2021 as Instrument No. DR2053249.
106. Christine D'Souza holds a second mortgage against this property for the sum of \$400,000. This mortgage was registered on June 29, 2022 as Instrument No. DR2148498.
107. The Finley Mortgage was registered on August 17, 2023 as Instrument No. DR2255794.
108. When it was purchased, there was a commercial plaza on the land. The plaza has three stores, which are being currently being rented. At this stage, Lerrato has no plans to develop the property. .
109. Lerrato would like to list this property for sale, but this property cannot be sold until the Finley Mortgage is deleted from title.

C. The Porte Properties²⁸

110. Pursuant to a transfer registered on December 22, 2017 as Instrument No. DR1669919, Lerrato purchased this property for the sum of \$1,100,000. At the time, it was a vacant parcel of land in Ajax that was municipally known as 367 Porte Road.
111. After buying the land, Lerrato severed the land and registered a plan of subdivision. Porte Part 5 and Porte Part 6 are on the plan of subdivision.
112. Foremost had a mortgage against this property for the sum of \$2,375,000. This mortgage was registered on November 26, 2019 as Instrument No. DR1850098. This mortgage was paid in full and should have been discharged.
113. Foremost holds a first mortgage against this property for the sum of \$3,155,000. This mortgage was registered on July 5, 2022 as Instrument DR2150311.
114. BIP holds a second mortgage against Porte Part 5 for the sum of \$700,000. This mortgage was registered on August 10, 2023 as Instrument DR2253705.
115. The Porte Mortgage was registered on October 19, 2023 as Instrument No. DR2272795.

²⁷ See Exhibit A, Tab 16, Finley Property Documents

²⁸ See Exhibit A, Tab 17, Porte Properties Documents

116. The Porte Mortgage is a cloud on title. Lerrato cannot sell the Porte Properties unless the Porte Mortgage is discharged.

D. The Brock Property²⁹

117. Pursuant to a transfer registered on May 4, 2023 as Instrument No. DR2228256, Osmi9 purchased this property for the sum of \$6,500,000. There was and still is a single-family home located on the land.
118. Osmi9 plans to demolish the house that is presently being occupied by employees and then build a 4 storey 30-unit residential condominium building.
119. Marotta Investments Limited holds a first mortgage against this property for the sum of \$4,875,000. The mortgage was registered on May 4, 2023 as Instrument No. DR2228257 and was subsequently transferred by a transfer of charge registered on May 4, 2023, as Instrument No. DR2228270.
120. 2061027 Ontario Inc. and 1000038013 Ontario Inc. holds a second mortgage against this property in the amount of \$800,000. The mortgage was registered on May 11, 2023 as Instrument No. DR2229792.
121. The Brock Mortgage was registered on August 17, 2023 as Instrument No. DR2255795.

E. The Franks Property³⁰

122. Pursuant to a transfer registered on March 30, 2021 as Instrument No. SC1767046, Barakaa purchased this property for the sum of \$1,100,000. At the time it was a vacant parcel of land in Barrie municipally known as 133 Franks Way.
123. After buying the land, Barakaa applied for and obtained site plan approval and then started to build a two-storey, 15-unit residential apartment building on the property.
124. Foremost holds a first mortgage against this property in the amount of \$5,100,000. The mortgage was registered on March 30, 2021 as Instrument No. SC1767047.
125. The Franks Mortgage was registered on August 17, 2023 as Instrument No. SC2001926.
126. The Franks Mortgage has stopped further draws under the Foremost mortgage. The last draw received under that mortgage on July 17, 2023 when a net amount of \$125,630.30 was received. The advances are for hard and soft costs, which include interest.

²⁹ See Exhibit A, Tab 18, Brock Property Documents

³⁰ See Exhibit A, Tab 19, Franks Property Documents

127. But for the Franks Mortgage, by now I would have received a draw in the approximate amount of \$480,000.

F. The Bagot Property³¹

128. Pursuant to a transfer registered on July 12, 2017 as Instrument No. DR1615521, Barakaa purchased this property for the amount of \$511,888.
129. There is a single-family home located on this property. Barakaa purchased the property to renovate the property and expand the existing home and then sell it. Barakaa has not yet obtained a building permit.
130. Lillian Noble, Lisa Noble, and Barry Noble hold a first mortgage against this property in the amount of \$405,000. The mortgage was registered on July 12, 2017 as Instrument No. DR1615522.
131. 2304848 Ontario Inc. holds a second mortgage to against this property in the amount of \$200,000. The mortgage was registered on January 18, 2023 as Instrument No. DR2204835.
132. The Bagot Mortgage was registered on October 19, 2023 as Instrument No. DR2272796.

G. The Madison Properties³²

133. Pursuant to a transfer registered on July 24, 2017 as Instrument No. YR2706663, Barakaa purchased this property for the amount of \$2,600,000. At the time, this property was a vacant parcel of land in Richmond Hill municipally known as 29 Madison Avenue.
134. After buying the land, Barakaa severed the land into three lots, two of which became 23 Madison and 25 Madison and then built a new townhouse on each lot.
135. Foremost had a mortgage against this property in the amount of \$1,725,000. The mortgage was registered on July 24, 2017 as Instrument No. YR2706667. This mortgage was paid in full and should have been discharged.
136. Foremost holds a first mortgage against this property in the amount of \$4,133,000. The mortgage was registered on June 24, 2022 as Instrument No. YR3443814.
137. 1417199 Ontario Limited holds a third mortgage against this property in the amount of \$750,000. The mortgage was registered on June 13, 2023 as Instrument No. YR3561972.

³¹ See Exhibit A, Tab 20, Bagot Property Documents

³² See Exhibit A, Tab 21, Madison Properties Documents

This mortgage was postponed by postponement of interest on September 12, 2023 as Instrument No. YR3596645 in favour of the mortgage held by BIP.

- 138. BIP holds a second mortgage against this property in the amount of \$1,500,000. The mortgage was registered on September 12, 2023 as Instrument No. YR3596443.
- 139. The Madison Mortgage was registered on October 19, 2023 as Instrument No. YR3610007.

H. The Ferguson Property³³

- 140. Pursuant to a transfer registered on July 28, 2021 as Instrument No. DR2033147, Inuka purchased this property for the amount of \$5,051,000.
- 141. The property consists of a 6,000 square foot shed on approximately 3 acres of land. Inuka is in the process of rezoning the property to construct a 14 storey 64 residential condominium building with 18,000 square feet of commercial retail on the ground floor and 8 semi detached homes.
- 142. Foremost holds a first mortgage against this property in the amount of \$3,535,000. The mortgage was registered on July 28, 2021 as Instrument No. DR2033149.
- 143. Pran Dhingra, Vinod Karna, Tripta Dhingra, Anis Kara, and Zahir Kara holds a second mortgage against this property in the amount of \$1,600,000. The mortgage was registered on March 30, 2022 as Instrument No. DR2115512.
- 144. The Ferguson Mortgage was registered on August 17, 2023 as Instrument No. DR2255793.

I. The Doric Property³⁴

- 145. Pursuant to a transfer registered on February 28, 2008 as Instrument No. DR690817, 2145 purchased this property for the amount of \$425,000. At the time the property was vacant land.
- 146. When purchasing the land, 2145 obtained site plan approval to sever the lot into 10 lots to build 10 townhouses. This condominium has not yet been registered but the townhouses are being marketed for sale.
- 147. Foremost holds a first mortgage against this property in the amount of \$6,185,000. The mortgage was registered on January 24, 2022 as Instrument No. DR2092949.

³³ See Exhibit A, Tab 22, Ferguson Property Documents

³⁴ See Exhibit A, Tab 23, Doric Property Documents

148. Tripta Dhingra holds a second mortgage against this property in the amount of \$1,500,000. The mortgage was registered on October 17, 2022 as Instrument No. DR2181520.
149. BIP and Galidan Inc. hold a third mortgage against this property in the amount of \$2,000,000. The mortgage was registered on February 8, 2023 as Instrument No. DR2209605.
150. BIP and Galidan Inc. hold a fourth mortgage against this property in the amount of \$1,000,000. The mortgage was registered on May 2, 2023 as Instrument No. DR2227427.
151. The Doric Mortgage was registered on August 17, 2023 as Instrument No. DR2255792.

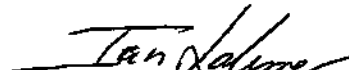
The Purchase of Twyn Rivers

152. On July 24, 2019, Joshi and his brother agreed (the "**Agreement**") to purchase Twyn Rivers from Osmi for a purchase price of \$2,125,000. A \$500,000 deposit was paid. The Agreement contemplated a completion date of October 2, 2019, but that date was extended many times.
153. Joshi and Lakhanpal took possession of the Property on July 27, 2019. Soon after that, Joshi and Lakhanpal asked Osmi and me to perform additional work (the "**Additional Work**") at the Property. We agreed. The Additional Work was completed without a formal contract in place, without the parties having agreed upon a price for the Additional Work, and without Joshi and Lakhanpal paying any money to Osmi for the Additional Work.
154. There were numerous amendments (the "**Amendments**") to the Agreement. In accordance with the Amendments, at Joshi's request, the completion date was extended 13 times, resulting in an August 30, 2023 completion date and further deposits being paid in the total amount of \$1,150,000.
155. Notwithstanding the extensions, Joshi and Lakhanpal continued to reside at the Property without paying for the taxes, utilities, and insurance (the "**Expenses**"). Osmi continued to pay the Expenses. However, Joshi and Lakhanpal were required to pay the Expenses on the day the Agreement was completed.
156. On June 7, 2023, the parties amended the Agreement to add the Construction Contract as Schedule D to the Agreement. In accordance with the Construction Contract, Joshi and Lakhanpal are required to pay Osmi the sum of \$1,300,000 plus HST for the Additional Work, but they have paid nothing.


-20-

157. The Agreement was not completed on August 30, 2023. On November 6, 2023, Joshi and Lakhanpal commenced an action for specific performance of the Agreement. Osmi has delivered a statement of defence and counterclaim.

SWORN before me at the City of Mississauga,
in the Regional Municipality of Peel, this
21st of December, 2023



Commissioner for taking affidavits



HITESH JHAVERI

This is **Exhibit "Y"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SANJIVE JOSHI and MEENAKSHI LAKHANPAL

Plaintiffs

- and -

OSMI HOMES INC.

Defendant

STATEMENT OF DEFENCE AND COUNTERCLAIM

1. The defendant, Osmi Homes Inc. ("**Osmi**"), admits the allegations contained in paragraphs 3, 4, 7, 8, 9, and 24 of the statement of claim.
2. Osmi has no knowledge of the allegations contained in paragraphs 6, and 21 of the statement of claim.
3. Unless otherwise admitted, Osmi denies all other allegations contained in the statement of claim.

The Sale of the Property

4. Osmi purchased the property municipally known as 137 Twyn Rivers Drive, Pickering, Ontario (the "**Property**") on December 9, 2014 and then constructed a new house (the "**House**") on the Property.
5. On or about July 24, 2019, Osmi as seller and Sanjive Joshi ("**Sanjive**") and Rajiv Joshi ("**Rajiv**") as buyers entered into the written agreement (the "**Agreement**") dated July 21, 2019 for the purchase and sale of the Property.
6. In accordance with the Agreement:
 - a) The purchase price was \$2,125,000.00 (the "**Purchase Price**").
 - b) The deposit (the "**Deposit**") was \$500,000.00 payable to Osmi.
 - c) Pursuant to a paragraph within Schedule A to the Agreement, the buyers had a right to move into the Property on or about July 27, 2019. It stated:

The Buyer shall have the right to move in on or around July 27, 2019, and be able/allowed to fully use the subject property as their prime residence. The Utilities, Liabilities, and Contents Insurance will have to be transferred to the Buyer's name under a "Tenant's Policy" until the Closing/Completion Date of October 2, 2019. The Seller will continue to have its full Builder

Comprehensive Insurance but it will not cover Theft, Liability Insurance for the Buyer. The Binder for this Policy (Coverage) will be effective from the Early Occupancy of July 27, 2019, until the Closing/Completion of October 2, 2019.

- d) The original completion date was October 2, 2019.
 - e) The buyers were required to pay the balance (the "**Unpaid Purchase Price**") of the Purchase Price, subject to adjustments on the completion date.
 - f) Schedule C of the Agreement required the seller to make various repairs to aspects of the House.
7. The buyers paid the Deposit by Cheque #1480 from Xpert Credit Control Solutions Inc. ("**Xpert Credit**") dated July 25, 2019 for \$500,000.00 payable to Osmi.

The Amendments to the Agreement

8. The parties made numerous amendments (the "**Amendments**") to the Agreement.
9. In accordance with the Amendments:
- a) On or about June 7, 2023, Rajiv was removed as a purchaser and Meenakshi Lakhanpal ("**Lakhanpal**"), Sanjive's wife, was added as a purchaser. Lakhanpal signed the amendment for this change but when and how Rajiv may have signed and initialled the amendment are not clear;
 - b) At Sanjive's request, the completion date was extended 13 times, resulting in an August 30, 2023 completion date (the "**Completion Date**"); and,
 - c) The Purchaser was required to pay Osmi further deposits (the "**Further Deposits**") as follows: \$300,000.00 on August 13, 2019, \$300,000.00 on September 9, 2019, \$300,000.00 on October 29, 2019, \$150,000.00 on November 12, 2019, and \$100,000.00 on November 13, 2019;
10. The Further Deposits were paid with the following cheques (the "**Cheques**") as follows:
- | Date | Amount | Cheque No. | Payor |
|-------------------|--------------|------------|--------------|
| August 13, 2019 | \$300,000.00 | 1484 | Xpert Credit |
| September 9, 2019 | \$300,000.00 | 1490 | Xpert Credit |
| October 29, 2019 | \$300,000.00 | 1504 | Xpert Credit |
| November 12, 2019 | \$150,000.00 | 243 | Sanjive |
| November 13, 2019 | \$100,000.00 | 1508 | Xpert Credit |
11. In accordance with the Agreement, the Deposit and the Further Deposits were to be credited towards the Purchase Price on the Completion Date.

The Construction Amendment

12. After entering into the Agreement, Sanjive and Lakhanpal asked Hitesh Rajendra Jhaveri ("**Hitesh**") and Osmi to perform work at the Property. Hitesh agreed and Osmi began undertaking the additional work (the "**Additional Work**") without a formal contract in place and without the parties having agreed upon a price for the Additional Work.
13. With the passage of time, the scope of the Additional Work changed and expanded pursuant to the requests and directions from Sanjive and Lakhanpal.
14. On November 12, 2019, Osmi applied for building permit for the Additional Work, which Osmi completed on or about March, 2021. The Additional Work was completed without any significant delay and in a good and workmanlike manner.
15. On or about June 7, 2023, the parties entered into a written contract (the "**Construction Contract**") to confirm, among other things, the scope of the Additional Work and the price the buyers would pay for it. In particular, the scope of the Additional Work, which was set out in Addendum 1 to the Construction Contract, included an additional 1,370 square feet of construction for a price of \$1,300,000 (the "**Construction Price**") By implication, HST was to be added to the Construction Price for a total of \$1,469,000.
16. On June 7, 2023, the parties amended the Agreement to add the Construction Contract as Schedule D to the Agreement. As a result, the Construction Contract was an integral part of the Agreement.
17. The buyers agreed to pay the Construction Price in instalments as the work progresses or mutually agreed upon. The buyers have paid nothing. By implication, the Contract Price had to be paid as part of the completion of the Agreement.
18. The Construction Contract did not require Osmi to provide an accounting of the cost of carrying out the Additional Work. Its cost was irrelevant; this was a stipulated price contract.
19. Paragraph 14 of the statement of claim alleges that the buyers made five payments (the "**Payments**") totalling the sum of \$1,150,000.00 on account of the Contract Price. Osmi received the Payments, but they were not "construction advances" to be applied against the Construction Price. As the amendments, acknowledgments and cheques confirm, the Payments were made to pay the Further Deposits and had nothing whatever to do with the Construction Contract – other than the fact that the Purchase Price had been increased by the Construction Price.

20. As a result of the Construction Contract, the Purchase Price was increased by the sum of \$1,469,000.

Early Occupancy

21. Sanjive and Lakhanpal took possession of the Property on July 27, 2019, not in September 2021 as they allege.
22. Sanjive and Lakhanpal have resided at, and have had the use and enjoyment of, the Property from July 27, 2019 without paying any compensation to Osmi or any of the expenses (the "**Expenses**") associated with the Property, such as realty taxes, insurance, and utilities.
23. From July 27, 2019 to the August 30, 2023, the Completion Date, Osmi has paid \$141,748.85 for the Expenses.
24. Osmi has continued to pay the Expenses after August 30, 2023.

The Unpaid Purchase Price

25. Excluding interest, the Unpaid Purchase Price, is \$2,085,748.85 calculated as follows:

Initial Purchase Price		\$2,125,000.00
Initial Deposit	\$ 500,000	
Further Deposits	1,150,000	<u>-1,650,000.00</u>
		475,000.00
Construction Price		1,469,000.00
Expenses		<u>141,748.85</u>
Total		\$2,085,748.85

26. The payments referred to as loans (the "**Loans**") in paragraph 11 of the statement of claim were made to Lerrato Inc. The Loans had nothing to do with the purchase of the Property. Not all of the payments were Loans. For the payments that were Loans, the Loans have been either paid in full or are statute barred. Further, Hitesh never agreed on behalf of Lerrato that the Loans would bear interest at the rate of 18% per year.
27. None of the Payments totalling the sum of \$1,100,000 can be traced into the Property.
28. Osmi never agreed that any indebtedness that may be owing under the Loans would be applied against the Unpaid Purchase Price.
29. Osmi signed an amendment to the Agreement in which it confirmed that the Purchase Price had been paid in full. Osmi signed this amendment only because Sanjive represented that the buyers would pay the \$475,000 immediately after Hitesh had signed the amendment and pay the Construction Price on the completion date. This representation was false and fraudulent because the buyers paid nothing and Sanjive knew they were going to pay nothing. Sanjive made the representation to induce Hitesh to sign the amendment.

Completion Date and Termination

30. On August 30, 2023, Osmi was ready, willing and able to complete the Agreement and would have completed the Agreement had the buyers tendered the Unpaid Purchase Price.
31. Conversely, Sanjive and Lakhanpal were not ready, willing and able to complete the Agreement because they did not tender the Unpaid Purchase Price. This was a breach of the Agreement.
32. The buyers did nothing to set another date to properly complete the Agreement and, by this action, have terminated the Agreement.
33. On October 2, 2023, Osmi terminated the Agreement.
34. The defendant requests the action be dismissed against them with costs.

COUNTERCLAIM

35. Osmi counterclaims against Sanjive and Lakhanpal as follows:
 - a) a declaration that Osmi has validly terminated the Agreement;
 - b) forfeiture of the Deposit and Further Deposits that were paid;
 - c) possession of the Property;
 - d) payment of occupation rent in the amount of \$10,000.00 per month and payment of the Expenses from July 27, 2023 to the date on which Osmi obtains vacant possession of the Property;
 - e) prejudgment and postjudgment interest on all amounts at the rate of 18 per cent per annum, which is the rate of interest that Sanjive is charging on loans that Sanjive claims are outstanding, or in the alternative, prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*;
 - f) costs of the counterclaim; and,
 - g) any further relief as this Honourable Court may deem just.
36. In the alternative, if Osmi's termination of the Agreement was not valid, then:
 - a) payment of the Unpaid Purchase Price;
 - b) payment of the Expenses from July 27, 2023 until the date of the final accounting;
 - c) prejudgment and postjudgment interest on all amounts at the rate of 18 per cent per annum, which is the rate of interest that Sanjive is charging on loans that Sanjive claims are outstanding, or in the alternative, prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*;

- d) costs of the counterclaim; and,
- e) any further and other relief as this Honourable Court may deem just.

37. Osmi repeats and relies upon the allegations set out in the statement of defence.

December 21, 2023

SPEIGEL NICHOLS FOX LLP
Barristers & Solicitors
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SANJIVE JOSHI et al

OSMI HOMES INC.

No. CV-23-00709189-0000

-and-

Plaintiffs

Defendant

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDINGS COMMENCED AT
TORONTO

**STATEMENT OF DEFENCE AND
COUNTERCLAIM**

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Lawyers for the defendant,
OSMI Homes Inc.

This is **Exhibit “Z”**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



- Web Page ID: WEnqResult
- System Date: 21JUN2024
- Last Modified: June 16, 2024

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	BARAKAA DEVELOPER INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	759314205	1	5	1	8	14JAN 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
759314205		01	001		20200114 1937 1531 6463	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	BARAKAA DEVELOPER INC.								
	Address				City	Province	Postal Code		
	9 RIDGEVALE DR				MARKHAM	ON	L6B 1A8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address				City	Province	Postal Code		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		
Type of Search	Business Debtor								
Search Conducted On	BARAKAA DEVELOPER INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	759314214	2	5	2	8	14JAN 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
759314214		01	001		20200114 1937 1531 6464	P PPSA	5		

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	BARAKAA DEVELOPER INC.									
	Address				City	Province	Postal Code			
	9 RIDGEVALE DR				MARKHAM	ON	L6B 1A8			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant									
	ROYAL BANK OF CANADA									
	Address				City	Province	Postal Code			
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
				X	X					
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	CANADIAN SECURITIES REGISTRATION SYSTEMS									
	Address				City	Province	Postal Code			
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8			
Type of Search	Business Debtor									
Search Conducted On	BARAKAA DEVELOPER INC.									
File Currency	20JUN 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	771173721	3	5	3	8	01APR 2026				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period		
771173721		01	001			20210401 1938 1531 4578	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	BARAKAA DEVELOPER INC.									
	Address				City	Province	Postal Code			
	9 RIDGEVALE DRIVE				MARKHAM	ON	L6B 1A8			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant									
	ROYAL BANK OF CANADA									

	Address					City	Province	Postal Code									
	36 YORK MILLS ROAD, 4TH FLOOR					TORONTO	ON	M2P 0A4									
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date								
				X	X												
Motor Vehicle Description	Year	Make			Model		V.I.N.										
General Collateral Description	General Collateral Description																
Registering Agent	Registering Agent																
	CANADIAN SECURITIES REGISTRATION SYSTEMS																
	Address					City	Province	Postal Code									
	4126 NORLAND AVENUE					BURNABY	BC	V5G 3S8									
Type of Search	Business Debtor																
Search Conducted On	BARAKAA DEVELOPER INC.																
File Currency	20JUN 2024																
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status										
	784350738	4	5	4	8	27JUN 2026											
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN																	
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period									
784350738		001	3			20220627 1156 5064 6803	P PPSA	02									
Individual Debtor	Date of Birth		First Given Name			Initial		Surname									
Business Debtor	Business Debtor Name							Ontario Corporation Number									
	BARAKAA DEVELOPER INC.																
	Address					City	Province	Postal Code									
	9 RIDGEVALE DRIVE					MARKHAM	ON	L6B 1A8									
Individual Debtor	Date of Birth		First Given Name			Initial		Surname									
Business Debtor	Business Debtor Name							Ontario Corporation Number									
	Address					City	Province	Postal Code									
Secured Party	Secured Party / Lien Claimant																
	FOREMOST MORTGAGE HOLDING CORPORATION																
	Address					City	Province	Postal Code									
	26 LESMILL ROAD, SUITE 1A					TORONTO	ON	M5B 2T5									
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date								
		X	X	X	X												
Motor Vehicle Description	Year	Make			Model		V.I.N.										
General Collateral Description	General Collateral Description																
	PURCHASE MONEY SECURITY INTEREST IN CONNECTION WITH THE CONSTRUCTION																
	OF HOUSES AT 19, 23 AND 25 MADISON AVENUE, RICHMOND HILL INCLUDING BUT NOT LIMITED TO ALL FIXTURES, CHATTELS AND IMPROVEMENTS, WHETHER																
Registering Agent	Registering Agent																

	HARVEY MANDEL								
	Address				City	Province	Postal Code		
	55 QUEEN STREET EAST, SUITE 203				TORONTO	ON	M5C 1R6		
Type of Search	Business Debtor								
Search Conducted On	BARAKAA DEVELOPER INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784350738	4	5	5	8	27JUN 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
784350738		002	3			20220627 1156 5064 6803			
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ON SITE OR OFF SITE AND WHETHER IN EXISTENCE NOW OR IN THE FUTURE,								
	ALL DEPOSITS FOR THE FIXTURES, CHATTELS AND IMPROVEMENTS, ALL								
	CONSTRUCTION AND SUPPLY CONTRACTS, ALL ARCHITECTURAL DRAWINGS,								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		
Type of Search	Business Debtor								
Search Conducted On	BARAKAA DEVELOPER INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784350738	4	5	6	8	27JUN 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
784350738		003	3			20220627 1156 5064 6803			
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		

	Address				City		Province		Postal Code	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	Address				City		Province		Postal Code	
Secured Party	Secured Party / Lien Claimant									
	Address				City		Province		Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
	SPECIFICATIONS AND PLANS, ALL MUNICIPAL AND OTHER PERMITS AND									
	APPROVALS, ALL SECURITY DEPOSITS GIVEN TO ANY MUNICIPALITY OR OTHER									
	GOVERNMENT AGENCY AND THE DEPOSIT ON THE SALE OF ANY HOUSE									
Registering Agent	Registering Agent									
	Address				City		Province		Postal Code	
Type of Search	Business Debtor									
Search Conducted On	BARAKAA DEVELOPER INC.									
File Currency	20JUN 2024									
	File Number	Family	of Families	Page		of Pages				
	784350738	4	5	7		8				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached		Registration Number			Registered Under	
		001	1			20240620 1029 9015 0291				
Record Referenced	File Number		Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	784350738				B RENEWAL		02			
Reference Debtor/ Transferor	First Given Name				Initial		Surname			
	Business Debtor Name									
	BARAKAA DEVELOPER INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
Debtor/ Transferee	Date of Birth		First Given Name			Initial		Surname		
	Business Debtor Name							Ontario Corporation Number		

		Address				City		Province	Postal Code
Assignor Name		Assignor Name							
Secured Party		Secured party, lien claimant, assignee							
		Address				City		Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.	
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	HARVEY MANDEL								
	Address				City		Province	Postal Code	
	55 QUEEN STREET EAST, SUITE 203				TORONTO		ON	M5C 1R6	
Type of Search	Business Debtor								
Search Conducted On	BARAKAA DEVELOPER INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	785816433	5	5	8	8	15AUG 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
785816433		001	1			20220815 1818 1532 3239	P PPSA	07	
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	BARAKAA DEVELOPER INC								
	Address				City		Province	Postal Code	
	9 RIDGEVALE DRIVE				MARKHAM		ON	L6B1A8	
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
	21SEP1965		HITESH				JHAVERI		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City		Province	Postal Code	
	9 RIDGEVALE DRIVE				MARKHAM		ON	L6B1A8	
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City		Province	Postal Code	
	10 YORK MILLS ROAD 3RD FLOOR				TORONTO		ON	M2P 0A2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	424406.17	15FEB2029	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2020	ROLLS-ROYCE			WRAITH		SCAXZ0C06LU201227		

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

LAST PAGE

Note: All pages have been returned.

This is **Exhibit "AA"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

A handwritten signature in black ink, appearing to read 'Ryan Shah', is positioned above a horizontal line.

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



- Web Page ID: WEnqResult
- System Date: 21JUN2024
- Last Modified: June 16, 2024

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	759314187	1	5	1	8	14JAN 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
759314187		01	001		20200114 1937 1531 6461	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	LERRATO INC.								
	Address				City	Province	Postal Code		
	9 RIDGEVALE DR				MARKHAM	ON	L6B 1A8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address				City	Province	Postal Code		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	759314196	2	5	2	8	14JAN 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
759314196		01	001		20200114 1937 1531 6462	P PPSA	5		

Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	LERRATO INC.								
	Address				City	Province	Postal Code		
	9 RIDGEVALE DR				MARKHAM	ON	L6B 1A8		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address				City	Province	Postal Code		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	772519707	3	5	3	8	14MAY 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
772519707		01	001		20210514 1442 1530 2042	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	LERRATO INC.								
	Address				City	Province	Postal Code		
	9 RIDGEVALE DR				MARKHAM	ON	L6B 1A8		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								

	Address					City	Province	Postal Code	
	36 YORK MILLS ROAD, 4TH FLOOR					TORONTO	ON	M2P 0A4	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address					City	Province	Postal Code	
	4126 NORLAND AVENUE					BURNABY	BC	V5G 3S8	
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784619712	4	5	4	8	05JUL 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
784619712		001	3			20220705 1546 5064 2238	P PPSA	02	
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	LERRATO INC.								
	Address					City	Province	Postal Code	
	9 RIDGEVALE DRIVE					MARKHAM	ON	L6B 1A8	
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address					City	Province	Postal Code	
Secured Party	Secured Party / Lien Claimant								
	FOREMOST MORTGAGE HOLDING CORPORATION								
	Address					City	Province	Postal Code	
	26 LESMILL ROAD, SUITE 1A					TORONTO	ON	M5B 2T5	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	PURCHASE MONEY SECURITY INTEREST IN CONNECTION WITH THE CONSTRUCTION								
	OF FIVE HOUSES AT 367 PORTE ROAD, AJAX INCLUDING BUT NOT LIMITED TO								
	ALL FIXTURES, CHATTELS AND IMPROVEMENTS, WHETHER ON SITE OR OFF SITE								
Registering Agent	Registering Agent								

	HARVEY MANDEL								
	Address				City	Province	Postal Code		
	55 QUEEN STREET EAST, SUITE 203				TORONTO	ON	M5C 1R6		
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784619712	4	5	5	8	05JUL 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
784619712		002	3		20220705 1546 5064 2238				
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	AND WHETHER IN EXISTENCE NOW OR IN THE FUTURE, ALL DEPOSITS FOR THE								
	FIXTURES, CHATTELS AND IMPROVEMENTS, ALL CONSTRUCTION AND SUPPLY								
	CONTRACTS, ALL ARCHITECTURAL DRAWINGS, SPECIFICATIONS AND PLANS, ALL								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784619712	4	5	6	8	05JUL 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
784619712		003	3		20220705 1546 5064 2238				
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			

	Address				City		Province	Postal Code	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname	
Business Debtor	Business Debtor Name							Ontario Corporation Number	
	Address				City		Province	Postal Code	
Secured Party	Secured Party / Lien Claimant								
	Address				City		Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	MUNICIPAL AND OTHER PERMITS AND APPROVALS, ALL SECURITY DEPOSITS								
	GIVEN TO ANY MUNICIPALITY OR OTHER GOVERNMENT AGENCY AND THE DEPOSIT								
	ON THE SALE OF ANY HOUSE								
Registering Agent	Registering Agent								
	Address				City		Province	Postal Code	
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page		of Pages			
	784619712	4	5	7		8			
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached		Registration Number		Registered Under	
		001	1			20240620 1037 9015 0294			
Record Referenced	File Number		Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period	
	784619712				B RENEWAL		02		
Reference Debtor/ Transferor	First Given Name				Initial		Surname		
	Business Debtor Name								
	LERRATO INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth		First Given Name			Initial		Surname	
	Business Debtor Name							Ontario Corporation Number	

		Address				City		Province	Postal Code
Assignor Name		Assignor Name							
Secured Party		Secured party, lien claimant, assignee							
		Address				City		Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	HARVEY MANDEL								
	Address				City		Province	Postal Code	
	55 QUEEN STREET EAST, SUITE 203				TORONTO		ON	M5C 1R6	
Type of Search	Business Debtor								
Search Conducted On	LERRATO INC.								
File Currency	20JUN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	788271498	5	5	8	8	07NOV 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number		Registered Under	Registration Period	
788271498		001	1		20221107 1810 1532 6721		P PPSA	05	
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	LERRATO INC								
	Address				City		Province	Postal Code	
	9 RIDGEVALE DRIVE				MARKHAM		ON	L6B1A8	
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
	13FEB1958		NIKETA		H		JHAVERI		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City		Province	Postal Code	
	9 RIDGEVALE DRIVE				MARKHAM		ON	L6B1A8	
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City		Province	Postal Code	
	10 YORK MILLS ROAD 3RD FLOOR				TORONTO		ON	M2P 0A2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	44203.62	03NOV2027	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2017	MASERATI			LEVANTE		ZN661YUSXHX233094		

General Collateral Description	General Collateral Description			
	THE FULL DEBTOR NAME IS - NIKETA HITESH JHAVERI			
Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

LAST PAGE

Note: All pages have been returned.

This is **Exhibit “BB”**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

WRITS OF EXECUTION
OWL® Report

Date of Search: June 21, 2024
Name Searched: LERRATO INC.
Results: **No writs of execution were retrieved.**

All 49 Ontario enforcement offices were searched to obtain this result, unless otherwise noted above.

The information in this report is provided on an "as is" basis and is not to be relied upon for land registration purposes.

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WRITS OF EXECUTION
OWL® Report

Date of Search: June 21, 2024
Name Searched: BARAKAA DEVELOPER INC.
Results: **No writs of execution were retrieved.**

All 49 Ontario enforcement offices were searched to obtain this result, unless otherwise noted above.

The information in this report is provided on an "as is" basis and is not to be relied upon for land registration purposes.

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This is **Exhibit "CC"**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



July 8, 2024

Jeffrey Larry, LL.B, MBA
Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON, M5V 3H1

Dear Jeffrey,

RE: Information Statement: First Mortgage on 19 Madison Avenue and 23 Madison Avenue and 25 Madison Avenue, Richmond Hill, Ontario

NOTE: 19 Madison Avenue has been partially discharged.

The amount due as at July 08, 2024 is calculated as follows:

Principal	\$2,753,000.00
Interest due from July 1, 2024 to July 8, 2024	\$7,417.55
Interest due from June 1, 2024 to June 30, 2024	\$27,662.13
Interest due from May 1, 2024 to May 31, 2024	\$28,829.99
Interest due from April 1, 2024 to April 30, 2024	\$27,638.75
Interest due from March 1, 2024 to March 31, 2024	\$28,283.79
Interest due from February 1, 2024 to February 29, 2024	\$26,219.46
Interest due from January 1, 2024 to January 31, 2024	\$35,736.00
Interest due from December 1, 2023 to December 31, 2023	\$41,209.40
Interest due from November 1, 2023 to November 30, 2023	\$39,650.59
Balance Held in Trust Account	-\$224.63
Tax Certificates due to Harvey Mandel	\$455.76
Renewal Fees from October 1, 2023 to May 1, 2024 @\$3,444.17per month.	\$27,553.36
Late Payment Fees	\$1,356.00
Statement Fees	\$789.00

TOTAL DUE TO : FOREMOST FINANCIAL CORPORATION IN TRUST **\$3,045,577.15**

Per diem after 1:00pm ET on July 08, 2024 is \$927.19

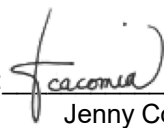
This statement cancels and supersedes previously issued discharge statements.

This statement is valid until July 16, 2024.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly
FOREMOST FINANCIAL CORPORATION


Floredith Lamigo
Mortgage Administrator
Telephone (416) 488-5300, Ext. 234
e&oe

Verified by: 
Jenny Comia, CPA
Controller
Ext. 242

This is **Exhibit “DD”**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)



July 8, 2024

Jeffrey Larry, LL.B, MBA
Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON, M5V 3H1

Dear Jeffrey,

RE: Information Statement: First Mortgage on 367 Porte Road Unit 2,3 & 4 Ajax Ontario

The amount due as at July 8, 2024 is calculated as follows:

Principal	\$3,155,000.00
Interest due from July 1, 2024 to July 8, 2024	\$8,477.30
Interest due from June 1, 2024 to June 30, 2024	\$31,614.21
Interest due from May 1, 2024 to May 31, 2024	\$32,948.92
Interest due from April 1, 2024 to April 30, 2024	\$31,587.49
Interest due from March 1, 2024 to March 31, 2024	\$32,324.69
Interest due from February 1, 2024 to February 29, 2024	\$29,965.43
Interest due from January 1, 2024 to January 31, 2024	\$31,722.18
Interest due from December 1, 2023 to December 31, 2023	\$31,562.20
Interest due from November 1, 2023 to November 30, 2023	\$30,322.24
Interest due from October 1, 2023 to October 31, 2023	\$30,968.08
Renewal Fees from September 1, 2023 to April 1 2024 at \$2,629.17 per month	\$21,033.36
Late Payment Fees	\$1,695.00
Statement Fees	539.00
<u>TOTAL DUE TO : FOREMOST FINANCIAL CORPORATION IN TRUST</u>	<u>\$3,469,760.10</u>

Per diem after 1:00pm ET on July 08, 2024 is \$1,059.66

This statement cancels and supersedes previously issued discharge statements.

This statement is valid until July 16, 2024.

Please forward your certified funds in the amount above to:

FOREMOST FINANCIAL CORPORATION IN TRUST
1A - 26 Lesmill Road, Toronto, ON M3B 2T5


Any payment made and received after 1:00 p.m. shall be deemed for the purpose of calculation of interest to have been made and received on the next business day.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly
FOREMOST FINANCIAL CORPORATION


Florencia Lanugo
Mortgage Administrator
Telephone (416) 488-5300, Ext. 234
e&oe

Verified by: _____


Jenny Comia, CPA
Controller
Ext. 242

This is **Exhibit “EE”**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

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

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

55 Queen Street East
Suite 203
Toronto, Ontario
M5C 1R6
Tel: (416) 364-7717
Fax: (416) 364-4813

Harvey Mandel

barristers & solicitors

May 17, 2024

File no.: 12121

Lerrato Inc.
9 Ridgevale Drive
Markham, Ontario
L6B 1A8

Hitesh Jhaveri
9 Ridgevale Drive
Markham, Ontario
L6B 1A8

Niketa Wadia
9 Ridgevale Drive
Markham, Ontario
L6B 1A8

Dear Sirs:

**Re: Foremost Mortgage Holding Corporation and Lerrato Inc.
367 Porte Road, Ajax, Ontario, L1S 7S8**

In connection with your mortgage on the above property, please be advised that your mortgage is now in default.

You have not made your October, 2023 through May 2024 mortgage payments and your mortgage has matured and will not be renewed.

I would therefore require full payment of the above mortgage in the amount of \$3,418,361.91 plus the per diem interest after May 21, 2024 at a rate of \$1,062.87 together with an administration fee for writing this letter.

Please be advised that my fee is \$565.00 which is made up of \$500.00 plus HST of \$65.00 totalling \$565.00. My HST number is R112347729.

If the above is not submitted to my office on or before 12 o'clock noon on June 3, 2024, further legal action will be instituted against you without delay or notice.

Yours truly,

HARVEY MANDEL

HMM/ap

CC Muhammad Atique Malik
Loroy LLP
Barristers and solicitors
7045 Edwards Boulevard
Suite 203
Mississauga Ontario
L5S 1X2

Form 115

Notice of Intention to Enforce Security (Sec. 244(1))

To: Lerrato Inc., an insolvent person

Take notice that:

1. Foremost Mortgage Holding Corporation, a secured creditor, intends to enforce its security on the property of the insolvent person described below: 367 Porte Road, Ajax, Ontario, L1S 7S8

(Describe the property to which the security relates)

2. The security that is to be enforced is in the form of a MORTGAGE (provide particulars of the security).

3. The total amount of indebtedness secured by the security is \$3,155,000.00.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, this May 17, 2024

Foremost Mortgage Holding Corporation
Name of Secured Creditor
by its solicitor
Harvey Mandel
55 Queen Street East
Suite 203
Toronto, Ontario
M5C 1R6

(416) 364-7717

This Notice is a required document under the *Bankruptcy & Insolvency Act* ("Act"). The use of the word "insolvent" is prescribed by the Act but nothing in it shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

This is **Exhibit “FF”**
in the Affidavit of Andrew Stern
affirmed the 2nd day of August, 2024

A handwritten signature in black ink, appearing to read 'Ryan Shah', is positioned above a horizontal line.

Commissioner for Taking Affidavits, etc.
Ryan Shah (LSO # 88250C)

Paliare Roland

Ryan Shah
Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

ryan.shah@paliareroland.com
T. 416.646.6356 / F. 416.646.4301

File # 102432

June 20, 2024

VIA COURIER

Barakaa Developer Inc.
9 Ridgevale Drive
Markham, ON L6B 1A8

Attention: Hitesh Jhaveri

Dear Mr. Jhaveri:

Re: Notice of Intention to Enforce Security – Foremost Mortgage Holding Corporation (“Foremost”)

I am counsel to Foremost.

Please find attached a notice of intention to enforce security on behalf of Foremost, which is served on you pursuant to the *Bankruptcy and Insolvency Act*.

Yours very truly,
Paliare Roland Rosenberg Rothstein LLP



Ryan Shah
RS:RS

Encl.

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(s. 244, Rule 124)

TO: Barakaa Developer Inc. (the "Debtor"), an insolvent person

Take notice that:

1. Foremost Mortgage Holding Corporation, as secured creditor (the "Secured Creditor"), intends to enforce its security on the Debtor's property described below:

23 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7 and 25 Madison Avenue, Richmond Hill, Ontario, L4E 2Z7

2. The security that is to be enforced is in the form of:

(a) a general security agreement executed by the Debtor in favour of the Secured Creditor, dated May 21, 2022; and

(b) a mortgage charge in favour of the Secured Creditor, dated June 24, 2022 (YR3443814).

3. The total amount of indebtedness secured by the security is \$4,133,000.00 plus interest, fees and costs.

4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

Dated at Toronto, this 20th day of June, 2024

FOREMOST MORTGAGE HOLDING
CORPORATION by its lawyers PALIARE ROLAND
ROSENBERG ROTHSTEIN LLP



Per:

Name:

Ryan Shah

Candace Baumtrog

From: Harvey G. Chaiton <Harvey@chaitons.com>
Sent: Friday, June 28, 2024 3:17 PM
To: Jeff Larry
Cc: Ryan Shah
Subject: Re: Barakaa Developer Inc. and 2145499 Ontario Inc. - NITES [IMAN-PRIMANAGE.FID420840]

External Sender - From: ("Harvey G. Chaiton"
<Harvey@chaitons.com>)

This message came from outside your organisation.

Jeff/Ryan

My client has authorized me to confirm to you that the 10 day notice period is waived.

I have also been asked to inform you that the amount of the indebtedness in the 244 notice wrt Madison is incorrect as it does take into consideration the payment to Foremost of the proceeds of sale of 19 Madison. My client believes the amount owing is approx \$2.6MM plus interest. Can you pls look into this and confirm amount. Thx

Sent from my iPad

Harvey G. Chaiton | Partner
Chaitons LLP | T: 416.218.1129

On Jun 25, 2024, at 6:42 PM, Jeff.Larry@paliarerland.com wrote:

CAUTION: [External]

Harvey

I haven't had a chance yet to fill Ryan in on our conversation this afternoon but to the extent that your clients will waive the statutory period, that will be helpful in allowing us to move forward on Madison and Porte.

Thanks,

From: Ryan Shah <ryan.shah@paliarerland.com>
Sent: Tuesday, June 25, 2024 6:36 PM
To: Harvey G. Chaiton <harvey@chaitons.com>
Cc: Jeff Larry <Jeff.Larry@paliarerland.com>
Subject: Re: Barakaa Developer Inc. and 2145499 Ontario Inc. - NITES [IMAN-PRIMANAGE.FID420840]

Mr. Chaiton: I am following up on the below.

Thank you,

Ryan Shah

Get [Outlook for iOS](#)

From: Ryan Shah

Sent: Thursday, June 20, 2024 7:44:10 PM

To: Harvey G. Chaiton <harvey@chaitons.com>

Cc: Jeff Larry <Jeff.Larry@paliareroland.com>

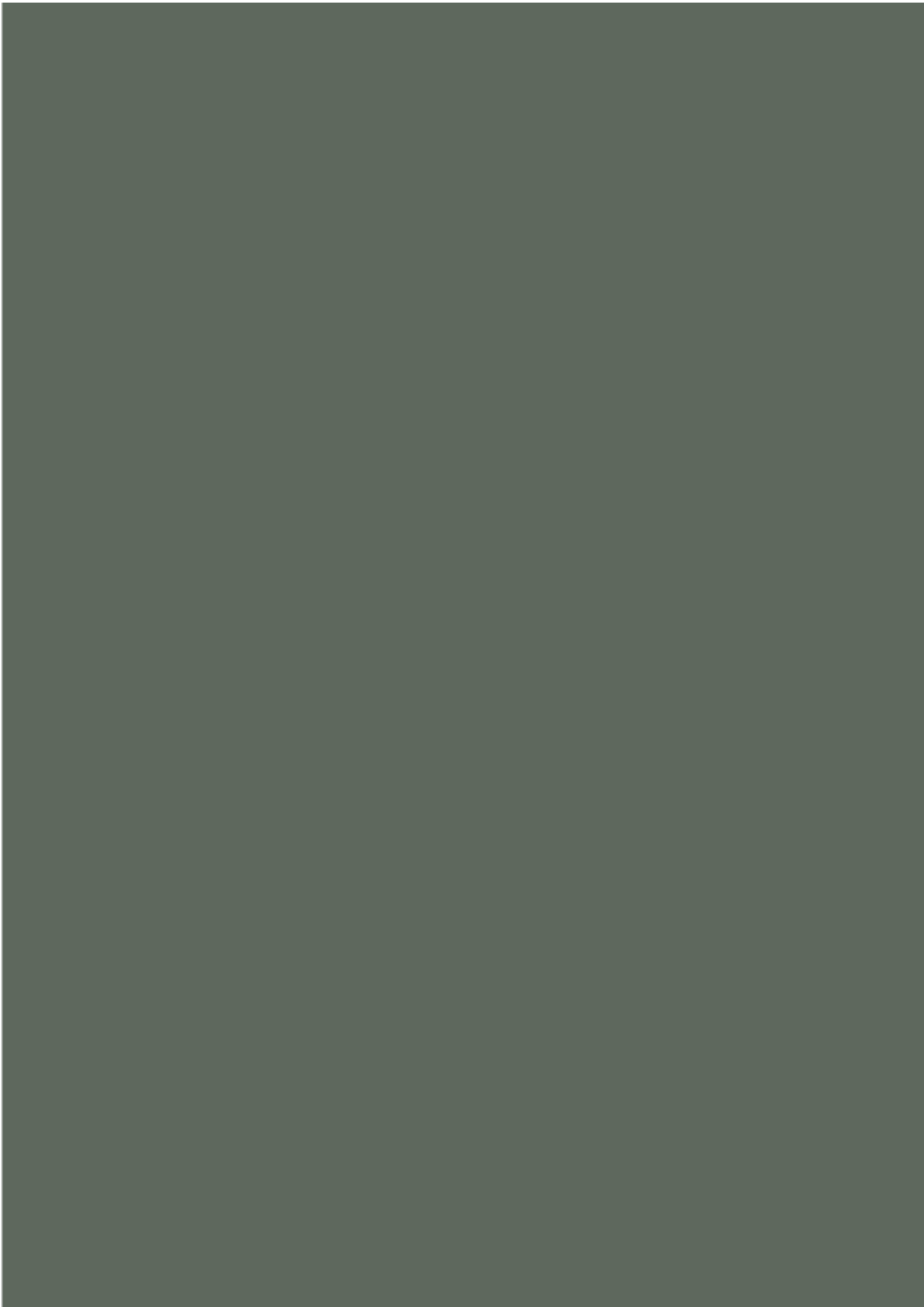
Subject: Barakaa Developer Inc. and 2145499 Ontario Inc. - NITES [IMAN-PRIMANAGE.FID420840]

Dear Mr. Chaiton:

I am counsel to Foremost Mortgage Holding Corporation (“**Foremost**”) and an associate in Jeffrey Larry’s office.

Please find attached notices of intention to enforce security which we intend to serve on your clients tomorrow. Further to a conversation I understand you had with Mr. Larry, please advise whether (1) you are able to accept service of these notices and (2) your clients would be willing to waive the 10-day notice period under the enclosed notices such that Foremost can begin enforcement of its security immediately.

Thank you very much,



**FOREMOST MORTGAGE HOLDING
CORPORATION**
Applicant

-and- **BARAKAA DEVELOPER INC. et al.**
Respondents

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

AFFIDAVIT OF ANDREW STERN

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant