

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

B E T W E E N:

**FIERA FP REAL ESTATE FINANCING FUND, L.P.**

Applicant

- and -

**CHANCERY (OSHAWA) THE BARTLETT LIMITED PARTNERSHIP  
and CHANCERY (OSHAWA) THE BARTLETT GP INC.**

Respondents

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

**AFFIDAVIT OF GRYPHON RAEBURN-POWER  
(sworn April 15, 2026)**

I, **GRYPHON RAEBURN-POWER**, of the City of Toronto, in the Province of Ontario,  
**MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Managing Director, Real Estate Financing, of the Applicant, Fiera FP Real Estate Financing Fund, L.P. ("**Fiera**"). Fiera is a creditor of the Respondents, and I have had oversight of the Respondents' lending relationship with Fiera. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information, and, in all such instances, believe it to be true.

## PURPOSE

2. I am swearing this Affidavit in support of an order for distribution and discharge (the “**Distribution and Discharge Order**”) sought by KSV Restructuring Inc. (“**KSV**”) in its capacity as receiver (the “**Receiver**”), without security, of the property, assets and undertaking of Chancery (Oshawa) The Bartlett Limited Partnership (“**Chancery LP**” or the “**Borrower**”) and Chancery (Oshawa) the Bartlett GP Inc. (“**Chancery GP**”), including the real property known municipally as 550 Bond Street West, Oshawa, Ontario (collectively, the “**Property**”).

3. In connection with this proceeding, Fiera has previously filed an affidavit sworn by Ralph Doerr on June 8, 2023, which contains information on the parties, the lending relationship, and the background leading up to the receivership application, which will not be repeated herein.

## BACKGROUND

4. The Respondents are indebted to Fiera in connection with an amended and restated commitment letter dated February 11, 2022, as extended by a loan extension offer dated December 29, 2022, between Fiera (as lender), Chancery LP (as borrower), and Chancery GP, Suske Capital Inc. (“**Suske Capital**”), Chancery Seniors Housing Investments Inc., Hillspport Developments Inc., Stephen Suske and Jessica Zhang (as guarantors) (collectively, the “**Commitment Letter**”). A copy of the Commitment Letter is attached hereto as **Exhibit “A”**. The loan pursuant to the Commitment Letter (the “**Loan**”) matured, without payment, in March 2023.

5. KSV was appointed as Receiver pursuant to an order granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on July 20, 2023. During the pendency of the within receivership proceeding, the Receiver conducted a sale process for the sale of the Property which

resulted in a sale transaction that was approved by the Court on March 12, 2026 (the “**Sale Transaction**”).

6. I understand that also on March 12, 2026, the Court adjourned certain relief sought by the Receiver, including the authorization to make certain distributions to Fiera from the proceeds of the Sale Transaction, and the discharge of the Receiver (the “**Distribution and Discharge Relief**”). Despite the adjournment, I understand from Fiera’s legal counsel that there was no objection to the Distribution and Discharge Relief raised at the hearing.

7. Prior to this hearing, on March 6, 2026, Jessica Zhang and Stephen Suske sent a letter to the Receiver, its legal counsel and legal counsel to Fiera, which suggested the Receiver ought to have refinanced the indebtedness owing to Fiera and requested, among other things, a breakdown and reduction of such indebtedness (the “**March 6 Letter**”).

8. On March 10, 2026, the Receiver sent a letter responding to the March 6 Letter, which opposed the assertions made in the March 6 Letter and provided a detailed breakdown of the indebtedness owing to Fiera as at March 31, 2026 (the “**March 10 Letter**”). A copy of the March 10 Letter is attached hereto as **Exhibit “B”**.

9. On April 10, 2026, the parties were served with the affidavit of Jessica Zhang, sworn April 10, 2026, which opposed the Distribution and Discharge Relief. On April 13, 2026, the Court further adjourned the Distribution and Discharge Relief to April 15, 2026.

10. On April 14, 2026, Suske Capital, on behalf of certain unsecured investors and stakeholders (the “**Objecting Investors**”), served a subsequent affidavit of Jessica Zhang, sworn April 14, 2026, along with a factum and a book of authorities.

11. I am advised by Fiera’s counsel that the Objecting Investors are of the opinion that Fiera should have renegotiated the interest rate terms in the Commitment Letter during the receivership proceeding because the Property had “achieved stabilization” in July/August 2023.

### **THE DISTRIBUTION AND DISCHARGE ORDER**

12. The interest rate provisions governing the lending arrangement between Fiera and Chancery LP are laid out in Section 1 on page 2 of the Commitment Letter.

13. The Commitment Letter contains a performance-linked interest rate grid under which the Spread Over Prime reduced in 0.25% increments based on occupancy and gross rental revenue thresholds, from a maximum of 4.95% to a minimum of 3.95%, over prime. The Borrower achieved the conditions necessary to qualify for the minimum spread of 3.95% prior to the maturity of the Loan. Accordingly, the interest rate applied to the Fiera indebtedness following maturity was not, as suggested by the Objecting Investors, a 'pre-stabilization' or construction-phase rate, it was the lowest rate available under the Commitment Letter, which the Borrower had achieved by meeting its own leasing performance thresholds.

14. Pursuant to Section 4 of the Commitment Letter, prepayment of the Loan was permitted without penalty after September 10, 2022. Accordingly, from September 10, 2022 until the appointment of the Receiver on July 20, 2023, a period of over 10 months, the Borrower could have repaid the Fiera indebtedness in full without penalty. The Borrower did not do so. The interest

that has accrued is the direct consequence of the Borrower’s own failure to repay the Fiera indebtedness, not of any conduct by Fiera.

15. The terms of the Commitment Letter were contractually agreed to by Chancery LP and the guarantor parties, and have been in place for years.

16. The amounts owing to Fiera as stated in the March 10 Letter are correct, in accordance with the terms of the Commitment Letter, and based on information provided to the Receiver by Fiera.

17. Currently, Fiera will suffer a shortfall in respect of distributions made from the Sale Transaction. The opposition raised by the Objecting Investors is delaying the proposed distribution to Fiera and causing further interest to accrue that may not be recoverable.

**RELIEF SOUGHT**

18. This affidavit is sworn in support of the proposed Distribution and Discharge Order, and for no other or improper purpose whatsoever.

**SWORN** by Gryphon Raeburn-Power at )  
the City of Toronto, in the Province of )  
Ontario, before me on this 15th day of )  
April, 2026 in accordance with )  
O. Reg. 431/20, Administering Oath )  
or Declaration Remotely. )

DocuSigned by: )  
*Samantha Hans* )  
402DBD39546546A )

Commissioner for taking affidavits, etc.  
Samantha Hans – LSO #84737H

DocuSigned by: )  
*[Signature]* )  
582E982002AE430... )  
**GRYPHON RAEBURN-POWER**

Attached is **Exhibit “A”**  
referred to in the  
Affidavit of Gryphon Raeburn-Power  
sworn before me  
this 15<sup>th</sup> day of April, 2026

DocuSigned by:

*Samantha Hans*

402DBD39546546A...

Commissioner for taking Affidavits, etc

**Samantha Hans – LSO No. 83737H**

## COMMITMENT LETTER CONSTRUCTION FINANCING

February 11<sup>th</sup>, 2022

File No. 00001192 - C / Loan No. 100908

**Chancery (Oshawa) The Bartlett Limited Partnership**  
**C/O Stephen A. Suske, Jessica Zhang and Josh Skaist**  
**2275 Upper Middle Road East, Suite 400**  
**Oakville, ON**  
**L6H 0C3**

ATTENTION OF: Mr. Stephen A. Suske, Ms. Jessica Zhang and Mr. Josh Skaist:

**FIERA FP REAL ESTATE FINANCING FUND, L.P.** is pleased to confirm financing for your project described below, on an amended and restated basis, the whole subject on the terms and conditions contained herein, including those contained in Schedule A and B. Please note that the information transmitted in this document is confidential and may not be disclosed to anyone without the consent of **FIERA FP REAL ESTATE FINANCING FUND, L.P.**

This Amended and Restated Commitment Letter amends and restates without novation the terms of the **Commitment Letter dated November 25, 2020 and amendments dated December 8, 2020, December 9, 2020 and January 10, 2022**. All references to the Commitment Letter or similar references to the Original Commitment Letter in any of the other loan documents, including but not limited to Security related documentation, shall, from and after the date hereof, be deemed to refer to this Amended and Restated Commitment Letter, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time, without any requirement to amend such loan documents. All indebtedness, liabilities and obligations of the Borrower and each Guarantor under the Original Commitment Letter shall continue as obligations under this Amended and Restated Commitment Letter, and this Amended and Restated Commitment Letter shall not evidence or result in a novation of such indebtedness, liabilities or obligations. Without limiting the foregoing, all amounts outstanding under the Loans under the Original Commitment Letter as of the date of this Amended and Restated Commitment Letter shall be deemed to be outstanding as Loans under, and subject to the terms of, this Amended and Restated Commitment Letter.

**BORROWER:** **Chancery (Oshawa) The Bartlett Limited Partnership**  
  
(hereinafter referred to as the "**Borrower**")

**GUARANTOR(S):** Guarantees in the full amount of the loan from: Suske Capital Inc., Chancery Seniors Housing Investments Inc., Chancery (Oshawa) The Bartlett GP Inc., Hillspport Developments Inc. (collectively, the "**Corporate Guarantor**"), Mr. Stephen A. Suske and a Limited Guarantee from Ms. Jessica Zhang for \$2,000,000 (hereinafter referred to, together with the Corporate Guarantor, as the "**Guarantor**")

**LENDER:** **FIERA FP REAL ESTATE FINANCING FUND, L.P.**  
200 Bay Street, Suite 3800, South Tower  
Toronto, Ontario, Canada M5J 2J1  
(hereinafter referred to as the "**Lender**")

**AMOUNT OF LOAN:** 1<sup>st</sup> Position Stabilizing Loan of \$53,250,000 (hereinafter referred to as the "**Loan**").  
The Loan is inclusive of a \$3,185,000 interest reserve. Loan for the stabilization of a 129-

unit apartment building with approx 11,000 square feet of retail, on a 2.38 acres site at 550 Bond Street West, Oshawa, ON. (hereinafter referred to as the "Project")

**1. INTEREST RATE**

The Loan shall bear interest at the prime rate of the National Bank of Canada in effect from time to time, **plus the Spread Over Prime** (as defined below) adjusted on a daily basis. As an example, the prime rate of the National Bank of Canada on this day is **2.45%**. Any change in the prime rate shall necessarily entail a change in the interest rate. The Borrower shall pay on a monthly basis the interest calculated daily and not in advance, based on a 365-day year, on the outstanding amount of the Loan, and shall pay the unpaid interest that is owing until the outstanding amount of the Loan is repaid in full. In the case of a leap year, daily interest will still be calculated on a 365-day basis.

The Lender shall give a written notice on the tenth (10<sup>th</sup>) day of each month, or on the next working day if the Lender's offices are closed, indicating the amount of interest that will be deducted from the new interest reserve (\$3 185,000) until depleted or, once the interest reserve is depleted, from Borrower's banking operations account. The monthly interest payments shall be deducted every month from the Borrower's bank account, pursuant to article 7 below, five (5) working days following the said written notice.

**Spread Over Prime**

The **Spread Over Prime** to be 4.95% initially and reduce to 3.95% in 0.25% increments according to the Spread Over Prime Exhibit at right, as follows:

- **Spread Over Prime** is equal to the **Spread** at the **Occupancy Threshold** of the same row, when **Current Occupancy** is equal to or greater than the **Occupancy Threshold** where;
- **Current Occupancy** is equal to **Gross Rental Revenue of Leased and Occupied Suites** divided by **Total Potential Residential Revenue** where;

Occupancy Threshold	Gross Revenue of Leased and Occupied Suites Threshold	Spread
0.00%	\$0	4.95%
50.00%	\$2,097,600	4.70%
60.00%	\$2,517,120	4.45%
70.00%	\$2,936,640	4.20%
80.00%	\$3,356,160	3.95%

- **Total Potential Residential Revenue** is \$4,195,200 (per Borrower budget) and where;
- **Gross Rental Revenue of Leased and Occupied Suites** to be determined based on the submission by the Borrower to the Lender of a leasing package (the "Leasing Package") that includes:
  - a) A detailed rent roll that includes unit number, number of bedrooms, tenant name, move-in date of the tenant, and the leased rental rate of all leased suites
  - b) The bona fide signed leases of all tenants, all tenants must be arms length
  - c) Evidence that first and last months rents had been paid by the tenants for all leases, cancelled checks and/or account statement acceptable to Fiera as evidence.

**Gross Rental Revenue of Leased and Occupied Suites** is equal to the sum of the monthly leased rent, multiplied by 12, for all suites recorded on (a) above which also satisfy (b) and (c), above. Gross Rental Revenue of Leased and Occupied Suites excludes underground parking and any other commercial revenues.

For example, the latest rent roll dated February 9th, 2022 shows 63 leased suites with total monthly rental revenue of \$173,750, multiplied by 12, this gives current Gross Rental Revenue of Leased and Occupied Suites of \$2,085,000 (subject to verification based on receipt of a Leasing Package)

Based on the foregoing, Occupancy would be \$2,085,000 divided by \$4,195,200 or 49.69%, giving a Spread of 4.95% based on the Spread Over Prime Exhibit above. Current Gross Rental Revenue of Leased and Occupied Suites to be determined based on Receipt of Leasing Package.

**Upon Receipt of a Leasing Package, Lender will adjust the interest rate within 5 business days of receipt, should the above criteria be met to the satisfaction of Fiera.**

## 2. DATE OF CLOSING

The initial disbursement of the Loan shall be made on or before March 31<sup>st</sup>, 2022. If not, the Lender's commitment to disburse the loan shall become, at the Lender's discretion, null and void. If the Borrower decides not to proceed with funding, then the Commitment Fees will be owing to Fiera Private Debt Inc. as damages.

## 3. TERM

The Loan shall be for a Term ending December 10<sup>th</sup>, 2022.

## 4. PREPAYMENT

Prepayment permitted after September 10<sup>th</sup> 2022 with 60 days prior written notice, acceptable to Fiera, with no prepayment penalty.

## 5. REIMBURSEMENT AND DISCHARGE

The Lender shall sign a release at the time of the sale or refinance of the Project, provided that:

- 5.1 The Borrower is not in default of his undertakings, which are mentioned in the commitment letter or in the Securities as described hereafter;
- 5.2 The Lender obtains at the moment of signing at the Lender's legal council's office, the repayment of a sum equal to the outstanding Loan amount and any applicable fees.

## 6. COMMITMENT FEES

The Borrower shall pay to Fiera Private Debt Inc a non-refundable Commitment Fee of \$411,500 plus HST for a total of \$464,995.

## 7. PRE-AUTHORISED DEBIT

The repayment of any sum relating to the Loan may be made, at the Lender's discretion, by direct debit from the Borrower's bank account. The Lender may debit the Borrower's bank account for the amount owed pursuant to the commitment letter, including principal, interest, costs, commissions, fees or disbursements. Any amount debited in excess of the sums available in this account shall constitute advances bearing interest at the applicable rate, pursuant to the commitment letter. The Borrower agrees to sign any document **reasonably** required and to provide the Lender with any information, documentation or account number **reasonably** required to implement direct debit from the Borrower's bank account.

## 8. LEGAL AND PROFESSIONAL FEES

The Borrower shall pay the **reasonable** fees and any costs arising from the Loan and, in general, all of Lender's legal counsel reasonable fees, the cost of insurance experts, if applicable, of title insurance, of land surveyors, appraisers, and of other professionals mandated by the Lender, pursuant to the presents, in order to evaluate the Property, as defined hereinafter, and submit a report to the Lender. The Lender shall be authorized to retain from the proceeds of the Loan a sufficient sum to pay these costs.

## 9. PROJECT'S COSTS/SOURCES OF FINANCING

Based on the Borrower's representations, the Lender estimates that the source of financing and their uses are as follows:

Sources of Funds		Uses of Funds			
Equity	\$ 10,198,424	15.9%	Costs to date <sup>1</sup>	\$ 56,581,581	89.4%
Fiera Senior Loan	\$ 53,250,000	84.1%	Interest Cost to Complete <sup>1</sup>	\$ 536,145	0.8%
			Other Cost to Complete <sup>2</sup>	\$ 148,424	0.2%
			HST <sup>3</sup>	\$ 2,464,774	3.9%
			New Interest Reserve	\$ 3,185,000	5.0%
			Financing Fees	\$ 532,500	0.8%
<b>Total Sources</b>	<b>\$ 63,448,424</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$ 63,448,424</b>	<b>100.0%</b>

1. Per DRAFT CB Ross QS Report Dated January 6th, 2022 ref no. 18014

2. Cost to Complete excluding Interest and HST per DRAFT CB Ross QS Report Dated January 6th, 2022 ref no. 18014

3. \$1,628,850 per DRAFT CB Ross QS Report Dated January 6th, 2022 ref no. 18014 plus \$835,924 additional contingency

The final CB Ross QS Report ref no. 18014 to be received shall not differ in any material way from the draft presented previously. Where applicable, any reduction in the budget may result in a reduction of the amount of the Loan, at the Lender's discretion. Any increase in the budget must be compensated by an additional equity injection by the Borrower.

Receipt of final QS Report to be accompanied with letter confirming that construction of the Project is completed to the satisfaction of Fiera. (Received and acceptable)

#### 10. BORROWER'S EQUITY

The Borrower must demonstrate to the Lender on or prior to the first advance that it has invested a minimum of **\$10,198,424** of equity into the Project. It is understood that the value of the land, Unsecured Notes, Preferred Units, Class A Subordinated Preferred Units and Class B Subordinated Preferred Units may be included in the equity calculation.

Furthermore, the Borrower agrees to maintain the total amount of Borrower's Equity in the Project and will not make any repayments of Borrower's Equity without the Lender's consent.

#### 11. CONDITIONS PRIOR TO FIRST ADVANCE

The Lender shall not be required to make the **first** advance until the conditions precedent mentioned in Schedule A items 1 to 20 have been satisfied.

#### 12. AVAILABILITY OF FUNDS

Subject to the conditions stipulated in this commitment letter, the funds shall be available by progressive advances, on a cost-to-complete basis, excluding HST, as administered by the Lender. If at any time prior to or following any advance the Lender, in its discretion, is not satisfied that the non-disbursed portion of the Loan will be insufficient to complete the work according to the plans and specifications of the project, the Borrower shall, upon request, inject additional equity to ensure that the non-disbursed portion of the loan is sufficient to complete the Project.

The Additional Disbursement to be funded to the Borrower once the Conditions Precedent in Schedule A have been satisfied.

The Additional Disbursement to be equal to amounts available after required holdbacks by the Lender less: Lawyer fees; title and other insurance fees; any other costs associated with the loan restructuring; and HST payable on the Commitment Fees.

HST Self Assessment and deferred development charges will be paid EITHER to the borrower upon proof of payment OR paid directly to the payee.

Any or all other costs associated with the construction or operation of the building will be paid by the Borrower.

Any available excessive operation surplus generated by the Borrower, after satisfying the Lender's interest reserve requirements, can be used to repay the Borrower's equity portion upon receiving consent from the Lender.

### 13. SECURITY

Any advance made by the Lender shall be secured by the following security (hereinafter referred to as the "Security"):

- 13.1 A 1<sup>st</sup> position mortgage in favour of the Lender in the amount of **\$55,000,000** registered against the Project, as well as the rents and revenues, present and future, produced by this or these Property(s) (the "Rents") and the insurance proceeds or indemnities payable pursuant to any insurance contract covering the Rents (hereinafter collectively referred to as the "Property");
- 13.2 A first-ranking general security agreement in favour of the Lender.
- 13.3 Corporate Guarantees in the full amount of the loan from the following: Suske Capital Inc., Chancery Seniors Housing Investments Inc., Chancery (Oshawa) The Bartlett GP Inc. and Hillspport Developments Inc..
- 13.4 Personal guarantees in the full amount of the loan from Mr. Stephen A. Suske and limited personal guarantee from Ms. Jessica Zhang in the amount of \$2,000,000;
- 13.5 Assignment of Rents and Leases for all leases and rents, income, profits and any recoverable amount arising from or in connection with the Property;
- 13.6 The Lender will obtain a title insurance policy in its favour and at the Borrower's expense with Chicago Title Insurance Company Canada.
- 13.7 Evidence of Comprehensive General Liability Insurance (including fire protection) with FIERA FP REAL ESTATE FINANCING FUND, L.P. listed as Payee;
- 13.8 Assignment of Insurance proceeds for all insurance requirements in form satisfactory to the Lender with the Lender to be named loss payee and/or additional insured as first mortgagee where applicable. All insurance policies, including without limitation any renewals/ amendments of policies throughout the term of loan, must be approved by the Lender's insurance consultants at the Borrower's cost;
- 13.9 Postponement in favour of the Lender of shareholder loans by all shareholders of the Borrower who are not also guarantors of the Loan;
- 13.10 A first-ranking assignment of all the construction and service contracts relating to the Project, including agreements with subcontractors and suppliers of materials as well as all of the plans and specifications for the project.
- 13.11 A joint and several environmental indemnity agreement of the Borrower and the Guarantors.
- 13.12 A joint and several cost overrun and completion guarantee of the Borrower and the Guarantors.
- 13.13 Jessica Zhang shall provide principal, cost overruns, completion and environmental guarantee limited to \$2,000,000.
- 13.14 Any other security which the Lender may reasonably require.

## 14. UNDERTAKINGS

- 14.1 The Borrower shall complete the Project on or before **June 30<sup>th</sup>, 2022 [was completed in August 2021]**, except in case of force majeure. The Borrower shall complete the construction of the Project strictly in accordance with the plans and specifications approved by the Lender and shall not abandon the Project after commencement of the work;
- 14.2 The Borrower shall maintain the Project properly insured against any loss, all according to the rules in Schedule B;
- 14.3 The Borrower and the Guarantors (subject to the \$2,000,000 limitation on the guarantee made by Jessica Zhang) jointly and severally agree to provide and inject all sums of money that may be required to pay any cost overruns when the contingency reserve for unforeseen events, if any, is insufficient; **[was completed in August 2021]**
- 14.4 The Borrower shall maintain the Project in good condition and pay promptly all taxes, electricity and natural gas invoices, or any other public utility invoice, and any federal, provincial, municipal or school levies, whether general or special, which may at any time affect or encumber the Property in priority to the rights of the Lender, and to provide annually to the Lender receipts confirming the full payment thereof, without subrogation in favour of any third party;
- 14.5 The Borrower shall inform the Lender of any change in the Project which could lead to additional costs. Any change in the plans and specifications that, in the aggregate, increase the construction costs by more than **\$100,000** shall require the Lender's prior written consent; **[was completed in August 2021]**
- 14.6 The Borrower, the Guarantor and all contractors shall obtain and maintain in good standing all requirements of applicable laws and accreditations expected in respect of projects similar in kind including, without limitation, all enrollments necessary pursuant to the TARION warranty program and WSIB insurance; **[was completed in August 2021]**
- 14.7 The Borrower authorizes the Lender and Fiera Private Debt Inc, to install signage on strategic areas of the Project site, to use images and the logo of the Project as well as the official logo of the Borrower on the corporate website of the Lender, its marketing campaigns, social media and for any publicity;
- 14.8 The Borrower and the Guarantor shall provide the Lender with their latest financial statements, which must be acceptable to the Lender, **acting reasonably**, within one hundred and twenty (120) days of the end of their financial year;
- 14.9 The Borrower and the Guarantor shall provide the Lender with any **material** information that the Lender may reasonably request from them;
- 14.10 The Borrower and the Guarantor shall provide to the Lender annually, or more frequently if required by the Lender, good and sufficient evidence, **in the form of a certificate of an officer of the Borrower to that effect**, that the Borrower is not in arrears with respect to any employee pension and/or other benefits including, but not limited to, Workmen's Compensation Board premiums, Employer Health Tax premiums, Canadian Pension Plan contributions, Employment/Unemployment Insurance Commission premiums, or any other statutory remittances, including but not limited to income tax and harmonized sales taxes in respect of the Borrower's business operations.
- 14.11 The Borrower shall submit to the Lender a monthly leasing report for the Project.

## 15. RESTRICTIONS

The Borrower may not, without the Lender's prior written consent:

- 15.1 Grant any encumbrance, **other than customary permitted encumbrances**, affecting the Property that ranks in priority over, pari passu with or subordinate to the Lender's security, failing which all sums owing pursuant to this commitment letter and the Security, together with accrued interest, shall become immediately due and payable, at the Lender's sole option and discretion, without any further notice or delay;
- 15.2 Transfer or convey the Property, sell or assign the same in whole or in part, with the exception of the sale of condominium units to individual purchasers. It being understood that the amalgamation of the Borrower, the sale of or other dealing with the shares of the Borrower, or the issuance of new shares resulting in a change of control of the Borrower shall be deemed to be a transfer of the Project, which all require the prior written consent of the Lender;
- 15.3 Permit any prepayment of more than one month's rent;
- 15.4 Change or modify the Project in any material manner;
- 15.5 Further assign or transfer any rights assigned to the Lender pursuant to this commitment letter.

The Borrower agrees to keep the Property free and clear of all construction liens. The Borrower shall notify the Lender of the registration of any construction lien within three (3) days of being aware of its registration, and shall obtain a release of same within fifteen (15) days of its registration.

## 16. REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Lender:

- 16.1 The Borrower is or shall be the registered and beneficial owner of the Property with good and marketable title, in fee simple, free from all charges, liens and other encumbrances whatsoever, **other than customary permitted encumbrances**, save and except to the extent consented to by the Lender;
- 16.2 The Property complies with all applicable legislative, regulatory and environmental standards, **failure to comply with which could reasonably be expected to have a material adverse effect on the value of the Property**, and the Borrower has not received any notice that the Property does not comply with such standards;
- 16.3 There is currently no pending or, **to the knowledge of the Borrower**, threatened litigation or judicial procedure that could materially affect the financial capacity of the Borrower, the Project, or the Property.
- 16.4 The Borrower is not in default with regard to any judgment, decision, order, injunction or decree by a court of law or an arbitrator, nor in default pursuant to any material agreement or contract or in default in any material respect in connection with any judgment, decision, settlement, requirement or an order promulgated or rendered by any agency, office, board, commission, ministry or other public authority or public servant representing them, and for which the consequences could adversely affect the Borrower's property, assets or financial condition;
- 16.5 The signing of this commitment letter, the Security and the other agreements, certificates and other documents relating to the Loan have been or shall be duly authorized prior to their execution;
- 16.6 The Borrower is a duly formed limited partnership which has a valid and legal existence, in good standing, pursuant to the laws of the province of the jurisdiction in which it was formed;
- 16.7 The Borrower has all the power and authority required to exercise its activities and to operate its business, to own, possess, manage and administer its properties, to authorize the signing of this commitment letter and to conclude, execute or ensure that all of the terms, conditions and obligations stipulated in this commitment letter are performed;

16.8 The Loan is for the Borrower's own purpose and is not intended to be used by a third party or for the benefit of a third party and the Borrower acknowledges having read and taken cognizance of the terms and conditions of this commitment letter and accept them.

## 17. EVENTS OF DEFAULT

17.1 The following constitute events of default under the Loan, which shall be in addition to all further events of default as may be contained in the Security:

- After the first advance, the Borrower or any Guarantor default in any obligation in this commitment letter, the Security, or any other contract, agreement or undertaking entered into with the Lender in connection with the Loan or any other loan granted by the lender to the Borrower, any Guarantor or any affiliated persons or entities ("Affiliates") ("Related Loans");
- At any time prior to any advance of funds and throughout the duration of the Loan, a representation or a warranty made or given by the Borrower or any Guarantor pursuant to this commitment letter is false or inaccurate **could reasonably be expected to have** a material adverse effect on the financial status of the Borrower and/or the Guarantor and/or on the viability of the Project;
- The Borrower fails to pay any installment in principal or interest pursuant to this commitment letter when due;
- The Borrower or any Guarantor becomes insolvent;
- The Borrower or any Guarantor files a proposal or a notice of intention to present a proposal to its creditors pursuant to the *Bankruptcy and Insolvency Act*;
- The Borrower or any Guarantor proposes a transaction or an arrangement under the terms of the *Company's Creditors Arrangement Act*;
- The Borrower or any Guarantor becomes bankrupt or makes an assignment of its property for the benefit of its creditors;
- The Borrower or any Guarantor takes steps to reach an arrangement with its creditors in order to liquidate or to become bankrupt;
- The Borrower or any Guarantor does not diligently contest procedures taken for its liquidation or bankruptcy within thirty (30) days after such procedures are initiated;
- There is no release from a seizure of the Property within (15) days after the writ is served;
- The Borrower or any Guarantor is in a situation similar to any of the ones described above, but in a foreign jurisdiction;
- A title defect is discovered which materially reduces the **value of the Lender's Security**, in the Lender's sole discretion;
- The Borrower sells or conveys the Property or any part thereof to a buyer, **other than an affiliate**, who is not approved by the Lender, in its sole discretion, but subject to the terms of this commitment letter;
- The operational bank account from which the interest is collected is seized;
- The Borrower is not discharged from any charge, lien, execution or sequestration that ranks prior to or pari passu with the Security;
- The Borrower ceases to pay its debts as they become due;

- A change occurs which, in the opinion of the Lender **acting reasonably**, has a material adverse effect on the risk related to the Project and/or the risk related to the Borrower's or the Guarantor's financial situation;
- The Borrower grants any encumbrance of the Property, or any part thereof, without the Lender's prior written consent;
- The Borrower leases the Property, or any part thereof, without the Lender's consent, **such consent not to be unreasonably or arbitrarily withheld or delayed**;
- The Property or a part thereof is expropriated.

17.2 Following an event of default, the Lender may:

- Demand the immediate repayment of all principal, interest and costs owed.
- With or without entry into possession of the Property or any part thereof, and whether or not there has been such entry, by writing under its hand or at its option by application to a court of competent jurisdiction, for and during the period of such default, appoint a receiver of the Property or any part thereof and of the rents and profits thereof, or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another and that, in making any such appointment or removal, the Lender shall be deemed to be acting as the agent or attorney for the Borrower.
- Exercise all of its rights and remedies granted pursuant to this commitment letter, the Security and by law, *inter alia* to initiate any personal legal action, take possession of all the Borrower's assets related to the Project and complete the construction Project, in its absolute discretion.

All amounts collected by the Lender in exercising any of its rights hereunder, including all amounts collected under any Related Loan, shall be applied by the Lender in its sole and absolute discretion. Without limitation, if several debts are due from the Borrower or any Affiliates, the Lender shall be entitled to apply the amounts collected against outstanding amounts under the Loan and/or Related Loans, in its sole discretion, without regard to the provenance of the amounts collected. In the event of a default, the Borrower undertakes to sign, and to cause any Affiliate to sign, any agreements or other documents that may be required by the Lender to give effect to the foregoing provisions.

17.3 Any omission by the Lender to notify the Borrower of an event of default shall not be deemed a waiver of the Lender's rights in this regard.

## 18. INCREASE IN COSTS IMPOSED BY LAW

In the event of any addition, change or modification of any applicable law (except any law providing for the taxation of revenue or of the principal of the Lender) or any interpretation of such a law by a government body responsible for its administration and which imposes the creation or an increase, leads directly or indirectly to an increase, the creation or the modification of any reserve, of the capital structure, or of the special deposits or similar requirements pertaining to the Lender or to either its assets or its liabilities or which imposes upon the Lender any situation relating to this commitment letter or to the Loan and whose effect is to increase directly or indirectly the cost for the Lender of financing the Loan, or to reduce the amount of principal or interest received by the Lender pursuant to this commitment letter, the Borrower shall pay upon written demand of the Lender, as additional interest pursuant to this commitment letter, on each subsequent date on which interest is otherwise payable, sums that are sufficient to compensate the Lender against such increase in costs, incurred from the date of effect of such addition, change or modification of applicable law, provided that, in the event of such a request, the Borrower shall have the option to elect to repay the principal amount within sixty (60) days of the Lender's request, including interest, interest on the interest, and any other sum owed to the Lender that is owing and unpaid, up until the date of the prepayment of the principal, inclusively, and each time that this election is made by the Borrower and the prepayment is made, all of these sums become owing and payable on the date indicated in the election, and no other additional interest otherwise demanded is payable and no premium for prepayment is payable on the principal so prepaid.

## 19. ENVIRONMENT

19.1 For the purposes of this Section 20, the following words have the following meanings:

**"Applicable Laws"** means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations, approvals and all applicable common law or equitable principles in force and effect during the currency of the Mortgage.

**"Environmental Laws"** means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including those relating to the presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation and clean-up or any other aspect of a Hazardous Substance.

**"Environmental Proceeding"** means any investigation, action, proceeding, conviction, fine, judgement, notice, order, claim, directive, permit, license, approval, agreement or lien of any nature or kind arising under or relating to Environmental Laws.

**"Hazardous Substance"** means any substance or material that is prohibited, controlled, otherwise regulated by any governmental authority or is otherwise hazardous in fact, including without limitation contaminants, pollutants, asbestos, lead, urea formaldehyde foam insulation, polychlorinated by-phenyls or hydrocarbon products, any materials containing same or derivatives thereof, explosives, radioactive substances, petroleum and associated products, underground storage tanks, dangerous or toxic substances or materials, controlled products, and hazardous wastes.

19.2 The Borrower hereby represents and warrants to the Lender as follows: The Property and all businesses and operations conducted thereon comply with all Environmental Laws. The Property has not been used by the Borrower for or designated as a waste disposal site and, except as disclosed in the environmental report provided to the Lender prior to the advance of the Loan (the **"Environmental Audit"**), contains no Hazardous Substances and, to the knowledge of the Borrower, there is no existing or threatened Environmental Proceeding against or affecting the Property. Copies of all existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Lender. To the best of the Borrower's knowledge and belief, there are no pending or proposed changes to Environmental Laws or to any Environmental Proceedings which would render illegal or materially restrict or change the present use and operation of the Property. Except as disclosed in the Environmental Audit, neither the Borrower nor, to the best of the Borrower's knowledge and belief after due inquiry and investigation, any other person or organization: (i) has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances; (ii) has been subject to any Environmental Proceeding related to the Property; (iii) has caused or permitted the release or discharge of any Hazardous Substance on or in the vicinity of the Property; (iv) has received or otherwise has knowledge of any Environmental Proceedings or of any facts which could give rise to any Environmental Proceeding related to the Property; (v) has undertaken any remediation or clean-up of any Hazardous Substance on or in the vicinity of the Property; or (vi) has defaulted in reporting any occurrence or circumstance to any governmental authority in relation to the Property which is or was required to be reported pursuant to any Environmental Laws.

19.3 The Borrower covenants that it shall: (i) ensure that the Property and the Borrower comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property (except in the ordinary course of business of the Borrower or any tenant and in compliance with all Environmental Laws) nor permit any other activity on or in respect of the Property that might result in any Environmental Proceeding affecting the Property, Borrower or Lender; (iii) notify the Lender promptly of any threatened or actual Environmental Proceedings; (iv) remediate and cure in a timely manner any non-compliance by the Property or the Borrower with Environmental Laws, including removal of any Hazardous Substances from the Property; (v) maintain all environmental and operating documents and records including all permits, licenses, certificates, approvals, orders and agreements relating to the Property as required by Environmental Laws; (vi) provide the Lender promptly upon request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps (all at the Borrower's expense) as may be required by the Lender to confirm and/or ensure compliance by the Property and the

Borrower with Environmental Laws, and (vii) execute all consents, authorizations and directions necessary to permit any inspection of the Property by any governmental authority and to permit the release to the Lender or its representatives, of any information relating to the Property and the Borrower.

- 19.4 Without limiting any other provision of the Mortgage or any document collateral thereto, the Borrower and the Guarantor, jointly and severally, shall indemnify and pay, protect, defend and save the Lender harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses (including **reasonable** legal fees and disbursements on a substantial indemnity basis) (collectively "**Environmental Claims**"), imposed on, made against or incurred by the Lender arising from or relating to, directly or indirectly, and whether or not disclosed by the Environmental Audit and whether or not caused by the Borrower or within its control, (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property, (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom, (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding areas or otherwise complying with Environmental Laws, or (v) any breach by the Borrower of any covenant hereunder or under any document collateral hereto or under Applicable Law relating to environmental matters. This indemnity shall survive repayment of the Loan, foreclosure upon the Mortgage and any other extinguishing of the obligations of the Borrower or the Guarantor under the Mortgage and any other exercise by the Lender of any remedies available to it against the Borrower and/or the Guarantor.
- 19.5 The Lender or agent of the Lender may, at any time, before and after default, and for any purpose deemed necessary by the Lender, enter upon the Property **during normal business hours upon provision of reasonable prior notice**, to inspect the Property and buildings thereon. Without in any way limiting the generality of the foregoing, the Lender (or its agents) may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Lender and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the interest rate set out in the Mortgage, shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not result in the Lender or its agents being deemed to be in possession, management, or control of the Property and buildings.
- 19.6 The provisions, undertakings and indemnifications contained in this Section 20 shall remain in full force and effect notwithstanding the cancellation/discharge of the Security and/or the full and final repayment of the Loan.

## 20. AUTHORIZATION AND MATERIAL CHANGE

In order to analyze the request for a Loan, for the duration of the Loan and any extension thereof, the Borrower and the Guarantor hereby authorize the Lender to collect any information from any third party for the purpose of verifying credit rating, solvency and reputation.

The Lender may cancel its commitment to lend or may claim repayment of the Loan in the event of any change which, in the opinion of the Lender, **acting reasonably**, affects the risk associated with the Project and/or the risk associated with the financial situation of Borrower or of the Guarantor.

## 21. GUARANTOR

- 21.1 In consideration of the sum of Two Dollars (\$2.00) now paid by the Lender to **Suske Capital Inc., Chancery Seniors Housing Investments Inc., Chancery (Oshawa) The Bartlett GP Inc., Hillspport Developments Inc., Stephen A. Suske and Jessica Zhang** (hereinafter collectively referred as "Guarantor") (the receipt and sufficiency of which is hereby acknowledged) and the Lender advancing the principal money secured or any part thereof by the Mortgage to the Borrower on the terms and conditions set out in this commitment letter and pursuant to the Mortgage, the Guarantor, hereby jointly and severally with the Borrower, irrevocably, absolutely and unconditionally, as principal debtor and not as surety, guarantees to the Lender the due and punctual payment by the

Borrower of all principal monies, interest and any other monies which may now or hereafter become due and owing under the terms of the Mortgage and the observance and performance by the Borrower of all of the covenants and obligations contained therein, and the Guarantor, for himself, his heirs, administrators, estate trustees, successors and assigns, covenants with the Lender that if the Borrower shall at any time make default in the punctual payment of any monies payable under the Mortgage or fails to observe and perform any of the covenants and obligations contained therein or in this commitment letter, he will pay all such monies to the Lender or perform any of the covenants and obligations of the Borrower forthwith after demand having been made in accordance with the notice provisions contained herein, and agrees to indemnify the Lender against all losses, damages, costs, charges and expenses the Lender may at any time or from time to time suffer, incur or become liable of in connection with resulting from or occasioned by any breach by the Borrower any provisions contained in the Mortgage. The Guarantor's liabilities hereunder shall bear interest from the date of such demand at the rate of interest set out in the Mortgage. **Notwithstanding any of the foregoing or any other term or provision of this Commitment Letter or of any of the Security provided in connection therewith, in no event shall the obligation or liability of Jessica Zhang in respect of the Guarantee provided for herein exceed the sum of \$2,000,000.00**

21.2 The undersigned further acknowledges and agrees with the Lender as follows:

- The Lender may grant time, renewals, extensions, indulgences, releases and discharges or take additional security from and give up the same in any or all of the security it is receiving from the Borrower, abstain from taking any enforcement proceedings it may be entitled to and otherwise deal with the Borrower and others as the Lender may see fit, including entering into any renewal agreements, extension agreements, amending agreements or dealing with the Mortgage in any other manner, and may apply all monies at any time received from the Borrower or others upon such part of the obligation of the Borrower as the Lender deems best and change any such application in whole or in part, without in any way limiting or lessening the liabilities of the Guarantor to the Lender.
- The Lender shall not be bound to exhaust their recourse against the Property, the Borrower or any other covenantor/guarantor or to value the security under the Mortgage or any collateral security before requiring or being entitled to payment from the Guarantor. Provided it is understood and agreed any funds payable pursuant to this covenant to the Lender shall be applied by the Lender upon receipt of such funds to amounts due and payable under the Mortgage.
- No change or extension of time or other indulgence or release of the Borrower or anyone claiming through the Borrower, either before or after demand or claim against the Guarantor or any arrangement or other dealing by the Lender with the Borrower or any other person, either before or after demand or claim against the Guarantor, or the bankruptcy or insolvency of the Borrower, or the release, exchange, acceptance or failure to perfect by the Lender of any security, either before or after demand or claim against the Guarantor, shall in any way release, waive, vary, affect or prejudice the rights of the Lender against the Guarantor, notwithstanding the Lender may not give notice thereof to the Guarantor, and the Guarantor hereby waives, to the maximum extent permitted by law, any requirement of notice, demand or prior action against the Borrower or any other security and hereby renounces all benefits of discussions and division.
- All indebtedness and liability, present and future, of the Borrower to the Guarantor as well as any indebtedness or liability for amounts advanced by the Guarantor on behalf of any other covenantor or guarantor of the Mortgage are hereby assigned to the Lender and postponed to the obligations contained in the Mortgage, and all monies received by the Guarantor in respect thereof during any period when there is an uncured default under the Loan or any of the documents in connection therewith shall be received in trust for the Lender and shall be paid over to the Lender upon demand and without in any way limiting or lessening the obligations imposed on the Guarantor, and this assignment and postponement shall remain in full effect until repayment in full to the Lender of all amounts secured by the Mortgage. The Guarantor acknowledges the assignment to the Lender shall not impose upon the Lender any obligation to do anything to realize on the assigned debts and claims or to ensure those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.
- The Guarantor shall have no right to be subrogated to the rights of the Lender until all liabilities and obligations of the Borrower and the Guarantor to the Lender have been satisfied in full in respect of the Mortgage.

- The covenants of the Guarantor shall continue for the full term of the Mortgage and any renewal thereof unless a release in writing has been authorized by the Lender and shall be binding upon the heirs, executors, administrators, estate trustees, successors and assigns of the Guarantor.
- Subject to the Loan being in good standing during the twelve (12) month term of the Loan, to make payment to the Lender forthwith after demand for payment is made in writing.
- The Guarantor acknowledges if for any reason the Borrower has no legal existence and is or becomes under no legal obligation to discharge the monies secured by the Charge or if any monies owing by the Borrower to the Lender becomes irrecoverable from the Borrower by operation of law or for any reason whatsoever, this covenant and the covenants, agreements and obligations of the Guarantor contained herein shall nevertheless be binding upon the Guarantor as principal debtor until such time as all monies owing by the Borrower to the Lender under the Mortgage have been paid in full and the liabilities secured thereby have been discharged.
- The covenants in this Section 22 shall be in addition to and not in substitution for any other guarantees or other securities which the Lender may now or hereafter hold in respect of the monies secured by the Mortgage and the Lender shall be under no obligation to marshal in favour of the Guarantor any other covenants or other securities or any monies or other assets which the Lender may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other covenants or other securities the Lender may now or hereafter hold in respect of the monies secured by the Mortgage.
- The statement in writing of the Lender of the monies owing by the Borrower to the Lender or of any other default under the Mortgage shall be binding upon the Guarantor unless an error has been made and all right to question in any way the Lender's present or future method of dealing with the Borrower or any dealing with any person or persons now or hereafter liable to the Lender for the monies hereby secured or any part thereof or with any security now or hereafter held by the Lender or with any goods or property covered by such security is hereby waived.
- The Guarantor agrees the Lender shall not be obliged to make any demand upon or take any proceedings, or action against the Borrower or any other person before pursuing its rights against the Guarantor pursuant hereto. In the event the Lender in its absolute discretion makes demand upon the Guarantor, the Guarantor shall be held and be bound to the Lender directly as principal debtor in respect of the payment of the amounts hereby guaranteed. Demand for payment shall be deemed to have been effectively made upon the Guarantor two (2) business days following the date an envelope containing such demand addressed to the Guarantor, at the address of the Guarantor last known to the Lender, is posted, postage prepaid, in the post office.
- Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Lender may discontinue, reduce, increase, decrease or otherwise vary the credit of the Borrower in respect of the Loan and Mortgage, may increase, decrease, or otherwise vary, the interest rate on any renewals or extensions and/or may change the amortization period to such terms as the Borrower and the Lender shall agree, may grant time, renewals, extension, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Borrower and others, including the Guarantor and any other guarantors as the Lender may see fit and the Lender may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Lender may see fit, and the Lender may apply all monies received by it from the Borrower or others or from securities or guarantees upon such parts of the guaranteed liabilities, whether liabilities of the Borrower to the Lender, as the Lender may see fit and change any such application in whole or in part from time to time.
- In the event there is a default in payment of any sums owing by the Borrower to the Lender in respect of the Loan at any time, the Lender may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities, or may place it to the credit of a special account. A written statement of the Lender as to the amount remaining unpaid to the Lender at any time by the Borrower shall be conclusive evidence and shall, in any event, be *prima facie* correct against the Guarantor as to the amount remaining unpaid to the Lender at such time by the Borrower.
- Subject to terms above, until payment in full of all the liabilities guaranteed hereunder, all dividends, compositions, proceeds of securities, securities valued or payments received by Lender from the Borrower or others, or from estates in respect of the guaranteed liability shall be regarded for all

purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any setoff or counterclaim against the Borrower in respect of any liability of the Borrower to the Guarantor, claim or prove in the bankruptcy or insolvency of the Borrower in competition with the Lender or have any right to be subrogated to Lender.

- This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or any part thereof, or by the Borrower being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities, whether theretofore or thereafter incurred; and in the case of a change in the membership of a Borrower which is a partnership or in the case of the Borrower being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Borrower" shall include each such resulting partnership and corporation.
- Prior to executing this commitment letter, the Guarantor confirms and acknowledges having had the meaning and import of the terms and provisions of this commitment letter explained to him, and further confirms having had an opportunity to seek independent legal advice separate and apart from the Borrower. The Guarantor further confirms he is fully aware of the nature and effect of this guarantee and postponement of claims and the obligations and liabilities that arise hereunder and has granted the same of his own volition and without fear, threats, compulsion, influence or pressure from the Lender, the Borrower or any other guarantor in respect of the Loan.
- The guarantee and postponement of claims herein shall extend to and enure to the benefit of the Lender and its successors and assigns. Every reference herein to the Guarantor is a reference to and shall be construed as including the Guarantor and his heirs, executors, administrators, legal representatives, estate trustees, successors and assigns of the Guarantor, to and upon all of whom the guarantee and postponement of claims herein shall extend and be binding.

## 22. NOTICE

Any notice given pursuant to this commitment letter, addressed to either party, shall be in writing and shall be deemed to have been given on the day of its delivery by messenger, its service by a court bailiff or by email or on the third day after being mailed by registered mail, as the case may be, to the following addresses:

### 22.1 In the case of the Lender:

**FIERA FP REAL ESTATE FINANCING FUND, L.P.**  
C/O General Partner Fiera FP Real Estate Financing Fund Inc.  
C/O Fiera Private Debt Inc.  
1699, Le Corbusier Boulevard, Office 400  
Laval (Quebec) H7S 1Z3  
ATTN.: Senior Vice President, Real Estate Financing

Email: rcousineau@fieracapital.com

### 22.2 In the case of the Borrower:

**Chancery (Oshawa) The Bartlett Limited Partnership**

ATTN. : **Mr. Stephen A. Suske, Ms. Jessica Zhang, Mr. Josh Skaist**  
Email: ssuske@suskecapital.com, jessica@chanceryseniors.com, joshskaist@gmail.com

### 22.3 In the case of the Guarantor:

ATTN. : **Mr. Stephen A. Suske, Ms. Jessica Zhang, Mr. Josh Skaist**  
Email: ssuske@suskecapital.com, jessica@chanceryseniors.com, joshskaist@gmail.com  
or to such other address as either party may give notice whereof to the other in the manner indicated above.

## **23. MISCELLANEOUS**

This commitment letter may not be modified except in writing and must be signed by the parties.

The presentation of this commitment letter using various sections, subsections, paragraphs, subparagraphs and others and the insertion of headings are intended to facilitate the reading thereof and shall not be used to interpret this document nor to extend or limit its scope.

This commitment letter and the Security shall be governed by the laws of the province in which the Project is situated.

The Lender reserves the right to assign the Loan, in whole or in part, as well as its right in the Security, without the consent of the Borrower or the Guarantor.

The Lender shall be entitled to allocate any sum received at its discretion. The Lender may, at its sole discretion, allocate instalments, repaid sums used to keep its Security or use these sums to pay debts secured by prior ranking security.

Should any clause of this commitment letter be declared invalid, illegal or otherwise inapplicable in any manner or for any reason, the validity, the legality and the applicability of the other provisions shall not be affected in any way. If this were to occur, the Lender and the Borrower shall take all necessary measures to negotiate an alternative that meets the objectives of the provision that has been declared invalid, illegal or inapplicable.

## **24. CONTRACT EQUIVALENT TO A LOAN AGREEMENT**

Once accepted and signed by the Borrower and the Guarantor, if any, this commitment letter shall be deemed a loan agreement, and its date of signature shall be deemed to be the date of signing of this commitment letter by the Borrower. This commitment letter shall replace the financing outline as well as any other written or verbal agreement between the parties regarding the Loan.

Subsequently, the Lender shall ensure the preparation of the documents relating to the Security required by this commitment letter, which must be implemented to the satisfaction of the Lender and its legal advisor, if need be, prior to any advance.

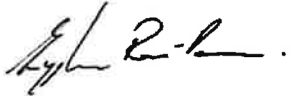
## **25. SCHEDULES**

Schedule A called "Conditions prior to first advance" and Schedule B "Insurance Requirements" shall form an integral part of the presents.

## **26. ACCEPTANCE**

If you agree with the conditions indicated above, please return to us the attached copy duly signed on or before **March 11 th, 2022**; on this date, this Commitment Letter shall become, at the Lender's discretion, null and void if it is not accepted.

**FIERA PRIVATE DEBT INC.,**  
Acting on behalf of  
**GENERAL PARTNER FIERA FP REAL ESTATE FINANCING FUND INC.**  
the general partner of  
**FIERA FP REAL ESTATE FINANCING FUND, L.P.**

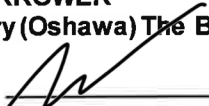
Per:   
\_\_\_\_\_  
Gryphon Raeburn-Power  
Director, Real Estate Financing

Per:   
\_\_\_\_\_  
Ralph S. Doerr  
Managing Director, Real Estate Financing

Per:   
\_\_\_\_\_  
Ahmad Kassem  
Senior Manager, Risk Management

Signed and accepted on this 9th day of March 2022

**THE BORROWER**  
**Chancery (Oshawa) The Bartlett Limited Partnership**

Per:   
\_\_\_\_\_  
Name: Stephen A. Suske

Per: \_\_\_\_\_  
Name: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_

I/we have the authority to bind the corporation

Signed and accepted on this 9th day of March 2022

**BENEFICIAL OWNERS**

**Chancery Seniors Housing Investments Inc.**

Per: 

Name: Stephen A. Suske

I/we have the authority to bind the corporation

Per: \_\_\_\_\_

Name: \_\_\_\_\_

**Hillsport Developments Inc.**

Per: 

Name: Josh Skuse

I/we have the authority to bind the corporation

Each Beneficial Owner acknowledges having read and understood the terms and conditions of this Commitment and accepts same

**GUARANTOR(s)**

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

**Suske Capital Inc.**

Per: 

Name: Stephen A. Suske

I/we have the authority to bind the corporation

**Chancery (Oshawa) The Bartlett GP Inc.**

Per: 

Name: Stephen A. Suske

I/we have the authority to bind the corporation

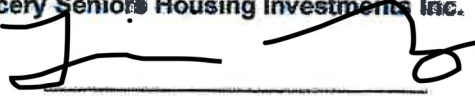
Per: \_\_\_\_\_

Name: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

**Chancery Senior Housing Investments Inc.**

Per: 

Name: Jingjie Zhang

I/we have the authority to bind the corporation

Per: \_\_\_\_\_

Name: \_\_\_\_\_

**Hillspoint Developments Inc.**

Per: 

Name: Josh Stang

I/we have the authority to bind the corporation

Per: \_\_\_\_\_

Name: \_\_\_\_\_

**Mr. Stephen Suske**

Per: 

Name: Stephen A. Suske

**Ms. Jessica Zhang**

Per: 

Name: Jingjie Zhang

# SCHEDULE A

## Conditions prior to first advance:

1. The Lender will have obtained from its legal counsel a favourable opinion on the financing and the rank of the security and will also have obtained **title insurance** and an opinion on title specifying that the Borrower is the owner of the Property, in fee simple, and that The Lender holds the security and the rank herein described. The Lender will have received from the legal counsel of the Borrower an opinion on the corporate status of the latter, certifying that the Borrower is a limited partnership **formed** under the laws of the Province of Ontario and of Canada, and certifying that the Borrower has the corporate power and authority to execute, sign and deliver the security, the loan agreement and any other document required herein and attesting that the said security constitutes legal, valid and enforceable obligations against the Borrower, subject however to the laws pertaining to bankruptcy and to the rights of creditors with respect to the execution of non-monetary obligations. All security documentation is in place to the satisfaction of Fiera's solicitor;
2. The Lender will have obtained from its legal counsel, to the Lender's entire satisfaction, a favourable opinion confirming the Project does not contravene the notice of covenants and restrictions registered on title and associated grant agreement.
3. The Lender must declare being satisfied with the credit rating, the solvency and the financial condition of the Borrower, the Project and the Guarantor. The Borrower and the Guarantor must provide the bank statements, the hypothecary statements and any other supporting document in order to confirm the value of its assets;
  - Receipt of current **Financial Information** in form and content satisfactory to the Lender from each of the Credit Parties.
    - i) The last 3 year's financial statements for the following:
      - Chancery (Oshawa) The Bartlett Limited Partnership
      - Chancery (Oshawa) The Bartlett GP Inc.
      - Suske Capital Inc.
      - Chancery Seniors Housing Investments Inc.
      - Hillspport Developments Inc.

In the event of a newly incorporated company, an accountant or management prepared opening balance sheet will be required.
    - ii) Substantiation of net worth will be required for each personal guarantor satisfactory to the Lender including, receipt and approval of satisfactory credit bureaus.
    - iii) Credit Bureaus checks are to be conducted by the Fiera for the following individuals and are to be satisfactory to Fiera:
      - a) Stephen A. Suske
      - b) Jessica Zhang
      - c) Josh Skaist
  - Completion of due diligence, and additional information obtained as Fiera may require.
4. Copy of the final Agreement of Purchase and Sale for the land located at 550 Bond Street West, Oshawa, ON acceptable to Fiera.
  
5. A satisfactory review and approval of the standard form of unit lease agreement.

6. A satisfactory review and approval of current in-place, executed, residential lease agreements.
7. A satisfactory review and approval of the signed Geriatric Care clinic lease agreement and the signed Bistro lease agreements with a minimum rental rate of \$63,900 per annum.
8. A satisfactory review and approval that all Property Taxes are paid to date for the Project.
9. The Lender must have received evidence from the QS that the Borrower has injected the required equity, as indicated in this commitment letter, which must be acceptable to the Lender; The lender must have received a solemn declaration signed by the Borrower and the Guarantors confirming that all costs incurred for the project have been fully paid to the Lender's complete satisfaction. [Satisfied and acceptable]
10. Receipt of a **Geotechnical Report**, in form and content acceptable to the Lender, attesting to the satisfactory nature of the soil condition to support the buildings contemplated for the Project and confirming that the soil tests and other tests and examinations of the Property are satisfactory for construction and completion of the Project. The Geotechnical Report shall be prepared by a firm of geotechnical engineers qualified in Ontario, in good standing and acceptable to the Lender, and with sufficient professional insurance in the opinion of the Lender.

Letter of Transmittal from the engineer stating Fiera Private Debt may rely on the Geotechnical Report as though it were an original addressee.

11. Receipt of a Phase I ESA Report satisfactory to Fiera Private Debt from an acceptable firm, including a letter of transmittal, as well as a clean Phase I ESA Report satisfactory to Fiera Private Debt from an acceptable firm.

Letter of Transmittal from the engineer stating that the Lender may rely on the ESA as though it were an original addressee.

12. Receipt of a satisfactory review of the site plan agreement, building permit, boundary and foundation plan of survey, occupancy permit, as available. Satisfactory evidence of compliance with all applicable building and zoning bylaws respecting the use and occupancy and intended construction of the property.
13. Receipt by the Lender an updated Appraisal Report prepared by a firm acceptable to the Lender supporting the completed and stabilized value of a minimum of \$71,000,000 of the Project..

Letter of Transmittal to be provided by the Appraisal Firm, confirming that Fiera Private Debt may rely upon the appraisal for Risk Underwriting purposes.

14. The Borrower shall maintain the Project properly insured against any loss, all according to the rules in Schedule B;
15. Receipt by the Lender of a copy of all signed commercial and residential leases, in the entire satisfaction of the Lender.
16. Receipt of QS Report and letter confirming that construction of the Project is complete to the satisfaction of Fiera. (Satisfied)
17. Receipt of a Statutory Declaration signed by Josh Skaist, Jessica Zhang and Stephen Suske which confirms that all General Contractor invoices are paid and the building is complete. (Satisfied and acceptable)
18. Final occupancy letter confirming that the building permit is closed. (Satisfied and acceptable)
19. Receipt of rent roll together with all in-place leases.

**Additional condition precedent to advances re payout equity investors:**

20. Receipt of HST Self Assessment calculation from the Borrower to the satisfaction of Fiera and proof of

HST fully paid.

**Reporting Conditions:**

21. On a month to month basis and when requested by the Lender, the Borrower shall provide the Lender with up-dated monthly leasing reports and signed leases.
22. On an annual basis, Accountant-prepared Review Engagement Financial Statements of the Borrower and Notice To Reader Financial Statements of the Guarantors are to be provided to the Lender within 120 days from year-end.
23. On a monthly basis and when requested by the Lender, an updated rent roll as at the last day of the month shall be received by the 15th day of the following month (or the next business day if the 15th is a holiday or weekend), together with all leases.

**Other Conditions:**

24. Provisions of the Construction Act to be adhered to at all times.
25. All reasonable legal, appraisal, inspection, insurance consultant, Quantity Surveyor and other reasonable costs incurred with respect to the subject loan facility will be the sole responsibility of the Borrower.
26. Any other items as may be reasonably required for a transaction of this nature.
27. General verification and updates of lease up information on a regular basis, and as requested by Fiera Private Debt.

## SCHEDULE B

### INSURANCE REQUIREMENTS EXISTING BUILDING

Prior to the disbursement of the Loan, Fiera FP Real Estate Financing Fund must receive a copy of the insurance policies (or certificates of insurance) listed below, contracted from an established insurer authorized to practice by law, and to the complete satisfaction of the Lender or the Lender's Insurance Consultant.

Throughout the term of the loan, the Borrower must obtain, maintain and provide the Lender with the following proof of insurance:

1. A **Comprehensive Fire/Property Insurance**, all perils (all risks) including replacement cost and coverage for sewer back-up, flood, earthquake as well as «by-laws» related to construction (if applicable), including in particular zoning regulation, increase of construction costs and cost of demolition of the undamaged portion of the property, for an amount equal to the full reconstruction value of the property (justified by a professional appraisal for insurance purposes, at the expense of the Borrower) and no less than the loan amount.
2. A **Rental Income Insurance or Business Interruption Insurance**  
A Rental Income Insurance providing coverage for the current gross rental income losses with a minimum indemnity period of 12 months, covering 100% of the gross income losses projected by the company operating on the property;  
or a Business Interruption Insurance for business interruption losses with a minimum indemnity period of 12 (18, 24) months, covering 100% of the gross profits projected by the company operating on the property.
3. A **Boiler and Machinery Insurance** (Equipment Breakdown) covering any sudden or accidental damage to machinery or equipment, for the same limits as the Comprehensive Fire/Property Insurance mentioned above, including property loss or damage, loss in projected rental income or business interruption.
4. A **General Liability Insurance** including bodily injury and property damage occurring on or in the property or in the vicinity of the property, including a minimum per-claim limit of:
  - o \$2,000,000 if the loan amount is less than \$2,000,000;
  - o \$5,000,000 if the loan amount is between \$2,000,000 and \$9,999,999;
  - o \$10,000,000 if the loan amount is \$10,000,000 or more.

If there is presence of a reservoir (oil tank), an endorsement for limited pollution (IBC 2313) is required. It must be included under the liability insurance for a minimum amount of \$500,000.

Fiera FP Real Estate Financing Fund must be added as additional insured under the liability insurance covering this location, but only with respect to claims arising out of the operations of the insured.

#### **General conditions applying to all insurance:**

For all insurance policies required by Fiera FP Real Estate Financing Fund, the Lender must be added as 1st rank mortgagee and beneficiary. The Borrower and/or the Borrower's Insurers waive their rights of subrogation against the Lender.

Each policy must provide for a 30-day written notice to the Lender to inform of any cancellation or significant modification to the coverages.

Each policy must be underwritten subject to the Standard Mortgage Clauses approved by the Insurance Bureau of Canada (BAC 3000) or their equivalent.

The Borrower agrees to provide the Lender and/or its agent with all proof of insurance upon renewal of such policies, at least 30 days prior to their expiration, for the entire term of the loan.

The Borrower authorizes the Lender or its Insurance Consultant to communicate with the Borrower's Insurance Broker in order to obtain all the required information for this purpose; the Insurance Broker must forward any and all information relative to all current insurance contracts, to the Lender or its Insurance Consultant, at the expense of the Borrower.

The Borrower agrees to promptly notify the Lender in writing in case of any loss occurrence or any damage to the property or other mortgaged assets, to provide all proof of loss and to take all necessary measures to ensure that the Lender receives the indemnities due under the provisions of each of the insurance policies covering such loss, according to its interests.

**LOAN EXTENSION OFFER**

Toronto on December 29<sup>th</sup>, 2022

**Chancery (Oshawa) The Bartlett Limited Partnership**  
2275 Upper Middle Road East, Suite 400  
Oakville, On  
L6H 0C3

ATTENTION OF: Mr. Stephen A. Suske, Ms Jessica Zhang and Mr. Josh Skaist

**Re: Loan 100908 with a total amount of \$53,250,000, extension offered to March 31st, 2023.**

**Fiera FP Real Estate Financing Fund, L.P. (the "Lender")** is pleased to confirm the approval of the extension of the Term of the Loan identified above, subject to the terms of this Loan Extension Offer, which extends the Loan to March 31, 2023 once the conditions herein are satisfied, for *Chancery (Oshawa) The Bartlett Limited Partnership*, (the "**Borrower**") under the commitment letter between the Lender and the Borrower dated November 27, 2020 and any other document recording the indebtedness, as well as amendments and/or extensions, if any (the "**Loan Agreement**").

As of December 29<sup>th</sup>, 2022 the outstanding amount of the Loan is \$50,367,762.

**1. EXTENSION**

Subject to the provisions hereof and notwithstanding the fact that the Loan is on a demand basis, the Lender agrees to extend, from December 10<sup>th</sup>, 2022, the Term of the Loan such that the new maturity date of the Loan shall be March 31st, 2023, after which the Loan shall be repaid in full, capital, interest and fees.

The new maturity date of the loan shall be: **March 31st, 2023**

**2. PAYMENT OF HST CONDITION**

Based on the Borrower's representations, total HST payable to the CRA is **\$2,737,149**. The HST payable will be remitted by the Lender on behalf of the Borrower to the CRA from the availability under the Loan.

Notwithstanding the foregoing, any HST payable in respect of the Project over and above the amounts described in this section, are of the Borrower's account and will be paid by the Borrower from its own resources to the CRA.

Applicable wire fees or costs of these transactions will be paid from the availability of the Loan.

**3. EXTENSION CONDITIONS**

**Litigation Condition**

The Borrower to provide satisfactory updates to the action by J.J. McGuire General Contractors Inc. v. Chancery (Oshawa) The Bartlett Limited Partnership.

If any monies are required to be paid for the above action – the Borrower must inform the Lender and no monies may come from the Borrower's bank account without the prior consent of the Lender.

#### **Pre-Authorized Debit Condition**

The repayment of any sum relating to the Loan may be made, at the Lender's discretion, by direct debit from the Borrower's bank account. The Lender may debit the Borrower's bank account for the amount owed pursuant to the commitment letter, including principal, interest, costs, commissions, fees or disbursements. Any amount debited in excess of the sums available in this account shall constitute advances bearing interest at the applicable rate, pursuant to the commitment letter. **The Borrower agrees to sign any document required and to provide the Lender with any information, documentation or account number required to implement direct debit from the Borrower's bank account. The Borrower to return to the Lender a Pre-Authorized Debit in the form and content satisfactory to the Lender as a condition precedent to the Extension.**

#### **Monthly Interest Payment Condition**

The Borrower must send a minimum of **\$750,000**, as for deposit into the Loans Interest Reserve Account and payment against the monthly interest invoices. The balance of monthly interest payments to be funded from the Loans Interest Reserve Account, until the Interest Reserve Account is depleted at which time the Borrower will pay all interest under the Loan from its own resources, pursuant to the terms of the Loan Agreement.

The Lender shall give a written notice on the tenth (10th) day of each month, or on the next working day if the Lender's offices are closed, indicating the amount of interest that will be deducted from the Borrower's banking operations account. The monthly interest payments shall be deducted every month from the Borrower's bank account, pursuant to the Pre-Authorized Debit article of the Loan Agreement, five (5) working days following the said written notice.

#### **4. INTEREST RESERVE**

\$750,000 will be sent to the Lender from the Borrower to be deposited into the Loans Interest Reserve Account, to make payments for monthly interest until fully depleted.

Authorized loan amount to remain the same at **\$53,250,000**.

#### **5. DEFAULT**

The Borrower or any Guarantor default in any obligation or condition in this Loan Extension Offer or the Loan Agreement constitute events of default under the Loan.

#### **6. TERM EXTENSION FEES**

In consideration of this extension, the extension fee is considered earned and the Borrower will pay to Fiera Private Debt Inc. the applicable fees of **\$163,397 plus HST for a total of \$184,638.61** from the Loan and if insufficient the fees will be debited from the Borrowers bank account, once a signed copy of this Loan Extension Offer is returned to the Lender.

In the event that the term extension fees are unpaid, this extension of the Term will be, at the discretion of the Lender, null and void and ineffective and you will be bound without notice or delay to immediately reimburse us for all amounts due under the Loan, capital, interest and fees.

**7. MISCELLANEOUS**

All terms and conditions set forth in the Loan Agreement shall prevail *mutatis mutandis*.

**8. ACCEPTANCE**

If you agree with the conditions indicated above, please return to us the attached copy duly signed on or before December 30<sup>th</sup>, 2022; on this date, this Loan Extension Offer shall become, at the Lender's discretion, null and void if it is not accepted.

**Fiera FP Real Estate Financing Fund, L.P.**



\_\_\_\_\_  
**Ralph S. Doerr**  
**Managing Director, Real Estate Financing**  
200 Bay Street, Suite 3800, South Tower,  
Toronto, Ontario  
M5J 2J1

**THE BORROWER**  
**Chancery (Oshawa) The Bartlett Limited Partnership**

\_\_\_\_\_  
PER: Stephen A. Suske

\_\_\_\_\_  
PER:

\_\_\_\_\_  
PER: Josh Skewes a behalf of RELP

Signed and accepted on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**BENEFICIAL OWNERS**

**Chancery Seniors Housing Investments Inc**

  
\_\_\_\_\_  
PER: Stephen A. Suske

  
\_\_\_\_\_  
PER:


\_\_\_\_\_  
I have the authority to bind the corporation

\_\_\_\_\_  
I have the authority to bind the corporation

**Hillsport Developments**

  
\_\_\_\_\_  
PER:

\_\_\_\_\_  
PER:

  
\_\_\_\_\_  
PER:

\_\_\_\_\_  
PER:

\_\_\_\_\_  
I have the authority to bind the corporation


\_\_\_\_\_  
I have the authority to bind the corporation

Each Beneficial Owner acknowledges having read and understood the terms and conditions of this Loan Extension Offer and accepts same

**GUARANTOR(s)**



Each Guarantors acknowledges having read and understood the terms and conditions of this Loan Extension Offer and accepts same

**Suske Capital Inc**

  
\_\_\_\_\_  
PER: Stephen A. Suske

\_\_\_\_\_  
I have the authority to bind the corporation

**Chancery (Oshawa) The Bartlett GP Inc.**

  
\_\_\_\_\_  
PER: 

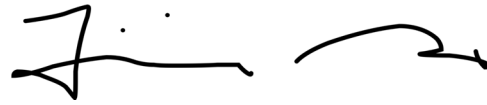
  
\_\_\_\_\_  
PER:

I have the authority to bind the corporation

**Chancery Seniors Housing Investments Inc.**

PER: Stephen A. Suske

I have the authority to bind the corporation



PER:

I have the authority to bind the corporation

**Hillsport Developments Inc.**

PER:



I have the authority to bind the corporation

**Mr. Stephen Suske**

PER: Stephen A. Suske

I have the authority to bind the corporation

**Ms. Jessica Zhang**

PER:



I have the authority to bind the corporation

Attached is **Exhibit “B”**  
referred to in the  
Affidavit of Gryphon Raeburn-Power  
sworn before me  
this 15<sup>th</sup> day of April, 2026

DocuSigned by:

*Samantha Hans*

402DBD39546546A...

Commissioner for taking Affidavits, etc

**Samantha Hans – LSO No. 83737H**

# Cassels

March 10, 2026

Via E-Mail

jbellissimo@cassels.com

tel: +1 416 860 6572

**Chancery Seniors Housing Investments Inc.**

2275 Upper Middle Road East

Unit 400

Oakville, ON L6H 0C3

**Attention: Jessica Zhang**

- and -

**Suske Capital Inc.**

2275 Upper Middle Road East

Unit 400

Oakville, ON L6H 0C3

**Attention: Stephen A. Suske**

Dear Ms. Zhang and Mr. Suske:

**Re: FIERA FP REAL ESTATE FINANCING FUND, L.P. v. CHANCERY (OSHAWA) THE BARTLETT LIMITED PARTNERSHIP et al - Court File No. CV-23-00700694-00CL**

We are in receipt of your letter dated March 6, 2026. Terms used but not otherwise defined in this letter have the meaning given to them in the Fourth Report of KSV Restructuring Inc., in its capacity as court-appointed receiver of Chancery (Oshawa) The Bartlett Limited Partnership et al (in such capacity, the “**Receiver**”) dated March 3, 2026 (the “**Fourth Report**”).

The criticisms contained in your letter are completely without merit.

As requested, attached at Appendix “A” to this letter is Fiera’s payout statement, which provides a breakdown of the total indebtedness owing to Fiera as of March 31, 2026, of \$62,715,472. Your reference to the amount reported to Deloitte as of December 31, 2025 related only to the principal balance owing to Fiera. The balance including accrued interest has been reported to you previously, including on January 12, 2024, when the Receiver provided you with Fiera’s then payout statement which showed an estimated total indebtedness, as of April 30, 2024, of \$59,242,528.

The Receiver was appointed by the Court with the mandate to, *inter alia*, conduct the Sale Process to market and sell the Debtors’ Property. As detailed in the Fourth Report, the initial round of the Sale Process, which had an initial bid deadline of October 6, 2023, did not produce offers that the Receiver, in consultation with Fiera, believed were adequate. None of the offers were sufficient to repay the principal balance owing to Fiera. Instead of proceeding with any of those offers, the

# Cassels

Receiver suspended the Sale Process and undertook efforts to improve the financial and operating performance of the Property with the objective of increasing its value. Those efforts resulted in an increase in value, but still insufficient to repay Fiera in full. Therefore, based on the market's valuation of the Property, and after a further marketing process in the Sale Process which concluded recently, it is clear that there is no equity value in the Property, as no offers were received which were sufficient to repay the senior secured indebtedness owing to Fiera in full, and it is obvious that in such situation, there would be no money for investors.

Your suggestion that the Receiver ought to have refinanced the Fiera indebtedness with some "lower-cost term financing" as may be "standard commercial practice" outside of receivership ignores the commercial and practical reality of the situation. It is unreasonable to believe that a new lender would have completely refinanced the Fiera debt, particularly at a lower rate and extended term, in the circumstances. It is equally unreasonable to believe that Fiera – or any other lender in its position – would have consented to a partial refinancing and subordination of its debt in favour of a new lender.

It is also telling that at no time since the commencement of these receivership proceedings in July 2023 did you (being the parties most familiar with the Property), or any other investor, make any offer to purchase or refinance capable of being completed to fully repay the Fiera indebtedness.

You have been an active participant in these proceedings, and you and Jimmy Suske have reached out to the Receiver many times to discuss issues concerning the Property, including its operations. In addition to the proposal that you submitted on January 3, 2024, you have been in contact with Fiera who put you in touch with the receiver or the realtors engaged by the Receiver throughout the process to attempt to complete various transactions, including as recently as July 2025 when you met with representatives of TD about a transaction, toured the Property, and received current financial information for the Property. You were also aware of the re-launch of the Sale Process as disclosed in the Receiver's Third Report dated November 12, 2025 and raised no concerns at that time.

In short, you have been actively engaged in this process, yet you appear to have waited until the conclusion of the process to raise unfounded and meritless attacks on the process, presumably in an attempt to defend against claims that may be made against you as guarantors.

We trust that this addresses your letter.

Yours truly,  
Cassels Brock & Blackwell LLP



Joseph J. Bellissimo  
Partner

cc. Bobby Kofman and Mitch Vininsky, KSV Restructuring Inc. - *via email*  
Steven Graff and Samatha Hans, Aird & Berlis LLP - *via email*  
Alec Hoy, Cassels Brock & Blackwell LLP - *via email*

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## Appendix "A"

See attached.

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**PAYOUT STATEMENT - AMENDED**

Statement date : 2026-02-28

Loan no.: 100908 Property address : 550 Bond Street West, Oshawa  
Borrower : Chancery (Oshawa) The Bartlett Limited  
Partnership

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**PAYOUT INSTRUCTIONS****Closing date : 2026-03-31**

Principal amount:	\$53,503,221.25
Plus: Accrued interest until closing date (if no change in prime rate)	\$603,340.43
Plus : Late interest :	\$8,604,929.54
Aird Berlis Invoice #1437554	\$1,001.18
Aird Berlis Invoice #1459596	\$389.85
Aird Berlis Invoice #1469945	\$2,589.96
Sub-total required at closing date :	\$62,715,472.21
<b>Total amount to pay to lender :</b>	<b>\$62,715,472.21</b>

**Additional interest to include with payout as of 2026-03-31**

Daily per diem : 12,313.0701. Round up the calculation result at 2 decimals.

\* Daily per diem is not required on the day of repayment if received before deadline mentioned below.**Please use wire transfer method for repayments. See our banking information attached.**

All transfers must be received to our account before 5 P.M. or the cheque received at our offices before 1 P.M. Otherwise the reimbursement will be applied on the next business day.

**IMPORTANT: if last business day of the month, the deadline is 12 P.M. (noon)**

Payout statement is valid until 2026-03-18. After this date, a new payout statement is required.

The lender will sign a release of mortgage on the loan here above upon receipt of complete payment as per present statement.

---

**Prepared by :**

Martine Bourque

Directrice principale, Opérations

Email : analystes@fieracapital.com



## Wire Transfer Instructions

### Fiera Real Estate Debt Strategies Ltd (Admin In trust Account - ONTARIO)

Bank :	National Bank of Canada 501 Dundas St. West Toronto ON M5T 1H1
Swift code :	BNDCCAMMINT
Institution Number:	006
Branch :	14211
CDN \$ Account Number :	0026024
Beneficiary :	Fiera Real Estate Debt Strategies Ltd 200 Bay Street, Suite Royal Bank Plaza, South Tower 3800, Toronto, Ontario, M5J 2J1

#### Important

Upon your transfer, it's essential to enter a loan number. If you don't have the option to enter information with your transfer, please contact us at : [tresorerie@fieracapital.com](mailto:tresorerie@fieracapital.com) to inform us about the details of your transfer. Without this information, the payment/reimbursement cannot meet our compliance standards and therefore can't be processed.

**FIERA FP REAL ESTATE FINANCING FUND, L.P.**

- and -

**CHANCERY (OSHAWA) THE BARTLETT LIMITED  
PARTNERSHIP and CHANCERY (OSHAWA) THE  
BARTLETT GP INC.**

Respondents

Applicant

Court File No. CV-23-00700694-00CL

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

**Proceedings commenced at Toronto**

**AFFIDAVIT OF GRYPHON RAEBURN-POWER  
(sworn April 15, 2026)**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**Steven Graff (LSO # 31871V)**

Tel: (416) 865-7726

Fax: (416) 863-1515

Email: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)

**Samantha Hans (LSO # 84737H)**

Tel: (437) 880-6105

Fax: (416) 863-1515

Email: [shans@airdberlis.com](mailto:shans@airdberlis.com)

*Lawyers for the Applicant*