

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

**MAPLEVIEW DEVELOPMENTS LTD., PACE MAPLEVIEW LTD. and 2552741
ONTARIO INC.**

Respondents

**AFFIDAVIT OF LINDA FRASER-RICHARDSON
(Sworn August 9, 2024)**

I, **LINDA FRASER-RICHARDSON**, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am an associate lawyer with the law firm of Bennett Jones LLP, counsel to KingSett Mortgage Corporation. As such, I have personal knowledge of the matters to which I depose herein, except where indicated otherwise.

2. Attached as **Exhibit “A”** herein is a true copy of the Direction, Acknowledgement and Security Agreement dated November 30, 2022, between Pace Mapleview Ltd., 2552741 Ontario Inc., Mapleview Developments Ltd. and KingSett Mortgage Corporation.

3. Attached as **Exhibit “B”** herein is a true copy of the Amended and Restated Commitment Letter dated September 23, 2022, issued by KingSett Mortgage Corporation and accepted by Mapleview Developments Ltd., Dino Sciavilla and Yvonne Sciavilla (the “**A&R Commitment**”).


Letter”). The A&R Commitment Letter was previously attached to the Affidavit of Daniel Pollack sworn March 14, 2024 in connection with the receivership application.

SWORN REMOTELY by Linda Fraser-Richardson stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 9, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



MILAN SINGH-CHEEMA

Commissioner for Taking Affidavits
(or as may be)



LINDA FRASER-RICHARDSON

THIS IS **EXHIBIT “A”** REFERRED TO IN THE AFFIDAVIT
OF LINDA FRASER-RICHARDSON, SWORN BEFORE ME THIS
9th DAY OF AUGUST, 2024.



Milan Singh-Cheema
A Commissioner for taking Affidavits
(or as may be)

DIRECTION, ACKNOWLEDGEMENT AND SECURITY AGREEMENT

THIS AGREEMENT made as of the 30th day of November, 2022.

B E T W E E N:

PACE MAPLEVIEW LTD. and 2552741 ONTARIO INC.

(the "**Beneficial Owner**")

OF THE FIRST PART

- and -

MAPLEVIEW DEVELOPMENTS LTD.

(the "**Registered Owner**")

OF THE SECOND PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "**Assignee**")

OF THE THIRD PART

WHEREAS the Registered Owner, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Lands**"), notice of which was registered on the date hereof in the Land Registry Office for the Land Titles Division of Barrie (No. 51) to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS the Registered Owner holds legal title to the Lands as registered owner and bare trustee for and on behalf of Pace Mapleview Ltd. as to an undivided fifty percent (50%) beneficial interest and 2552741 Ontario Inc. as to an undivided fifty percent (50%) beneficial interest;

AND WHEREAS as a condition for receiving the Loan Indebtedness, the Beneficial Owner has agreed to enter into this Agreement to direct the Registered Owner to enter into the Commitment Letter, the Mortgage and the other Loan Documents and to grant and create the security interests pursuant to the Mortgage and the other Security Documents, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations;

NOW THEREFORE IN CONSIDERATION of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Registered Owner and the Beneficial Owner, the receipt and adequacy of which is acknowledged by the Registered

Owner and the Beneficial Owner, the Registered Owner and the Beneficial Owner agree with the Assignee as follows:

ARTICLE 1

DEFINITIONS, INTERPRETATION

1.1 Definitions

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) **"Indebtedness"**, in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (b) **"Loan Indebtedness"** means any Indebtedness from time to time of the Registered Owner, the Beneficial Owner or any of the other Covenantors to the Assignee arising under any of the Loan Documents; and
- (c) **"Loan Obligations"** means the obligations of the Registered Owner, the Beneficial Owner or any of the other Covenantors arising under the Loan Documents.

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

ARTICLE 2

AGREEMENT

2.1 Representation and Warranty

The Beneficial Owner hereby represents and warrants that the Registered Owner holds its right, title and interest in and to the Lands, and all of the other property, assets and undertakings located at, relating to or arising from the Lands and which are subjected to the Mortgage (the **"Charged Property"**), as nominee and bare trustee for and on behalf of the Beneficial Owner.

2.2 Direction

The Beneficial Owner hereby authorizes and directs the Registered Owner to execute and deliver the Commitment Letter and the Mortgage.

2.3 Authorization

The Beneficial Owner hereby irrevocably and unconditionally authorizes and directs the Registered Owner to execute and deliver to the Assignee such other agreements, instruments, certificates and documents as may be reasonably necessary in connection with the Commitment Letter and the Mortgage including, without limitation, any of the other Security Documents.

2.4 Grant of Security

Subject in all cases to the provisions of the Mortgage, the Beneficial Owner hereby:

- (a) grants, transfers, sets over, charges and grants a security interest to and in favour of the Assignee in and to all of its right, title, estate and interest in the Charged Property, together with all proceeds of any of the foregoing, on the same terms and conditions as contained therein, which security shall be held by the Assignee as general and continuing security for the due payment of the Loan Indebtedness and performance of the Loan Obligations;
- (b) assigns, pledges and confirms that the security interests constituted by the Mortgage and the other Security Documents extend to, apply to and create a security interest in and to its beneficial interest in and to the Charged Property and the assets, property and undertaking located at, related to or arising from the Charged Property and which are charged under the Mortgage and the other Security Documents as if the Beneficial Owner was a signatory to the Mortgage and the other Security Documents in the place and stead of the Registered Owner; and
- (c) agrees to observe, perform and be bound by all covenants, obligations, representations and warranties of the Registered Owner in the Commitment Letter, the Mortgage and the other Loan Documents, and agrees to observe and be bound by all remedies of the Assignee thereunder.

2.5 Subordination of Indebtedness

From and after the occurrence and during the continuance of an Event of Default, all debts and liabilities, present and future, of the Registered Owner to the Beneficial Owner are hereby assigned to the Assignee, and postponed to the due payment of the Loan Indebtedness and performance of the Loan Obligations, and all money received by the Beneficial Owner in respect thereof will be held in trust for the Assignee and forthwith upon receipt will be paid over to the Assignee, the whole without in any way lessening or limiting the liability of the Beneficial Owner hereunder and this assignment and postponement is independent of the beneficial charge herein and will remain in full force and effect until, in the case of the assignment, the liability of the Beneficial Owner under this Agreement has been discharged or terminated and, in the case of the postponement,

until the due payment in full of the Loan Indebtedness and performance of the Loan Obligations. The foregoing priority shall apply notwithstanding:

- (a) the priority otherwise accorded to the Mortgage and the other Security Documents or under any applicable laws;
- (b) the time or order of creating, granting or execution of any document or instrument comprising the Mortgage and the other Security Documents;
- (c) the attachment, perfection or the giving of notices or the making of demand for payment under the Commitment Letter, the Mortgage and the other Security Documents;
- (d) the time or order of registration of any document or instrument comprising the Mortgage and the other Security Documents;
- (e) the date of any advance or advances made by the Assignee or the date any obligations or liabilities are incurred in each case, which are intended to be secured by the Mortgage and the other Security Documents;
- (f) the date(s) of any default under the Commitment Letter, the Mortgage and the other Security Documents or the date or dates of crystallization of any floating charges;
- (g) the giving or failure to give notice of any of the foregoing to any person, firm or corporation;
- (h) any real or apparent defect in or invalidity of any document comprising the Commitment Letter, the Mortgage and the other Security Documents; or
- (i) subject to the terms of the Commitment Letter, the Mortgage and the other Security Documents, the occurrence of any other event or circumstances entitling the Beneficial Owner to make a claim in priority to or in conflict with the Assignee until such time as a full and final release has been granted with respect to the the Commitment Letter, the Mortgage and the other Security Documents.

2.6 Validity of the Commitment Letter, the Mortgage and other Security Documents

The Beneficial Owner agrees that (other than in connection with a claim for improvident realization) it shall not hereafter directly or indirectly take, and it is hereby estopped from taking, any action and it shall not consent to the taking of any action and it shall not nor shall it cause any person to take any action, to challenge the validity, legality, perfection, priority or enforcement of the Commitment Letter, the Mortgage and the other Security Documents or the security interests created thereby.

2.7 Reassignment/Discharge

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Beneficial Owner, reassign to the Beneficial Owner, its successors and assigns, the Charged Property or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Beneficial

Owner, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Beneficial Owner's right, title and interest in and benefit of the Charged Property to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Beneficial Owner as to the Charged Property or anything related thereto. Upon registration of a discharge of the Mortgage, this Agreement shall thereupon become and be of no force or effect. At such time as the Mortgage has been discharged, the Assignee will, upon the request of the Beneficial Owner, and at the sole reasonable cost and expense of the Beneficial Owner, execute and deliver to the Beneficial Owner such instruments as may be necessary or effective, in registrable form, to evidence the termination of this Agreement and/or the reassignment to the Beneficial Owner of the Charged Property.

ARTICLE 3

ACKNOWLEDGEMENT OF REGISTERED OWNER

3.1 Acknowledgement

The Registered Owner hereby acknowledges the direction contained in Section 2.2 and Section 2.3 hereof and agrees to be bound by the terms hereinbefore set forth.

ARTICLE 4

MISCELLANEOUS

4.1 Payments

All payments required to be made by the Beneficial Owner to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 4.9 (or at any other place specified by the Assignee by written notice to the Beneficial Owner) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

4.2 Failure of Indulgence Not Waiver

No extension of time, waiver, or other indulgence given by the Assignee to the Beneficial Owner, or anyone claiming under the Beneficial Owner, shall in any way affect or prejudice the rights of the Assignee against the Beneficial Owner or any other Covenantor. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

4.3 Modification

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

4.4 Entire Agreement

On execution and delivery by the Beneficial Owner and the Registered Owner, this Agreement is deemed to be finally executed and delivered by the Beneficial Owner and the

Registered Owner to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Beneficial Owner. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Registered Owner or the Beneficial Owner under it.

4.5 Severability

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

4.6 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

4.7 Paramountcy

The provisions of any agreement between the Beneficial Owner and the Registered Owner, as applicable, and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application with respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage shall prevail.

4.8 Assignability

The Beneficial Owner and the Registered Owner hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning the Beneficial Owner and the Registered Owner, this Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee shall make reasonable commercial efforts to give notice of any such assignment to the Beneficial Owner and the Registered Owner.

4.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party addressed:

- (a) to the Beneficial Owner and the Registered Owner:

30 Wertheim Court, Building A, Suite 3
Richmond Hill, Ontario
L4B 1B9

Attention: Dino Sciavilla
Email: dino@pacedev.ca
Facsimile: 905-731-5296

with a copy to the Beneficial Owner's and the Registered Owner's solicitors at

Devry Smith Frank LLP
95 Barber Greene Road, Suite 100
Toronto, Ontario
M3C 3E9

Attention: Louis Gasbarre
Email: louis.gasbarre@devrylaw.ca
Facsimile: 416-446-3318

and

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario
M2N 7E9

Attention: Robert A. Miller
Email: robert@chaitons.com
Facsimile: 416-222-8402

- (b) to the Assignee:

Scotia Plaza
40 King Street West, Suite 3700,
Toronto, Ontario
M5H 3Y2

Attention: Scott Coates
Email: SCoates@kingsettcapital.com

Facsimile: 416-687-6701

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

4.10 Expenses, Fees and Indemnity

The Beneficial Owner and the Registered Owner will pay to the Assignee all reasonable costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Beneficial Owner and the Registered Owner to the Assignee. The Beneficial Owner and the Registered Owner shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Beneficial Owner and the Registered Owner under this Agreement.

4.11 Applicable Law

This Agreement and the rights and obligations of the Beneficial Owner, the Registered Owner and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Lands are situate and the laws of Canada applicable therein.

4.12 Time of the Essence

Time is of the essence of this Agreement.

4.13 Execution by the Assignee

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

4.14 Counterparts

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

4.15 Further Assurances

The Beneficial Owner and the Registered Owner will promptly do all further acts and execute and deliver further documents as may be reasonably required to carry out the terms or intent of this Agreement.

4.16 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Assignee, the Registered Owner and the Beneficial Owner, and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

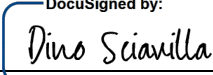
4.17 Multiple Parties

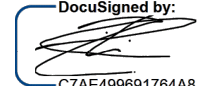
If the Beneficial Owner or the Registered Owner consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Beneficial Owner or the Registered Owner includes each and every such Person or corporation individually. All covenants and agreements herein of the Beneficial Owner or the Registered Owner are the joint and several covenants and agreements of each such Person. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

IN WITNESS WHEREOF the Registered Owner and the Beneficial Owner have executed this Agreement as of the date and year first written above.

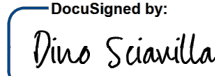
MAPLEVIEW DEVELOPMENTS LTD.

Per:  DocuSigned by:
Name: Dino Sciarilla
Title: President

Per:  DocuSigned by:
Name: Gregory Zehr
Title:

I/We have authority to bind the Corporation

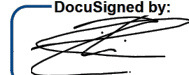
PACE MAPLEVIEW LTD.

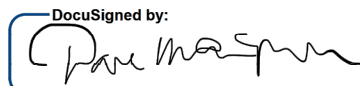
Per:  DocuSigned by:
Name: Dino Sciarilla
Title: President

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

2552741 ONTARIO INC.

Per:  DocuSigned by:
Name: Gregory Zehr
Title:

Per:  DocuSigned by:
Name: David Marshall
Title:

I/We have authority to bind the Corporation

THIS IS **EXHIBIT “B”** REFERRED TO IN THE AFFIDAVIT
OF LINDA FRASER-RICHARDSON, SWORN BEFORE ME THIS
9th DAY OF AUGUST, 2024.



Milan Singh-Cheema
A Commissioner for taking Affidavits
(or as may be)



September 23, 2022

**Mapleview Developments Ltd.
c/o Pace Developments & MarshallZehr**

Attention: Mr. Dino Sciavilla & Mr. Gregory Zehr,

Re: Amended and Restated Commitment Letter for Urban North Towns

A. LOAN TERMS

The Lender is pleased to offer non-revolving, demand loans and cash in lieu of Letter(s) of Credit (collectively, the "**Loan**") in connection with the above referenced project, subject to the terms and conditions as described herein and within the Schedules attached hereto (the "**Commitment Letter**"). This Commitment Letter amends and restates the three commitment letters dated June 26, 2019 for the First Mortgage Servicing Loan and Letter of Credit Facility, Second Mortgage Construction Loan, and Third Mortgage Servicing Loan, as amended by the respective amendment letters dated December 13, 2019 and March 2, 2020, and by the respective amended and restated commitment letters dated January 6, 2022 (collectively, the "**Original Commitment Letters**"). The Original Commitment Letters are hereby superseded by the subject Commitment Letter and have no further force or effect.

1. **Project:** The subject site comprises ~50 developable acres located at 700-780 Mapleview Drive East, Barrie, Ontario. The project contains six phases as follows:

Phase I and II: currently under development for 272 low-rise lots totaling ~4,610 front feet and will result in the construction of 272 town houses totaling ~398,000 square feet (the "**Phase I and II**");

Phase III: currently under development for 209 low-rise lots totaling ~3,626 front fee and will result in the construction of 209 town houses totaling ~342,000 square feet (the "**Phase III**");

Phase IV: currently under development and will result in the construction of 321 stacked town houses totaling ~432,000 square feet (the "**Phase IV**");

Phase V: raw land held by the Borrower zoned for 210 seniors housing units (the "**Phase V**");

Phase VI: raw land held by the Borrower zoned for 81 town houses (the "**Phase VI**").

(Collectively, the "**Project**").

2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** Mapleview Developments Ltd. (the "**Borrower**").
4. **Guarantor:** Dino Sciavilla and Yvonne Sciavilla (collectively, the "**Guarantors**").

5. **Loan Amount:**

Facility 1 (In0509): \$43,719,480 1st Mortgage, Non-Revolver, Demand, Land Development Loan (“**Facility 1**” and together with Facility 2 to Facility 7 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Facility 2 (In0523): \$15,261,465 1st Mortgage, Non-Revolver, Demand, Construction Loan (“**Facility 2**” and together with Facility 1 to Facility 7 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Facility 3 (In0510): \$15,000,000 1st Mortgage, Non-Revolver, Demand, Land Development Loan (“**Facility 3**” and together with Facility 1 to Facility 7 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Facility 4 (In5021): \$5,286,418 1st Mortgage, cash in lieu of Letter(s) of Credit for Phase I and II (“**Facility 4**” and together with Facility 1 to Facility 7 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Facility 5 (In5028): \$18,062,627 1st Mortgage, Non-Revolver, Demand, Land Development Loan (“**Facility 5**” and together with Facility 1 to Facility 7 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Facility 6 (In5022): \$5,776,707 1st Mortgage, Non-Revolver, Demand, Land Development Loan (“**Facility 6**” and together with Facility 1 to Facility 7 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Facility 7 (In5030): \$2,655,415 1st Mortgage, cash in lieu of Letter(s) of Credit for Phase III (“**Facility 7**” and together with Facility 1 to Facility 6 inclusive, collectively the “**Facilities**” and each a “**Facility**”), as may be reduced by unit closings.

Collectively, the “**Loan Amount**” (\$105,762,112 in aggregate).

As of the date of this Commitment Letter, all Facilities are fully funded.

6. **Interest Rate:**

Facility 1 (In0509): Prime Rate + 2.20% (floor rate of 6.15%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to Facility 1 (the “**Facility 1 Interest Rate**”).

Facility 2 (In0523): Prime Rate + 2.00% (floor rate of 5.95%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to Facility 2 (the “**Facility 2 Interest Rate**”).

Facility 3 (In0510): Prime Rate + 8.55% (floor rate of 12.50%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to Facility 3 (the “**Facility 3 Interest Rate**”).

Facility 4 (In5021): Prime + 2.00% (floor rate of 6.15%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to Facility 4 (the “**Facility 4 Interest Rate**”).

Facility 5 (In5028): Prime Rate + 2.20% (floor rate of 6.15%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to Facility 5 (the "**Facility 5 Interest Rate**").

Facility 6 (In5022): Prime Rate + 8.55% (floor rate of 12.50%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan (the "**Facility 6 Interest Rate**").

Facility 7 (In5030): Prime + 2.00% (floor rate of 5.00%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to Facility 7 (the "**Facility 7 Interest Rate**").

Collectively, the "**Interest Rate**".

Provided that "**Prime Rate**" shall mean, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.

7. **Lender's Fee:**

\$420,000 (~0.40% of the Loan Amount) non-refundable lender's fee earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender (the "**Lender's Fee**").

8. **Maturity Date:**

February 1, 2023. The principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repayable in full on the Maturity Date together with all accrued and unpaid interest, costs, fees and any other amount secured by the Security.

9. **Extension Option:**

In the Lender's sole, absolute and unfettered discretion and provided that no Event of Default as defined in the Mortgage or in this Commitment Letter as an "Event of Default" has occurred which is continuing, the Lender may permit additional extensions of the Term of three months each to the Maturity Date (each an "**Extension Option**"). Borrower must provide written notice to the Lender with a request to extend at least 30 days prior to the Maturity Date and payment of the Extension Fee referenced in Section A.10.

10. **Extension Fee:**

\$210,000 (~0.20% of the Loan Amount) earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.

11. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan based on the applicable Interest Rate for each of the Facilities as outlined herein (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full. The Borrower shall be required to make Monthly Payments from its own financial resources. Non-Sufficient Fund payments will be subject to an administration fee of \$500.
12. **Project Budget:** See Schedule F (the "**Project Budget**"). For greater certainty, the Lender approved Project Budget shall be \$200,725,000 (excluding \$3,500,000 of Lender's mezzanine interest costs) for Phase I and II, and \$118,249,999 (excluding \$1,500,000 of Lender's mezzanine interest costs) for Phase III. The Project Budget shall be used in the monthly reports produced by the Project Monitor, as hereinafter defined, and may be amended or modified from time to time subject to the prior written consent of the Lender.
13. **Project Monitor:** An independent project monitor acceptable to the Lender shall have been engaged to act on behalf of the Lender throughout the duration of the Project at the Borrower's expense. The Lender's project monitor shall be Glynn Group Inc. (the "**Project Monitor**"). The scope of the Project Monitor's mandate is outlined in Schedule C). The Lender shall have the right to expand or vary the scope of the Project Monitor or to replace the Project Monitor at any time, in its discretion, acting reasonably. The Lender shall receive monthly QS reports on the Project prepared by the Project Monitor in accordance with Schedule C, the failure of which shall be an Event of Default under the Loan Documents.
14. **Project Equity:**

The Borrower shall be required to fund all outstanding and future Project Costs from equity and/or a subordinate loan from MarshallZehr Group Inc. provided that the Lender has received (i) the approval of its investment committee for any increased subordinate charge amount and (ii) a revised and executed subordination and standstill agreement satisfactory to the Lender in all respects.
15. **Accounts Payable:**
 - (a) The current outstanding accounts payables inclusive of land servicing payables across the Project shall be immediately reduced to an amount that satisfies the following condition: no payables may be outstanding for greater than 90 days; and payables of less than 90 days shall not exceed the lesser of (i) \$75K per Unclosed Home, as hereinafter defined, or (ii) \$18,000,000 in aggregate across the Project.

"Unclosed Home" defined as a lot that has, at a minimum, had the foundation wall poured.
 - (b) Any deferred servicing terms and conditions (i.e., financing) provided by Condrain and/or other parties in connection with the Project must be satisfactory to the Lender in all respects.
16. **Deposits:**
 - (a) Any freehold deposits collected (including any deposits currently held in trust) may be released to MarshallZehr in trust; provided that after allowing for such deposit use in the Project, there are sufficient proceeds from each Unit closing to meet the Minimum Discharge Amount owed to the Lender; failing which, such deposits may not be released to MarshallZehr in trust. In addition, the Project Monitor shall track and report on all such purchaser deposits held in trust and used in the Project.

- (b) The Borrower shall cancel the sale of Phase IV to Urban North on the GO Ltd. (a related party) and the Lender shall allow the release of the \$2,000,000 purchaser's deposit to MarshallZehr in trust, subject to the Borrower not being in breach of the Accounts Payable condition in Section A.15.
- (c) Subject to Section A.22(a), the Borrower may access deposit bonding facilities to fund payables in Phase IV in order to "cap" Phase IV until a later date. The Lender and the Borrower to agree on the definition of "cap". Under no circumstances, may the deposits be used for equity takeout.

17. **Prepayment:**

The Loan will be open for prepayment without penalty subject to a minimum of 30 days' prior written notice to the Lender.

18. **Approval of Sale Documents:** The Borrower shall provide the Lender with:

- (a) **Approved Sales.** A spreadsheet, certified by a senior officer of the Borrower, setting out the details of each purchase approved by the Borrower in respect of a sale of a unit in the Project (each a "Unit"); and
- (b) **Statements of Adjustment.** No later than five days prior to the closing date for the sale of a Unit, an executed copy of the final vendor's statement of adjustments for such Unit.

19. **Partial Discharge:**

Land Discharges: The partial discharge of Phase IV, Phase V and Phase VI lands shall be subject to the consent of the Lender, in its sole, absolute and unfettered discretion.

Unit Discharges (Phase I and II, or Phase III): Provided that no Event of Default has occurred which is continuing and the Loan is not matured, the Lender will provide the Borrower with partial real and personal property discharges of the Security on a per Unit basis upon the Lender's receipt of the Minimum Discharge Amount for each Unit as set forth in Schedule G in order to repay the Loan by the 429th lot closing within Phases I, II, and III. If an Event of Default has occurred which is continuing, all Net Closing Proceeds, as hereinafter defined, shall be applied to the permanent reduction of the Loan.

"Net Closing Proceeds" shall be calculated as:

1. the actual gross unit selling price less the applicable sales tax including any associated closing adjustments (i.e. purchaser recoveries) for such Unit; and

Less the aggregate of:

- (i) purchaser deposits (excluding purchaser upgrade deposits) used in the Project allocated to such Unit;
- (ii) reasonable closing costs, approved legal fees, reasonable arm's length realty commissions, and any other reasonable closing adjustments for the sale of a unit similar to such Unit, which aggregate amount shall not to exceed \$10,000 per unit; and
- (iii) any builder's lien holdbacks required by applicable law, which holdback funds are to be held in trust by the Borrower's solicitors and paid to the Mortgagee forthwith

upon the expiry of the applicable lien holdback period to the extent that any amounts remain unpaid hereunder and to the extent that such holdback funds are not required by applicable law to discharge builder's liens registered against title to such Unit.

A partial discharge fee of \$250 per discharge document (for clarity, i. a partial discharge document may contain multiple unit discharges, and ii. the discharge fee is a consolidated fee for all facilities) shall be deemed earned by the Lender and payable by the Borrower contemporaneously with the granting by the Lender of each partial discharge.

20. **Allocation of Net Closing Proceeds**: Provided that no Event of Default has occurred which is continuing and the Loan is not matured, in order of priority, the Net Closing Proceeds will be applied as follows: (a) firstly, to the permanent reduction of the Loan by the Minimum Discharge Amount for such Unit as outlined in Schedule G and (b) secondly, any surplus to the payment of Project costs under Phases I, II and/or III or further permanent reduction of the Loan. For greater certainty, no monies shall be removed from the Project entities until the Loan has been repaid in full. Specifically, on a Facility by Facility basis, in order of priority, the waterfall of the Lender's Minimum Discharge Amount from an individual Unit closing will be applied as follows:

- (a) Firstly, to the permanent reduction of Facility 2 until repaid in full;
- (b) Secondly, to the permanent reduction of Facility 1 until repaid in full;
- (c) Thirdly, to the permanent reduction of Facility 5 until repaid in full;
- (d) Fourthly, to the permanent reduction of Facility 7 until repaid in full;
- (e) Fifthly, to the permanent reduction of Facility 4 until repaid in full;
- (f) Sixthly, to the permanent reduction of Facility 3 until repaid in full;
- (g) Seventhly, to the permanent reduction of Facility 6 until repaid in full.

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

22. **Permitted Encumbrances**: The Lender hereby acknowledges and consents to the following permitted encumbrances (each a "**Permitted Encumbrance**"):

Phase I, Phase II, Phase III and Phase IV

- (a) **Approved Second DPI Mortgage**. A second mortgage, in an amount not to exceed \$3,000,000 for Phase I and II, \$7,962,950 for Phase III, and \$21,000,000 for Phase IV, as required, provided by Westmount Guarantee on terms and conditions acceptable to the Lender.
- (b) **Approved Third Mortgage**. A third mortgage, in an amount not to exceed \$49,500,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.
- (c) **Approved Fourth Mortgage**. A fourth mortgage, in an amount not to exceed \$9,000,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.

- (d) **Approved Fifth Mortgage.** A fifth mortgage, in an amount not to exceed \$20,000,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.

Phase V

- (e) **Approved Second Mortgage.** A second mortgage, in an amount not to exceed \$49,500,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.
- (f) **Approved Third Mortgage.** A third mortgage, in an amount not to exceed \$9,000,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.
- (g) **Approved Fourth Mortgage.** A fourth mortgage, in an amount not to exceed \$20,000,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.

Phase VI Lands

- (h) **Approved First Mortgage.** A first mortgage with priority over KingSett Mortgage Corporation's \$132,500,000 second mortgage charge, in an amount not to exceed \$2,885,000 provided by Vector Financial Services Ltd., on terms and conditions acceptable to the Lender, which shall be permitted over Phase VI only (the "**Vector First Mortgage**").
- (i) **Approved Third Mortgage.** A third mortgage, in an amount not to exceed \$49,500,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.
- (j) **Approved Fourth Mortgage.** A fourth mortgage, in an amount not to exceed \$9,000,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.
- (k) **Approved Fifth Mortgage.** A fifth mortgage, in an amount not to exceed \$20,000,000 (beneficial owner equity interest), provided by MarshallZehr Group Inc., on terms and conditions acceptable to the Lender for the funding of construction costs for Phases I and II, and Phase III of the Project.

Each Permitted Encumbrance is acknowledged by the Lender provided that all terms and conditions thereof together with any related security are acceptable to the Lender in its sole but commercially reasonable discretion and the Permitted Encumbrance enters into a subordination and standstill agreement with the Lender in the Lender's prescribed form including, without limitation, a covenant by the holder of the Permitted Encumbrance, as applicable, to provide a free partial discharge of its security over each Unit concurrently with the sale of such Unit (collectively, the "**Subordination and Standstill Agreements**").

23. **No Further Encumbrances**: Additional financing (prior or subsequent) of the Project, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Project without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. If such consent is provided by the Lender, the encumbrance shall only be acknowledged by the Lender provided that all terms and conditions thereof together with any related security are acceptable to the Lender in its sole and unfettered discretion and the holder of the encumbrance enters into a subordination and standstill agreement with the Lender in the Lender's prescribed form. For greater certainty, an equity takeout may not be permitted.
24. **Costs and Expenses**: The Borrower shall bear all costs and expenses incurred by the Lender from time to time in connection with the Loan, such costs may include, but shall not be limited to, legal fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, Project Monitor mandates, out-of-pocket expenses for property inspections and any applicable sales tax related to all such costs and expenses.

B. SECURITY

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

1. **Mortgage**: A (i) \$132,500,000 (~125% of the Loan Amount) first mortgage/charge on Phase I and II, Phase III, Phase IV, and Phase V and (i) \$132,500,000 (~125% of the Loan Amount) second mortgage/charge on Phase VI granted by the Borrower, including, without limitation, an assignment of condominium voting rights forthwith upon registration of the condominium, as applicable, and a negative pledge by the Nominee not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget approved by the Project Monitor and provided further that such repayment does not result in equity or cash of the Borrower being removed from the Project.
2. **General Assignment of Rents**: A general assignment of leases and rents granted by the Borrower registered on title to the Project.
3. **General Security Agreement**: A general security agreement granted by the Borrower and/or the Nominee, as applicable, creating a first ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Project.
4. **General Assignment of Material Contracts**: A general assignment of all current and future material contracts for the Project including, without limitation, those relating to construction, supply, consulting, engineering specifications and drawings, architectural specifications and drawings, plans, licenses and permits for the Project granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee

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

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

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

14. **Pledge Agreement:** A hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner of the Borrower), as applicable, by the holders thereof provided that:
 - (a) the Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and/or unit certificates;
 - (b) if the registered owners of such shares and units are not providing a guarantee of the Borrower's obligations to the Lender hereunder, then such registered owners shall be required to provide a limited recourse guarantee with recourse against such registered owners limited in scope to the pledge of such shares and/or unit certificates; and
 - (c) if the registered owners are different than the beneficial owners of such shares and/or unit certificates then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares and/or unit certificates to the Lender.
15. **Subordination and Standstill Agreement:** The Subordination and Standstill Agreements contemplated in Section A.22.
16. **Cross Default:** Cross default provision, as it relates to all current and future obligations of the Borrower and Guarantors to the Lender.
17. **Other:** Such other Security as the Lender and/or its legal counsel may reasonably require.

C. CONDITIONS PRECEDENT

The Commitment Letter shall not take into effect until all conditions below (collectively, the “**Conditions Precedent**”) are satisfied or waived by the Lender in its sole, absolute and unfettered discretion.

1. **Payment of Lender's Fees:** The Lender shall have received the Lender's Fee in the amount of \$420,000.
2. **Payment of Legal Fees:** The good faith deposit of \$75,000 held in trust by the Lender shall be used to pay Bennett Jones LLP directly for legal fees owed to date with respect to the Loan. The Lender shall have received from the Borrower the remaining outstanding legal fees due to Bennett Jones LLP evidenced by an invoice from Bennett Jones LLP.
3. **Consent of MarshallZehr:** The Lender shall have received consent from MarshallZehr Group Inc. under Instrument No. SC1371448 to register the Mortgage and the General Assignment of Rents against title to the Project.
4. **Registration of Security:** All registrations, recordings and filings of or with respect to the Security which in the opinion of the Lender's counsel are necessary to render effective and perfected, or to give notice of, the security intended to be created thereby shall have been completed.
5. **Searches:** The Lender shall have received either (i) all customary off-title searches for properties of similar nature to that of the Project including, without limitation, searches for unregistered easements, rights-of way, property tax status, environmental notices, and executions against the

Loan Parties, or (ii) satisfactory coverage in a loan policy of title insurance. If applicable, the off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review.

6. **Clean Title:** The Lender shall be satisfied with title to the Project including, without limitation, the absence of liens and other encumbrances.
7. **Levies and Fees:** All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Project shall have been paid to the date of this Commitment Letter taking into effect.
8. **No Litigation:** There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the Project or any of the Loan Parties that has, or could reasonably be expected to have, a material adverse effect on (i) the business, operations, property or financial or other condition of any of the Loan Parties which would materially negatively affect the ability of the Loan Parties, taken as a whole, to perform and discharge their obligations under the Loan Documents, (ii) the Project, the Lender's liens on the Project and other collateral pursuant to the Security, or the priority of those liens, or (iii) the Lender's ability to enforce its rights or remedies under any of the Loan Documents.
9. **Other:** Such other Conditions Precedent as the Lender may require.

D. FUNDING

The Loan is fully advanced and will have no subsequent advances.

E. COVENANTS

The Borrower shall abide by the following covenants, the failure of which shall be an Event of Default under the Loan Documents:

1. **Project Reports:** The Borrower shall cause the Project Monitor to provide the Lender with monthly progress reports on the Project in accordance with Schedule C. For greater certainty, the report shall include a cash flow linked to construction schedule with form and content acceptable to the Lender and a comprehensive accounts payable section.
2. **Construction Reporting:** The Borrower shall provide the Lender with copies of the following regarding the Loan Parties and/or the Project within the specified time outlined below:
 - (a) On the 10th day of every month, a detailed schedule of outstanding account payables on a form acceptable to the Lender;
 - (b) On the 10th date of every month, a cash flow linked to construction schedule with form and content acceptable to the Lender;
 - (c) On a bi-weekly basis, updates covering the trailing two-weeks including:
 - (i) Three most critical items from the Borrower's perspective,
 - (ii) Building permits obtained,
 - (iii) Construction starts,
 - (iv) All major scope items on a block-by-block basis including:

- (1) Foundation walls poured,
- (2) Lumber delivered to site,
- (3) Framing completed,
- (4) Windows installed,
- (5) Brickwork completed,
- (6) Drywall completed,
- (7) City inspections of work completed,
- (8) Kitchens and finish millwork completed,
- (9) Painting completed,
- (10) Flooring completed,
- (11) Electrical and plumbing fixtures installed,
- (12) PDIs.

Update to include a comparison to previous forecasts and should note areas where project is ahead / behind on a block-by-block basis,

- (v) Challenges and difficulties being experienced on site and strategies to address them. This should include commentary on any trades not coming to site as scheduled and any major RFIs, any major change orders, municipal delays etc.,
 - (vi) Occupancies,
 - (vii) Closings,
 - (viii) Cancelled sales,
 - (ix) New sales and all newly executed firm and binding purchase and sale agreements with respect to the sale of Units,
 - (x) 14, 30, 60, 90 day forecast on construction costs, closings, revenue, and outstanding balance of the Loan.
- (d) The Lender shall be granted access to conduct site inspections at the Lender's sole and absolute discretion and at the expense of the Borrower;
 - (e) The Lender shall be granted attendance at the site servicing meetings;
 - (f) On a monthly basis at a minimum, a Construction Contract List including the following:
 - (i) Supplier Names,
 - (ii) Scope of Work/Services,
 - (iii) number of competing bids,

(iv) Effective Dates,

(v) Expiry Dates.

3. **Construction Contracts**: The Borrower shall forthwith deliver all executed construction contracts to the Project Monitor and Lender within 10-days of execution of such construction contracts.
4. **Insurance**: The Borrower shall maintain insurance on the Project at all times in accordance to the Lender's requirements in Schedule A and provide the Lender with copies of any and all insurance policy renewals and/or amendments within ten business days of the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense.
5. **Bulk Unit Purchasers**: The Borrower shall not permit any bulk sale of Units to a single purchaser, defined as three units or more, unless approved by the Lender in writing, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
6. **Interim Occupancy Fees/Revenue**: The Borrower shall use all interim occupancy fees/revenue towards Project costs or to reduce the outstanding balance of the Facility 1 or Facility 5, respectively. Interim occupancy fees may not be used by the Borrower for any other purpose nor may they be removed from the Project as a fee, equity, repatriation, dividend, interest, premium or any other form of distribution.
7. **Property Taxes**: The Borrower shall provide the Lender with property tax statements with respect to the Project supported by proof of payment on a quarterly basis or as otherwise requested by Lender from time to time.
8. **Financial Statements**: Within 150 days of the end of each of its fiscal years, or more often if requested by the Lender, the Borrower shall provide to the Lender:
 - (a) audited financial statements of the Borrower and of any corporate Guarantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow.
9. **Personal Net Worth Statements**: Within 90 days of the end of each of each calendar year, or more often if requested by the Lender, the Borrower shall provide to the Lender:
 - (a) current dated net worth statements for the personal Guarantors.
10. **Other Updates**: At the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

F. COUNSEL

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

1. **Lender's Counsel**:

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

Phone: (416) 777-6522

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

2. **Loan Parties' Counsel:**

Louis A. Gasbarre

Devry Smith Frank LLP

95 Barber Greene Road, Suite 100

Toronto, Ontario, Canada M3C 3E9

Louis.Gasbarre@devrylaw.ca

If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter by September 30, 2022 failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,


KINGSETT MORTGAGE CORPORATION

Per:


[Daniel Pollack \(Sep 23, 2022 09:18 EDT\)](#)

Daniel Pollack
Senior Director, Mortgage
Investments

Per:


[Bryan Salazar \(Sep 23, 2022 09:37 EDT\)](#)

Bryan Salazar
Managing Director, Mortgage
Underwriting & Funding

ACKNOWLEDGEMENT

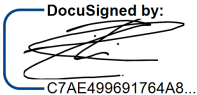
I/We hereby accept the terms and conditions of this Commitment Letter and any accompanying Schedules and each person executing this Commitment Letter on behalf of any Borrower or any Guarantors represents and warrants that he/she has the power and authority to bind such entity.

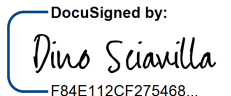
9/26/2022

Accepted and agreed as of the _____ day of _____, 20____.

BORROWER:

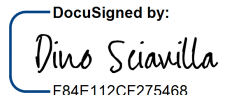
Mapleview Developments Ltd.

Per:  C7AE499691764A8...
Name: Gregory Zehr
Title: Executive Chairman & Co-Founder

Per:  F84E112CF275468...
Name: Dino Sciavilla
Title: President

GUARANTOR:

Dino Sciavilla


Per:  F84E112CF275468...
Name: _____

WITNESS

Name: _____

GUARANTOR:

Yvonne Sciavilla

Per:  177AE7F76618458...
Name: _____

WITNESS

Name: _____

SCHEDULE A

CONSTRUCTION INSURANCE REQUIREMENTS CHECKLIST

1. All insurance policies must be forwarded to the Lender's insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers (which may include being signed by certified electronic signature).
3. The Lender must be shown as First mortgagee and loss payee under the builder's risk and, where applicable, the boiler and machinery insurance policies.
4. The Lender must be shown as an additional insured under all liability policies covering the Project with respect to claims arising out of the operations of the named insured.
5. The Borrower or the Nominee, as applicable, must be shown as a named insured or additional named insured under all policies of insurance in force with respect to the Project.
6. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Project as an insured location must be shown on the insurance policies.
7. The builder's risk and, where applicable, the boiler and machinery policies shall contain a standard mortgage clause in favour of the Lender.
8. All policies of insurance must provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the statutory conditions may apply.
9. There needs to be evidence of builders risk insurance written on an all risk or broad form basis and may or may not be subject to the latest CCDC policy wording.
10. The builders risk insurance needs to insure 100% of the projected hard costs of the Project and not less than 25% of all Project soft costs plus 100% of any finance charges, or 100% of recurring Project soft costs.
11. There needs to be evidence of full by-law extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the property and resultant loss of income.
12. There needs to be evidence of earthquake, flood and sewer back-up insurance.
13. The builders risk policy needs to include a "permission to occupy" clause and coverage for the installation, testing and commissioning of machinery and equipment, and for all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical, and mechanical breakdown.
14. The builders risk policy needs to include delayed start up insurance to cover 100% of the anticipated loss of revenue for a minimum of one year, which may be incurred in the event of an insured loss, during construction.

15. The builders risk policy, where applicable, must contain a minimum DE4/LEG2 amended workmanship, design or materials exclusion working and confirmation of resulting damage is covered.

Owners Liability:

16. There must be evidence of owner's liability insurance, with a minimum limit of \$5,000,000 per occurrence or such other limit as may be agreed to by the Lender or its insurance consultant unless a wrap-up liability policy has been purchased. Coverage should include but not be limited to cross liability, severability of interest, contractual liability and sudden and accidental pollution extension.

Contractors Liability:

17. There must be evidence of contractors liability insurance, with a minimum limit of \$5,000,000 per occurrence or such other limit as may be agreed to by the Lender or its insurance consultant unless a wrap-up liability policy has been purchased. Coverage should include but not be limited to cross liability, severability of interest, contractual liability, non-owned auto, and sudden and accidental pollution extension.
18. The Borrower or the Nominee, as applicable, must be added as an additional insured under any contractor's liability insurance, but only with respects to claims arising out of the operations of the named insured.

Wrap-up Liability:

19. There must be evidence of wrap-up liability insurance, with a minimum limit of \$5,000,000 per occurrence or such other limit as may be agreed to by the Lender or its insurance consultant and provide 12/24/36 months completed operations period, cross liability, severability of interest, contractual liability, and sudden and accidental pollution extension.
20. The Borrower or the Nominee, as applicable, must be added as an additional named insured under the contractor's wrap-up liability insurance, but only with respects to claims arising out of the operations of the named insured. The Borrower or the Nominee, as applicable, and all contractors, sub-contractors, trades and consultants must be named insureds with respect to the work or operations at the Project, excluding professional liability.

Other:

21. The Lender will not accept evidence of insurance on a CSIO form, or an ACORD Form #25 (or their equivalents), due to the limitation in the wording as to its efficacy, and the restrictive cancellation provisions, unless accompanied with an additional remarks schedule/comments ACORD 101 or CSIO equivalent.
22. Evidence of professional liability (errors & omission) insurance is required for the architect and the engineer of the Project for a minimum limit of \$1,000,000 per occurrence.
23. The Lender and its insurance consultant shall receive copies of all policy "Warranties" that apply.
24. Such other insurance and the Lender and/or its insurance consultant may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain or cause to be purchased and maintained.

There must be full, original, certified, endorsed copies of the insurance policies provided to the Lender as soon as available from the insurers, which certified policy copies should be available within 60 to 90 days. Signed Certificates or binders of insurance addressing the above will suffice as insurance evidence for closing purposes.

In the instance that any portion of the property insurance coverage described above has expired or been cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to the Lender within 45 days (with the certified policy copies provided within 90 days) of the expiration or cancellation date, the Lender will have the option, without obligation, to place adequate and satisfactory insurance (in the Lender's sole, absolute and unfettered discretion) for the Project at the Borrower's expense.

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

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

Insurance Broker Contract Information and Release

Please provide the following information for our records:

Insurance Broker:	Brokerage Name:	Masters Insurance Limited
	Contact Name:	Robert Ciccolini
	Address:	7501 Keele Street, Unit 400
		Vaughan, Ontario L4K 1Y2
	Phone #:	905-738-4164
		Fax # 905-738-5143
	Email Address:	raciccolini@mastersinsurance.ca

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

Contact Number:	905-731-5069 x23
Email Address:	ramen@pacedev.ca

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

BORROWER:

Mapleview Developments Ltd.

Per:  F84E112CF275468...

Name: Dino Sciavilla

Title: President

SCHEDULE B OTHER CONDITIONS

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

by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Loan Documents, the Project and any of the Loan Parties within the possession or control of the Lender.

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

accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full and will help protect the Loan Parties from fraud and will also protect the integrity of the credit-granting system.

10. **Right to Inspect:** The Borrower acknowledges that the Lender may inspect the Project at any time at the expense of the Borrower.
11. **Demand and Default:** Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, in the event of any of the Loan Parties failing to pay any amount when due or being in breach of any covenant, condition or term of any of the Loan Documents, or if any representation or warranty made by any of the Loan Parties, or any information provided by any of the Loan Parties or their respective agents is found to be untrue or incorrect in any material respect, if all or any portion of the Project in the course of construction remains unfinished and without any work being done for a period of 20 consecutive days other than as a result of force majeure, if any Event of Default as defined in the Security has occurred which is continuing, or if in the sole opinion of the Lender, a material adverse change occurs relating to any of the Loan Parties, the Project, or the risk associated with the Loan, then the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender, the Lender may, at its option on notice to the Borrower, demand repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, cease or delay further funding, and/or may exercise any and/or all remedies available to it under the Security, at law and/or in equity. Furthermore, the Lender may, at its option, on notice to the Borrower, declare the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
12. **Remedies Cumulative:** No extension, postponement, forbearance, delay, or failure on the part of the Lender in the exercise of any power, right or remedy under any of the Loan Documents, at law or in equity shall operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Lender at any time during the existence of a default shall be construed as a waiver of any continuing default or of any of the Lender's rights or remedies. All of the powers, rights and remedies of the Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Lender may elect. No waiver of any condition or covenant of any of the Loan Parties or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant or condition or of any subsequent breach of such covenant or condition or justify or constitute a consent to or approval by the Lender of any violation, failure or default by the applicable Loan Party of the same or any other covenant or condition contained under any of the Loan Documents.
13. **Appointment of Receiver:** Upon and during the continuance of an Event of Default, in addition to any other rights which it may have, the Loan Parties each consent to the Lender's appointment of a receiver, or a receiver and manager either privately or by court appointment, to manage the Project and do all things necessary as an owner would be entitled to do.
14. **Severability:** Each of the Loan Parties agrees that if any one or more of the provisions contained in this Commitment Letter shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment Letter and this Commitment Letter shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

15. **Multiple Parties:** If any of the Loan Parties is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation unless otherwise specifically stated herein.
16. **Time of the Essence:** Time is of the essence in this Commitment Letter.
17. **Non-Merger:** The representations, warranties, covenants and obligations herein set out in any of the Loan Documents shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
18. **Representations and Warranties:** Each of the Loan Parties will, as applicable, provide the usual representations and warranties in the Loan Documents including, without limitation (a) the accuracy of any financial statements provided to the Lender, (b) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements used to evaluate this Loan, (c) title to the Project, (d) such Loan Party's power and authority to execute and deliver the Loan Documents to which it is a party, (e) the accuracy of any documentation delivered to the Lender, (f) the accuracy of all representations and warranties made to the Lender in the Loan Documents to which it is a party, (g) that there are no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Project, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Project, (h) that such Loan Party is attending to the preservation of its assets, (i) the payment of all taxes, (j) that no consents, approvals or authorizations are necessary in connection with such Loan Party's business including without limitation, the construction of the Project, (k) that the construction of the Project is proceeding in accordance with all applicable laws, (l) that there are no other encumbrances registered against title to the lands upon which the Project is to be constructed except for Permitted Encumbrances, (m) that all necessary services are available to the Project, and (n) that no hazardous substances used, stored, discharged or present on the Project other than in accordance with all applicable laws, and will represent and warrant such other reasonable matters as the Lender or its counsel may require.
19. **Interim Occupancy Fees and Revenues:** Interim occupancy fees/revenue must be used exclusively towards Project costs or to reduce the outstanding balance of any loan secured by a first ranking mortgage of the lands upon which the Project will be constructed. Save an except as set forth in this Section, interim occupancy fees may not be used by the Borrower for any other purpose nor may they be removed from the Project as a fee, equity repatriation, dividend, interest, premium or any other form of distribution.
20. **Payment of Sales Taxes:** The Borrower accepts full responsibility for remittance and payment of any and all applicable sales tax due and the periodic submission and collection of all applicable sales tax claims and credits. The Project Budget shall include a net difference of \$Nil for applicable sales tax paid less applicable sales tax recovered and shall also include a ceiling of \$2,000,000 for Phase I and II or \$1,000,000 for Phase III, respectively, at any point in time, prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, with respect to the permitted difference between applicable sales tax included in work-in-place less applicable sales tax recovered by the Borrower from government authorities. If the difference referred to in the previous sentence exceeds \$2,000,000 for Phase I and II or \$1,000,000 for Phase III, respectively, at any point in time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, the portion of the difference in excess of \$2,000,000 for Phase I and II or \$1,000,000 for Phase III, respectively, be funded by the Borrower as additional equity.

21. **Lender's Sign:** The Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Project at any time after execution of this Commitment Letter by the Borrower but prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, which sign shall state that the Lender has assisted with the financing of the Project. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, after which time the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.
22. **Governing Law:** The Loan and the Loan Documents shall be governed by and construed under laws of the Province of Ontario and the federal laws of Canada as applicable therein.
23. **Modification:** No term or requirement of any of the Loan Documents may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to any of the Loan Documents must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
24. **Language:** Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations were the context so requires.
25. **Headings:** The headings and section numbers appearing in any of the Loan Documents are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Loan Documents.
26. **Counterparts:** Any of the Loan Documents may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.
27. **Electronic Execution:** The words "execution," "execute", "signed," "signature," and words of like import in or related to any Loan Documents to be signed in connection with the Loan shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.
28. **Calculations:** All interest calculated under this Commitment Letter shall be computed based on the actual number of days elapsed in a year consisting of 365 days.
29. **Paramountcy:** In the event of any inconsistency or conflict between any of the provisions of the Commitment Letter and any provision or provisions of the Security, the provisions of the Commitment Letter will prevail.

SCHEDULE C PROJECT MONITOR MANDATE / REPORTING

LOW RISE CONSTRUCTION

GENERALLY ON THE ROLE OF THE PROJECT MONITOR:

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

MONTHLY REPORTS REQUIRED BY THE LENDER FOR WORK-IN-PLACE:

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

1. Brief description of the project
2. Comparison of the current budget to previous budgets
3. confirm all funding sources including without limitation, equity, purchaser deposits, deferrals, mezzanine financing and construction loan, as applicable;
4. confirm that Minimum Project Equity has been injected into the Project on the agreed-upon land valuation contained in the Commitment Letter and costs incurred to date;
5. confirm that the Borrower has continually maintained the Minimum Project Equity at all times;
6. Confirm the approach being taken with regards to Holdback. If the Borrower is not taking a 10% Holdback in line with the requirements of the lien act this must be noted in the report and discussed with the KingSett team.
7. If the project includes any deferred items, these must be noted in the report.
8. confirm the purchase price for the lands upon which the Project is to be constructed by reviewing the purchase and sale agreement and supporting documents;
9. review all available architectural and engineering plans and specifications for conformity with the Project Budget, along with all awarded contracts, letters of intent or tendered quotations;
10. review all environmental site assessments reports, geotechnical reports and hydrogeology reports, as applicable, and confirm that all recommendations are included within the Project Budget; any major risks / unknowns are to be highlighted.
11. review all design consultant contracts in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets. The commentary should confirm whether are adequate funds left in the cost to complete for the contract administration phase of the project of the design team; and
12. review all sales, legal and marketing agreements in conjunction with a review of costs incurred to date to confirm the adequacy of applicable budgets and the timing of commission payments with respect thereto.

13. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender.
14. **List any outstanding documents that have been requested but not received.** For example, if backup to invoices have been requested but not received, this should be noted.

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

1. review the Borrower's draw request based on a Project cost report, invoices and aged payables listing, and update and confirm the cost of work completed to date including holdbacks. Specifically, the body of the report should include a section on:
 - (a) Outstanding Payables & cancelled cheque review
 - (b) Any adjustments to the project budget as a result of prices being adjusted by trades and / or new trades being contracted to complete the work (for example, new lumber supply rates affecting the budget should be documented);
 - (c) HST refunds
2. Further to the above, the QS must do a review of all the hard cost invoices to ensure amounts claimed are in line with progress on site, including all costs tied to general requirements and trade invoices (full backup of hard costs to be made available on request).
3. update the Project Budget and comment on any amendments to the Project Budget based on a review of the latest information and discussions with the Borrower;
4. review and update the Project cash flow projections and advise on any necessary revisions. Cash flow should include a reasonable forecast of the construction hard costs, and all key milestones in the project per the baseline schedule should be shown in the legend;
5. comment on the adequacy of the remaining contingency allowances;
6. review cancelled cheques to confirm that all material costs claimed in the Borrower's last draw request have been paid; and
7. receive and review a standard Statutory Declaration of Progress Payment Distribution and WSIB certificate. The QS should check that the Statutory Declaration has been signed, stamped by the commissioner and is up to date. If the statutory Declaration isn't up to date this should be flagged in the executive summary of the report.

Outstanding documents:

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

- f. Any other material items

Site Visit:

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

Construction:

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

Monthly Progress:

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

Sales and Deposits:

1. review and analyze the Borrower's updated presale and/or deposit schedule and provide comments on any material changes from the last report; and
2. where deposits are held in trust, obtain an updated confirmation from the trustee as to the amounts held.

Permits and Approvals:

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

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

Other:

1. identify any potential issues that may affect the completion of the Project in accordance with the Project Budget and the Project Schedule;
2. provide any additional recommendations as they become apparent during the Project Monitor's review and discussions with the Borrower and the Lender;
3. All Monitoring reports should include the following Appendices:
 - (a) Borrower's cost ledger / Borrower's job cost report and bank statements
 - (b) Quantity Surveyor's Capital Cost Summary (CCS)
 - (c) A reconciliation between the Quantity Surveyor's CCS and the Borrower's ledger
 - (d) A construction cost report (CCR)
 - (e) Draft Margin Calculation
 - (f) A current project schedule
 - (g) Cash flow (must be kept up to date)
 - (h) A site plan marked up showing what has been completed to date (example included as a separate attachment for reference)
 - (i) Borrower's sales report

- (j) Deposit Trust summary
- (k) The Construction Manager's invoice / Contractor's invoice. If applicable, executed copies of change orders should be included
- (l) Consultant reports (as available)
- (m) Site Photographs. Location at which site photos were taken to be clearly identified (minimum of 2 photos per block under construction)
- (n) Project Monitor's Certificate for Payment
- (o) Project Monitor Certificate / Payment Certifier's Certificate (as applicable)
- (p) Statutory Declaration and WSIB / Worksafe statement
- (q) Off site Storage Agreements (if off site storage has been claimed, please enclose in a separate appendix)
- (r) Building Permits & Development agreements (as they are received)
- (s) Contracts / Backup to costs being reported as committed (as they are received)
- (t) Insurance certificates (when updated / renewed)
- (u) A cash flow linked to construction schedule
- (v) A comprehensive accounts payable schedule

**SCHEDULE D
NOTICE TO PROPERTY TAX AUTHORITY**

Re: Urban North Towns

To Whom It May Concern:

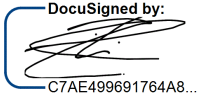
Approval is being given to release any information verbally or in writing as requested by the Lender or its affiliates regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding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

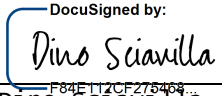
This approval will remain in full force and effect until the mortgage is paid in full.

Dated this 9/26/2022 day of _____, 20____.

BORROWER:

Mapleview Developments Ltd.

Per: 
Name: Gregory Zehr
Title: Executive Chairman & Co-Founder

Per: 
Name: Dino Scianilla
Title: President

Project Civic Address:

Property tax information on file with KingSett

Roll Number:

(Please complete in full)

SCHEDULE E PRE-AUTHORIZED DEBIT ("PAD") FORM

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

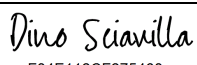
This authority is to remain in effect until the Lender has received written notification from me/us of its change or termination. This change or termination notification must be received by the Lender at least ten business days before the next debit is scheduled at the address provided below.

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

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

Borrower Name Maplevue Developments Ltd.	
Address 30 Wertheim Court, Unit 3, Building A	Province Ontario
City Richmond Hill	Postal Code L4B1B9
Phone # 905-731-5029	

FI Name Royal Bank of Canada	Institution # 003
Account # 1078666	Transit # 06032
Address 260 East Beaver Creek Road	Province Ontario
City Richmond Hill	Postal Code L4B3M3

Authorized Signature(s)	<div style="border: 1px solid black; padding: 2px;"> <small>DocuSigned by:</small>  <small>F84E112CF275468...</small> </div>
Name(s)	Dino Sciavilla

SCHEDULE F PROJECT BUDGET

The approved Project Budget for Phases I & II is \$204,225,000 (or \$200,725,000 excluding \$3,500,000 of KingSett Mezz Costs) as set out below:

Phases I & II				
Uses - Project Costs	Total	Servicing	Construction	
Land Costs	\$ 20,024,893	\$ 20,024,893	\$ -	
Site and Servicing Costs	\$ 31,644,158	\$ 31,644,158	\$ -	
Construction Costs	\$ 79,689,739	\$ -	\$ 79,689,739	
Development Costs	\$ 19,814,599	\$ 1,076,892	\$ 18,737,707	
Consultants	\$ 6,612,074	\$ 6,487,074	\$ 125,000	
Admin / Marketing Costs	\$ 15,866,851	\$ 11,346,320	\$ 4,520,531	
Financing Costs	\$ 23,217,151	\$ 19,464,451	\$ 3,752,700	
KingSett Mezz Costs	\$ 3,500,000	\$ 2,500,000	\$ 1,000,000	
Contingency	\$ 3,855,535	\$ 306,212	\$ 3,549,323	
Total Costs	\$ 204,225,000	\$ 92,850,000	\$ 111,375,000	
Source of Funds	Total			
Facility 1 (In0509)	\$ 43,719,480			
Facility 2 (In0523)	\$ 15,261,465			
Facility 3 (In0510)	\$ 15,000,000			
Total KingSett Exposure	\$ 73,980,945			
Purchaser Deposits	\$ 10,089,130			
Trade Credit	\$ 3,486,596			
Deferred Costs	\$ 3,150,000			
Equity / Marshall Zehr Subordinate Loan Exposure	\$ 113,518,329			
Total Source of Funds	\$ 204,225,000			

The Borrower and/or the Guarantors shall be required to finance any and all Project Budget overruns from its/their own financial resources and/or from any unadvanced portion(s) of the MarshallZehr Group Inc. Third Mortgage.

The approved Project Budget for Phase III is \$119,749,999 (or \$118,249,999 excluding \$1,500,000 of KingSett Mezz Costs) as set out below:

Phase III				
Uses - Project Costs	Total	Servicing	Construction	
Land Costs	\$ 14,068,332	\$ 14,068,332	\$ -	
Site and Servicing Costs	\$ 12,309,011	\$ 12,309,011	\$ -	
Construction Costs	\$ 55,834,841	\$ -	\$ 55,834,841	
Development Costs	\$ 15,071,911	\$ 392,276	\$ 14,679,635	
Consultants	\$ 1,310,716	\$ 1,053,966	\$ 256,750	
Admin / Marketing Costs	\$ 7,279,858	\$ 4,963,608	\$ 2,316,250	
Financing Costs	\$ 7,959,112	\$ 4,696,862	\$ 3,262,250	
KingSett Mezz Costs	\$ 1,500,000	\$ 1,000,000	\$ 500,000	
Contingency	\$ 4,416,218	\$ 265,944	\$ 4,150,274	
Total Costs	\$ 119,749,999	\$ 38,749,999	\$ 81,000,000	
Source of Funds	Total			
Facility 4 (In5028)	\$ 18,062,627			
Facility 5 (In5022)	\$ 5,776,707			
Total KingSett Exposure	\$ 23,839,334			
Purchaser Deposits	\$ 7,962,950			
Trade Credit	\$ 3,345,879			
Deferred Costs	\$ 1,514,199			
Equity / Marshall Zehr Subordinate Loan Exposure	\$ 83,087,637			
Total Source of Funds	\$ 119,749,999			

The Borrower and/or the Guarantors shall be required to finance any and all Project Budget overruns from its/their own financial resources and/or from any unadvanced portion(s) of the MarshallZehr Group Inc. Third Mortgage.

SCHEDULE G
MINIMUM DISCHARGE AMOUNT SCHEDULE

Phases I & II				
Unit Type	# of Lots	Minimum Discharge/f.f.		Minimum Discharge Per Lot
16 f.f. stacked	102	\$	14,425	\$ 230,800
20 f.f. freehold	31	\$	14,425	\$ 288,500
22 f.f. freehold	39	\$	14,425	\$ 317,350
15 f.f. back-to-back	100	\$	14,425	\$ 216,375

Phase III				
Unit Type	# of Lots	Minimum Discharge/f.f.		Minimum Discharge Per Lot
20 f.f. freehold	48	\$	14,425	\$ 288,500
22 f.f. freehold	31	\$	14,425	\$ 317,350
15 f.f. back-to-back	96	\$	14,425	\$ 216,375
16 f.f. condo/row	34	\$	14,425	\$ 230,800

IN THE MATTER OF AN 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

**KINGSETT MORTGAGE CORPORATION and MAPLEVIEW DEVELOPMENTS LTD., PACE MAPLEVIEW LTD. and
2552741 ONTARIO INC.**

Applicant

Respondents

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

Proceedings commenced in Toronto

**Affidavit of Linda Fraser-Richardson
(Sworn August 9, 2024)**

BENNETT JONES LLP
One First Canadian Place, Suite 3400
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Toronto, ON M5X 1A4

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Lawyers for KingSett Mortgage Corporation